

**Title: Wednesday, May 17, 2006 Public Accounts Committee**

Date: 06/05/17

Time: 8:30 a.m.

[Mr. MacDonald in the chair]

**The Chair:** Good morning, everyone. I would like to call the Standing Committee on Public Accounts to order. It's a beautiful morning. Mr. Prins is well dressed for today in short sleeves. So is Mr. Johnston. It's seldom that one needs air conditioning at 7:30 in the morning in Edmonton in your car, but this morning was an exception.

I would now like to quickly go around the table, and we could perhaps introduce ourselves.

[The following members introduced themselves: Reverend Abbott, Ms Blakeman, Mr. Bonko, Mr. Chase, Mr. Eggen, Mr. Griffiths, Mr. Groeneveld, Mr. Johnston, Mr. Lindsay, Mr. MacDonald, Dr. Morton, Mr. Prins, Mr. Rodney, Mr. Rogers, and Mr. Webber]

[The following departmental support introduced themselves: Mr. Hook, Mr. Ramotar, and Ms Yiu-Young]

[The following staff of the Auditor General's office introduced themselves: Mr. Dunn and Mr. Wylie]

**Mr. R. Miller:** Good morning. Rick Miller, Edmonton-Rutherford.

**Mr. Lund:** Ty Lund, Minister of Infrastructure and Transportation.

**Mrs. Dacyshyn:** Corinne Dacyshyn, committee clerk.

**The Chair:** The agenda packages were sent out on Monday. May I have approval of the agenda, please?

**Mr. Rogers:** So moved, Mr. Chairman.

**The Chair:** Thank you. Moved by Mr. Rogers that the agenda for the May 17, 2006, meeting be approved as distributed. All in favour? Those opposed? Seeing none. Thank you very much.

Now, for our meeting with the hon. Mr. Ty Lund, Minister of Infrastructure and Transportation. Again, on behalf of all members of the committee I welcome you and your staff here. I would like to advise the minister that there's no need to touch the microphones. If individual users press the button, it actually turns off the *Hansard* console operation. So if you could bear that in mind, we would be grateful for your patience.

I note that Mr. Miller is with us this morning from Edmonton-Rutherford. He is not a member of this committee. He's certainly welcome to participate in the discussions this morning, but if there are any matters, you are not permitted to vote. Those are our Standing Orders, but you are welcome.

Mr. Minister, if you could please proceed with an overview of your department for the fiscal year 2004-05, we would be grateful, and if that overview would be less than 10 minutes, we would be extremely grateful.

Mr. Bonko.

**Mr. Bonko:** I was just making sure that I would be able to be on the speaking list as well.

**The Chair:** Yes, you are on the list, sir.

**Mr. Bonko:** Thank you.

**Mr. Lund:** Thank you, Mr. Chairman, and good morning, everyone. While I've only been the Minister of Infrastructure and Transportation since last March, I'm pleased to present the '04-05 results of the department. As you know, Infrastructure and Transportation has enjoyed a heightened profile over the last couple of years, and I'm pleased to share its many accomplishments. I know that we've been asked to be brief, so I will try to keep my comments to the highlights of our activities over the '04-05 fiscal year and a summary of its expenditures.

But before I would begin, I would like to introduce some of the senior staff who are with me today. Their jobs were made even more challenging with the merging of the previously separated departments of Alberta Infrastructure and Alberta Transportation in November of 2004. So with me on my left, Jay Ramotar, deputy minister, and on my right, Winnie Yiu-Young, assistant deputy minister of policy and corporate service. In the back is Rob Penny, assistant deputy minister of transportation and civil engineering; at my far left, Gregg Hook, assistant deputy minister of transportation safety services. Barry Day, assistant deputy minister of capital projects is behind; Bob Smith as well, assistant deputy minister of properties; and Angela Paterson, director of financial planning. I don't see Bart. [interjection] Well, he's unusually quiet.

The combined ministry now has overall responsibility for Alberta's roads and bridge infrastructure, water management, municipal water and waste-water treatment facilities, transportation safety programs, government buildings, property acquisition and disposal, and the government's vehicle and aircraft fleets. The responsibility of funding for school buildings, health facilities, and postsecondary facilities has been transferred to respective departments in 2006. However, I will refer to these facilities in this morning's presentation as they were a part of this department's responsibility during '04-05.

There are five core businesses that define the operations of Alberta Infrastructure and Transportation in '04-05: manage provincial transportation and safety programs; plan, develop, and manage government-owned infrastructure; partner with municipalities and boards to plan, develop, and implement infrastructure that meets local needs; represent Alberta's interests in transportation policy; and provide strategic services to government ministries, boards, and agencies.

I'd like to highlight just a few of my department's many accomplishments in support of these core businesses. In the '04-05 fiscal year the government of Alberta accepted the recommendations of the McDermid report, and Infrastructure and Transportation together with the ministries of the Solicitor General and Public Security and Justice and Attorney General drafted the Alberta traffic safety plan. Implementing the plan will assist in realizing national traffic safety goal and targets.

We introduced Bill 39, the Traffic Safety Amendment Act, 2005, to enhance road safety, including new speed limits for passing construction workers and emergency vehicles. We signed the public/private partnership agreement to construct the southeast portion of Edmonton's Anthony Henday Drive, which will connect highway 2 and highways 14 and 216. Traffic congestion in south Edmonton will be significantly reduced in the fall of '07, which is when we expect this project will be completed.

Eliminating traffic congestion isn't the only benefit of this P3 project. By taking a P3 approach, the road is being built sooner than if we had gone through the traditional government funding approach. As well, capital costs are fixed and the province is protected from inflation. Government is already seeing the benefits from this. If you compare the construction costs two years ago to the costs today, they have increased substantially. In the past year alone road construction costs have ballooned some 25 per cent. The contractor,

not the government, has had to absorb these cost increases, and they will continue to do so. The P3 approach also insulates the province from risks such as weather delays, difficult ground conditions, and construction delays. We also know that as a P3 project there are more incentives for the road to be built on time and on budget. There are penalties for not completing the project by the deadline, and the contractor is responsible for all cost overruns. Finally, there is an extended warranty of 30 years on the work. That means that the contractor is responsible for any repairs during those 30 years.

During the '04-05 fiscal year the natural gas rebate program was administered to provide Albertans with some relief from high gas prices to the tune of some \$276 million. The ministry took the lead role in the capital planning initiative to prioritize all capital project requests on behalf of all government departments, and in conjunction with other stakeholders a framework to apply a per pupil funding methodology to school capital and operating grants was developed.

I'd like to go on listing the department's accomplishments, but in the interest of time I will move on to summarize the ministry's expenditures for '04-05. Alberta Infrastructure and Transportation responsibly and effectively managed its resources during '04-05. Our expenditures were lower than the authorized budget of \$118 million, or approximately 3 per cent of the total budget. This underexpenditure was primarily due to, one, an underexpenditure in the energy rebate program of some \$38 million because the price of gas was less than expected; two, approximately \$42 million was lapsed in the capital investment vote to '05-06 due to project delays; and then, finally, \$46 million underexpended in noncash items which primarily relate to amortization. These noncash items are not real money. By that, I mean that they couldn't be spent on programs.

8:40

In the '04-05 fiscal year operating expenditures and equipment/inventory purchase expenditures totalled \$3.1 billion. The capital investment was some \$591.3 million. The overall ministry expenditure was close to some \$3.7 billion. Of the \$3.1 billion spent in operating and equipment/inventory purchases, over \$1 billion was spent on preservation and expansion of infrastructure projects such as school facilities, some \$221.7 million; health care facilities and seniors' lodges, \$643.8 million; postsecondary facilities, \$214.9 million. Approximately \$381 million was provided to municipalities for transportation and waste-water infrastructure needs. Approximately \$320 million was spent on highway maintenance and rehabilitation. Over \$125 million was spent to operate and maintain the 1,800 government-owned buildings. We spent over \$102 million on leases to accommodate government programs. Over \$349 million was provided to support the day-to-day operations of our schools, \$30 million was spent on transportation safety services, and approximately \$21 million was spent to continue operating the Swan Hills Treatment Centre, the only facility of its kind in Canada and one of only a few in the world. The centre is capable of processing a wide variety of industrial waste, including dioxins, PCBs, solvents, leftover paints, pesticides, toxic wastes, cleaning agents, and gas plant filters.

Since 1987 the Swan Hills Treatment Centre has treated more than 250,000 tonnes of hazardous waste from Alberta and other provinces. Now, the net cost to run the plant is approximately \$14 million annually. In addition, the government contributes some \$625,000 to a decommissioning provision each year. This should total some \$37.6 million by 2018, when the plant will reach the end of its useful life. The provision will pay for decommissioning and dismantling the facility and burying it on-site. While this is no small investment, this is the cost of keeping Alberta clean.

Approximately \$122 million was spent on construction or expansion of government-owned buildings and facilities. Some \$39 million was spent on government-owned water management and infrastructure such as dams, canals, and spillways. We spent approximately \$150 million on provincial highway construction, and some \$259 million was spent on strategic economic corridor investment initiatives. These initiatives include the rural and urban north-south trade corridor and Edmonton and Calgary ring roads. They also include other economic corridors such as the Cassils Road intersection in Brooks, the 13th Avenue interchange in Medicine Hat, and the highway 9 widening project north of Drumheller. We also spent some \$6.3 million for capital repairs and chemical inventory at the Swan Hills Treatment Centre.

On a more detailed level Infrastructure and Transportation accomplished quite a bit in '04-05. The fiscal year was very successful in terms of construction projects. The ministry constructed or overlaid approximately 580 kilometres of highway, began construction of the Calgary Courts Centre, began construction of a level 3 biocontainment laboratory that can test for BSE and other risk agents, continued work on centennial projects, including upgrading the north and south Jubilee auditoria and renovating and expanding the renamed Royal Alberta Museum, began construction on the Mazankowski Heart Institute, continued construction on the Alberta Children's hospital in Calgary, began construction of an interchange at highway 16 at Campsite Road in Spruce Grove, an interchange at highway 1 and Cassils Road in Brooks, the twinning of highway 43 from Green Court to Glenevis, and started on the Edmonton southeast portion of the Anthony Henday.

Infrastructure and Transportation also maintained a number of grant funding programs. To help support their transportation priorities, both Edmonton and Calgary continued to receive funds based on 5 cents per litre of road fuel sold within the city limits. Edmonton received some \$73.4 million, and Calgary received some \$89.7 million from this program. For other cities, towns, and villages Infrastructure and Transportation continued to provide \$60 per capita grant funds to support local transportation needs such as road construction, road rehabilitation, and transit buses.

In '04-05 17 projects were approved under the resource road program. The program is unique in that it gives private industry the opportunity to contribute to the project costs along with the municipalities.

Funding of \$31.8 million was also contributed to Alberta municipalities for the construction of high-priority water and wastewater treatment projects. A total of 89 projects across the province received funding through the Alberta municipal water/wastewater partnership.

In '04-05 the government also provided funding to municipalities through the rural transportation grant program, which saw some 76 municipalities receive a total of \$50.4 million. The program allows municipalities to meet heavy traffic demand, improve and expand local road systems, and increase the safety of their local road infrastructure. Program funding enables municipalities to hire private engineering consultants to survey, design, and supervise work on roadway construction projects.

Continuing grant funding plays an important role in support of Alberta municipalities as they address infrastructure pressures. [interjection] I'm sorry?

**The Chair:** If you could conclude soon, please.

**Mr. Lund:** Well, Mr. Chairman, this is a huge, huge department. I'm just about finished, but I'm only touching on the highlights.

**The Chair:** Yes, I realize, but we only have an hour and 30 minutes. There's already a long list of members who are interested in questioning the huge budget of the department, and we have to hear from the Auditor General, so please conclude. Thank you.

**Mr. Lund:** Okay. I could have finished if I hadn't been interrupted.

Before I conclude, I'd like to touch on the Auditor General's report for the '04-05 fiscal year. The '04-05 audit for Alberta Infrastructure and Transportation went very well, and no significant issues were raised. Our department received only two new systems audit recommendations. The two new recommendations relate to air transport service and state that we should "complete and maintain a program assessment that includes an analysis of its aircraft fleet's use and an overall cost-benefit analysis of the program," and "publicly report fleet use details" as permitted by the FOIP Act.

This concludes the summary, Mr. Chairman. I would now entertain questions, and certainly with the backup that we have here this morning, we should be able to get very, very detailed answers. I'll be referring to them on many occasions.

Thank you.

**The Chair:** Please feel free to do so, Mr. Lund. That would be great.

Mr. Dunn, please.

**Mr. Dunn:** I'll be brief. The minister has covered part of what I was going to say, that we did have two new numbered recommendations around the air fleet, which he has already cited.

In our report, which does start on page 243 in our last year's annual report, regarding P3s, we described our findings from completing the audits of the southeast Edmonton ring road and the Calgary courthouse, and we noted that improvements could be made to the public-sector comparator and that the department should document when and how it plans to use shadow bids in evaluating P3s. That was a follow-up from our prior year's work around P3s. In future reports we do plan to report the government's progress in implementing that six-part recommendation from 2004 on P3s.

We also report that the department has made satisfactory progress in implementing other recommendations, and there were a number from other years. On page 259 we talked about the preparation of draft construction grant agreements, manuals, and contracting directives to grant recipients, strengthening the monitoring processes for construction grants, and implementing a process to ensure that contracts with construction managers protect the department's interests as a funder and that the contracts are cost-effective.

8:50

We also noted strengthening the department's monitoring processes for the commercial vehicle and motor vehicle inspection programs and improving the licensing process for inspection facilities and their technicians. On page 265 we also report an improvement in the security of government buildings and the safety of the people who use them.

Those are my brief opening comments, Mr. Chairman and committee members. I myself will answer any questions directed to us.

**The Chair:** Thank you. Again, there's a long list. I would appreciate it if members could be direct in their questions and if the department could be concise in their responses.

Ms Blakeman to start, please, followed by Mr. Johnston.

**Ms Blakeman:** Thank you very much. I'll direct your attention to

pages 246 and 247 of the Auditor General's report. Toward the bottom of page 246 it says that "P3s are the only current form of alternative capital financing projects that are being used, although others are being considered." I remember that there was some discussion about borrowing from the heritage fund to finance capital projects. So my first question to the minister today is: what other methods of alternative capital financing were being considered during this year? It says there are others. What are they?

**Mr. Lund:** I'll defer to the deputy.

**Mr. Ramotar:** Well, right now we only have two delivery mechanisms. One of them is the P3, and the other one is conventional delivery. We are not looking at any other alternative financing methods.

**Ms Blakeman:** Oh, okay. My follow-up question, then, comes from the middle of page 247. The Auditor General had referred to them doing "a P3 evaluation study for long-term care facilities . . . showing that a P3 could compare favourably to the public-sector comparator." I'm wondering which facility that comparison was done on.

**Mr. Day:** I'm sorry. I don't know the specific facility that it was done on.

**Mr. Lund:** I can tell you that we have been looking at – some of this, of course, was close to infrastructure, which you know I had before. So we were looking in the health care facilities at partnering – and we did on many – with the nonprofit organizations like Good Sam, like Bethany Care, like Caritas. That is proving to be a very, very effective way to get good construction, to get really functional buildings.

I was so amazed when I would visit facilities that these people designed because they operate them, and if you've got the operator also in on the design, it's amazing the things, particularly in areas like dementia and those kinds of areas. There are very special people that have a lot of experience in operating structures with people with those kinds of afflictions. They learn simple things that you can do in the design and construction that assist greatly in the quality of care that those people get. So those kinds of operations are ongoing. We will be doing more of them.

**The Chair:** Thank you, Mr. Minister.

**Ms Blakeman:** I think there's an answer behind you.

**Mr. Dunn:** Teresa Wong, a principal with our office on infrastructure, knows the name of the facility.

**Ms Wong:** It's the David Thompson.

**Mr. Lund:** The David Thompson health region. Well, that could have very well been in Rocky Mountain House, and that's the Good Sam project. If you're talking about the David Thompson health region, actually they've done about four of these: in Sylvan Lake, in Rocky Mountain House, in Eckville, in Red Deer. I'm not sure about Lacombe. They could very well have. But I am familiar with those. The one in Red Deer, if you've ever had the opportunity to go to the college and look at that facility, is a remarkable facility. It's a training as well as a care centre, and Bethany Care are the people that operate it.

**The Chair:** Thank you.

Mr. Johnston, please, followed by Mr. Bonko.

**Mr. Johnston:** Thank you, Mr. Chair. Good morning, Mr. Minister. On page 61 of your annual report there's a paragraph that talks about the implementation of an environmental management system for the ministry. How much does or how much will the system cost?

**Mr. Ramotar:** The environmental management system is not a computerized system. What it is basically a set of guidelines to be used by department staff and consultants and contractors to carry out their job properly to make sure that we respect the environment. So the cost is minimal. It's just staff time and consultant time that are basically donated to come up with the guidelines.

**Mr. Johnston:** Okay. Are there any measures you can point to, or are you developing any measures that will show how much of an effect the system will have on the environment?

**Mr. Ramotar:** Not at this time. We just implemented the system in 2004-2005, and it's difficult to come up with actual measures, you know, initially, as you initiate the program. I think that in about five years or so we will have enough data to compare the way we used to do things to the way these new guidelines are implemented and being effective.

**Mr. Johnston:** Thank you. That's all I have.

**The Chair:** Thank you.

Mr. Bonko, followed by Mr. Rodney, please.

**Mr. Bonko:** Thank you, Mr. Chairman. My questions are out of the annual report on page 139, line item 2.5, energy rebates. Why is the government subsidizing the cost of electricity?

**Mr. Lund:** Where does the electricity come in? It's the natural gas rebate.

**Mr. Bonko:** Well, I guess, natural gas then.

**Mr. Lund:** Well, it was a decision that because of the high cost of natural gas, Albertans should be protected. Quite frankly, if you work it out, what we were doing was basically refunding the royalty that Albertans paid for the natural gas they were consuming. It works out really close because it's a graduated scale. It kicks in at \$1.50 per gigajoule when the price is at \$5.50 to \$7.50, then it jumps to a \$2.50 a gigajoule rebate at up to \$9, then it gets to be \$3.25 from there to \$12, and anything over \$12 we actually rebate the full amount, which we're doing if you take the royalty that's collected on natural gas, which is about 22 per cent. So if you look at those ranges and you look at what the rebate is, it's basically giving back to Albertans the royalty that we collected on the gas that they burned. I think that that is a very logical thing to do since Albertans own the resource, to refund the royalty that we collect on the gas that they use.

**Mr. Bonko:** Okay. Then my follow-up would be that because competition was supposed to lead to cheaper prices overall for consumption, what would be the long-term plan to get off the subsidy for Albertans?

**Mr. Lund:** Well, the fact is that natural gas, particularly, is priced on the North American market. There are some developments

occurring with liquidization of gas so that it can be transported like other fuels in the world. It could be that that will put a cap on what the natural gas would be. It's a commodity that's traded in North America, and now with the pipeline infrastructure that is in place, it can be delivered pretty much anywhere in North America. Of course, California and the east coast are big markets.

I personally believe that we probably will maintain the competitive pricing that is in the marketplace rather than interfere with it. If we keep the natural gas rebate program in place, then we are protecting Albertans from these large swings in the market. I think it's very important that Albertans receive the benefit of those prices where gas is exported out of the province.

9:00

**The Chair:** Thank you.

Mr. Rodney, please, followed by Mr. Chase.

**Mr. Rodney:** Thank you, Mr. Chair. Mr. Minister, I'm well aware that you were the minister of a different department last year, so if you need to refer to one of your fine staff members there or perhaps get an answer in writing, I'd appreciate this. It revolves around P3s. It's of particular interest in southwest Calgary. As you know, they're looking for a ring road there. I can't ask you why it's not on the books here because that's, you know, kind of a policy question and so on. The chair mentioned at the beginning that you only had 10 minutes. I wonder if you can tell us a little bit more about P3s in the last fiscal year, some of the good stories and maybe some other news that we need to tweak on and learn from for the future.

**Mr. Lund:** Well, I touched on it briefly in my opening comments because, of course, it was in this fiscal year when the southwest ring road was started. We spent some \$8 million on the engineering. That's what you'll see in the expenditures. That was basically on the design as you lead up to putting out a call for a proposal.

On benefits, in the Calgary courthouse, for example, the increased cost in steel and concrete: horrendous since we signed that contract. That's not costing us anything more. The contract is that you got a price for a product that's going to be delivered up to three years later, and the escalation that has occurred is greater than anybody had expected. On the southeast ring road here in Edmonton, a prime example: that's only a year old, and the prices have gone up 25 per cent. We don't have to pay one penny more for it.

As well, I think the one area that's hard – and when I was in Infrastructure, I talked with the Auditor General on this because there are some things, like: what kind of a percentage do you put on risk management? What are you prepared to pay for that? We're off-loading the risk onto the contractors. You can't expect them to come in at exactly the same price because they're accepting some huge risks. There's that. Then the whole issue about timing. What's the value on this ring road, for example, of having it completed two years earlier? What's the value of that to the residents of Edmonton and, for that matter, to the people that are coming into Edmonton and the trade outside? The 30 years that we have on those structures is not our responsibility, so it's like a 30-year warranty. What's the value of that? So when we're comparing these prices, I'm anxious to work with the Auditor General because I think it's very important that we get these things right. We have to get them right.

I'm just pointing out some of the things, how difficult it is to put a percentage or a number on some of those when you're doing the comparator that we always do, a comparator of what it would cost to have it done in our traditional manner.

**Mr. Rodney:** My second question, Mr. Chair. You can let me know if this is appropriate at this time or an answer I should receive later. Is it possible to ask the Auditor General about last year's P3s and his opinions on that?

**Mr. Dunn:** Yeah. I'm looking at page 245 through for about three or four pages. We talk about the P3 follow-up that we did from 2004. As the minister indicated, 2004 was the first review of P3s, being the two at that time, the Calgary courthouse and the southeast Edmonton ring road. We talk in here about the methodology which it is following and the requirement for Infrastructure to have a clear definition around what does qualify as a P3 and what doesn't. So, yes, we have described it all in here, and as I mentioned in my opening comments, we plan to continue to follow that up in the future and for other P3s that will be involved.

**Mr. Rodney:** Excellent. Thank you.

**The Chair:** Thank you.

Mr. Chase, followed by Mr. Webber, please.

**Mr. Chase:** Thank you very much, Mr. Chair. I'm referencing pages 257 and 258 of the Auditor General's report. My first question has to do with information manipulation. George Orwell in his novel *Nineteen Eighty-Four* noted that he who controls the past controls the future. In his report the AG noted that the government can delete a log from the data without a valid reason. Did the minister remove the option for deleting flights from the database?

**Mr. Lund:** I'm sorry; I don't follow your question.

**Mr. Chase:** I'll repeat it.

**Mr. Lund:** Well, yeah, but what about the flight logs? The manifest is available. That hasn't changed. It was available when I was in Infrastructure before. It's available today.

**Mr. Chase:** I'm talking about the flight log and deleting information.

**Mr. Lund:** There's confusion about the difference between a manifest and a flight log. The manifest is what's filled out. It's got the date, the time, the destination, the people that are on board, and the purpose for the trip. We followed the Auditor General's recommendations that all of that information be there. The flight log, for those that are interested, is what's carried on board by the pilots. It then gets into the detail: the amount of fuel, the exact time that the towers are contacted when they're contacting towers.

The problem is that if there are any instructions from any passenger on the trip, the pilots make a note of it on the flight log. There are personal, home phone numbers on there. So when you ask for the flight log, we have to have the commissioner or our staff go through, and they've got to take out all the information that might be on the flight log, that personal type of information that cannot be disclosed because of FOIP. That's the distinction between the two. For the life of me, I've never been able to figure out what the big deal is about when you've got access to the manifest, which tells who is on the plane, where it's going, what time it went. All of that detail is on there. The purpose for the trip: that's critical. That's a recommendation that the Auditor General made, and we're following it, that whoever books the plane has to tell us the purpose of the trip.

**Mr. Chase:** Thank you. My supplemental. This is to the Auditor General. On page 255 the Auditor General stated that "the fleet may be used inappropriately, if the Department does not specify in the Aircraft Policy the eligible purposes and passengers for fleet use and communicate the Policy to all users." During the 2004-2005 year was anything done to ensure that leadership candidates or their ministerial supporters wouldn't be able to access or abuse the fleet for their personal campaign purposes?

**Mr. Dunn:** Do you want me to answer that?

**Mr. Chase:** Yes, please.

**Mr. Dunn:** As we mentioned in this section, we did a high degree of testing of what we have called the journey logs, or the flight logs. On your first question, Mr. Chase, we didn't note any that had been inadvertently deleted or inappropriately deleted. So to answer that one, we didn't see that observation.

On the other one, we did look to make sure that everything that was used was properly described and was made public. Therefore, in answer to your question, if anybody was using it disproportionately, it should be open to public scrutiny. I can't answer: was anyone using it for personal political purposes? Everything seemed to indicate that they were using it for government-based business.

**Mr. Chase:** Thank you.

**The Chair:** Thank you.

Mr. Webber, please, followed by David Eggen.

**Mr. Webber:** Thank you, Mr. Chair. Hon. minister, we have heard of all the pressures on infrastructure in the Fort McMurray-Wood Buffalo region, and I just want to know what was done and what was the cost in 2004-05 to address some of these pressures.

**Mr. Lund:** In the year we're discussing, there was some \$9.4 million spent in Fort McMurray for school facilities, \$933,000 for postsecondary, and some \$376,000 for health facilities, so a total of some \$10.4 million was spent at that time. As well, there was some other work done on highways, and it amounted to about \$17 million. I've got to tell you that those numbers are going to be considerably different as we look at '05-06 and '06-07, like 10 times, more than 10 times.

9:10

**Mr. Webber:** Okay. Is there a measurement that shows whether this spending alleviated some of the pressures identified in that region?

**Mr. Lund:** Well, yes. To the extent that people in Fort McMurray would be happy? No. We run into this problem all over where we have rapid growth because the influx of people puts great demands on all of that infrastructure. Of course, it takes a bit of time for us to catch up. I think that there's a recognition in Fort McMurray today that we are in fact putting a great effort into alleviating a lot of those problems. I think that with the numbers I just gave you for '04-05, you won't find a lot of people that were that happy. On the school side – I'm familiar with that one from my former involvement – yes, it did alleviate a big problem that we had in Fort McMurray, particularly with the one school.

**Mr. Webber:** Great. Thank you, minister.

**The Chair:** Thank you.

Mr. Eggen, followed by George Groeneveld, please.

**Mr. Eggen:** Thanks, Mr. Chairman. My question this morning is referencing the Auditor General's report from pages 245 to 247. In this section of the report the Auditor General raises significant concerns about the use of P3s. I think they remain, in many people's minds, rather poorly defined in their parameters, and the department had specifically not yet provided a timeline for implementing clear definitions of what a P3 actually is. Definitions are essential for evaluating whether a P3 is actually going to save money or otherwise.

I would like to ask a specific question about the Edmonton ring road. Could the minister or his staff explain the \$71 million discrepancy between the PricewaterhouseCoopers' value for money report on the cost of the Edmonton ring road if it had been done using public dollars and the higher cost of pursuing the project as a P3? I'm just wondering if someone could perhaps comment on that.

**Mr. Lund:** Yeah. I'll get one of the experts to explain that very issue, but I've got to make a couple of comments as well. Like I described earlier, there are some things that are hard to put a dollar value on. We are working very closely with the Auditor General to try to figure out what it is when we put in the comparator – and that's what you're looking at – versus what we're doing. I'd like to do the cost-benefit analysis today.

Anyway, go ahead, Jay.

**Mr. Ramotar:** On the first question, on the definition of a P3, we must understand that a P3 is fairly new in North America and even in Europe. A P3 definition can be just about anything where you have some kind of a partnership with the private sector. It could be just long-term contracts. It could be shared funding. It could be 100 per cent funding from the private sector. In Alberta what we decided to do is put a fence around it. We have technically done a lot of P3s. We extend runways with funding from municipalities and the private sector. We build interchanges with funding from the private sector as well. But we want to put a better definition around P3s for the bigger projects to make them pure so that everybody can understand what a P3 is and whether the project fits a P3 model. I am not aware of the report from Pricewaterhouse, but I can tell you that on any P3 project we do what we call a public-sector comparator. What that is is an estimate of the total cost of the project if the project is to be delivered through conventional means, meaning that the project is designed, tendered all under the management of the department.

It's very complex when you start to do the estimate for a P3 because you're dealing with using planning information to come up with the initial cost estimate compared to design information before you tender a conventional job. So it's like building a house and saying that you want to build a 1,500-square-foot house. This is where it's going to be located. You get some square-foot costs three years before you start to build the house, so you get a ballpark kind of a number, plus or minus 40 per cent. As you go into the second stage of design, which is the functional design, you're hoping to get to plus or minus 20 per cent. Before you tender the project, after you know how many bolts and nuts are in the bridges, you're hoping that the tender estimate will be within 10 per cent. For a P3 we are way out at the 40 to 30 per cent level plus or minus. So it's very difficult to do the estimate correctly for a P3.

What we are planning to do, for example, for the northeast ring road in Calgary is to refine that estimate. So the estimate is being refined right now because we have some additional information, and we will not be using the estimate that we used two years ago to do the planning work.

**The Chair:** Thank you.

Please proceed with your second question.

**Mr. Eggen:** Yes. Thank you. In relation to that, then, I would think that it's essential that we have full disclosure of public-sector comparators on any given project. So I would ask the minister what undertaking he could endeavour to do to ensure that we see a full disclosure of all public-sector comparators for any given project that's being tendered as a P3.

**Mr. Lund:** As the deputy has indicated, we're currently working on it. Before the RFPs are opened, we will be giving the public comparator to the Attorney General's department for security purposes, and it will be opened when the RFPs are opened so that there's no tinkering with it. That will be the comparator that will assess how the RFPs compare.

**The Chair:** Thank you very much.

Mr. Groeneveld, please, followed by Mr. Rick Miller.

**Mr. Groeneveld:** Thank you, Chair. Minister, on page 84 of your annual report, right in the middle of the page, we talk about seniors' lodges. There's an upgrading program in there for '94-95 which included 121 lodges for modernization and upgrading, which is great. But the following sentence there: "One lodge was not upgraded as a result of uncertainty about its long-term future viability." Could you tell me what happened in that situation? I guess that arises out of the concern that we need more lodges; we don't want to lose one.

**Mr. Lund:** Yeah. The plan was originally to do 121, and it ended up that we did 120. The one that wasn't done was the Rundle Lodge in Calgary. It turns out that it's located downtown. Members of the committee from Calgary know that the Calgary Stampede board is buying land to the north of the existing facilities, and it happens that Rundle Lodge is in that area. So the property is now owned by the Calgary Stampede, and the building will actually be demolished.

9:20

**Mr. Groeneveld:** Thank you. Mr. Chair, if I could do a complete switch of gears on the minister here because of the fact that I probably won't get back on the speakers' list, in your opening comments you talked about construction workers and the new regulations and whatnot. You didn't mention anything about emergency vehicles on the highways and the change of the speed zones and whatnot. Speaking for those of us that travel weekly from Edmonton to Calgary, as you know, if there's an emergency vehicle on the shoulder, it's all right to proceed to the inside lane and keep the speed up. My concern is the people that are on that inside lane and get parallel with the accident and all of a sudden decide, "Maybe I'm supposed to be going 50 klicks instead of 120," whatever the case may be. This is causing great problems out there. I just wondered if we had an advertising and education budget for that last year, and if so, was it adequate?

**Mr. Lund:** Yes, there was a lot of advertising done. I drive that highway every week as well, and I know exactly what you're talking about. I guess as we move forward, we'll have to maybe even revisit it. I'm not sure. I've seen more than once where people aren't slowing down and then they try to get over into that other lane. Actually, my impression over the last month is that it's starting to work better. People are slowing down a lot sooner. You'll see brake lights go on quite a distance from where the emergency vehicle is.

So we'll be monitoring it and see if we have to make any changes to the current practice.

**Mr. Groeneveld:** Thank you.

**The Chair:** Thank you.

Mr. Rick Miller, please, followed by Reverend Abbott.

**Mr. R. Miller:** Thank you very much, Mr. Chairman and Mr. Minister, for allowing me as someone who is not a member of this committee an opportunity to ask the minister a question, a question that I believe is very important to particularly the residents of south Edmonton. On page 77 of the annual report under Core Business 3, goal 5 talks about additional accomplishments. It refers to the Alberta municipal infrastructure program and the \$3 billion in financial assistance for capital infrastructure projects over a five-year period. As you know, Mr. Minister, the assumption on the part of the city of Edmonton was that there would be a billion dollars for Calgary, a billion dollars for Edmonton, and a billion dollars for the remaining municipalities. Edmonton's billion dollars seemed to morph into somewhat less than \$800 million.

At the time I expressed serious concern that that would impact on the capital planning that the city of Edmonton was doing in regard to an interchange at 23rd Avenue and Calgary Trail. As we've seen this week, in fact, the city of Edmonton council is now expressing concerns that with the construction inflation that you referred to in your opening remarks, they may not be able to go ahead with this project. So my question would be: would you now acknowledge that the decision to not allow Edmonton the full \$1 billion that they were expecting at that time is now impacting on that particular project moving forward?

**Mr. Lund:** No. I won't acknowledge that. When you look at the capital region and you look at Calgary, if you take the footprint of those two identities, then they're pretty much equal. So if Edmonton is prepared to share with St. Albert, with probably Stony Plain – and we won't go quite as far as Leduc, but Sherwood Park would be part of it. If the city of Edmonton is prepared to share with them, they will find that it's likely very close to the billion dollars. I know that there were a number of Edmonton councillors that acknowledged the fact. As a matter of fact, the mayor even made comments relative to it.

I ran into this problem in infrastructure, particularly on schools because Edmonton was claiming that they weren't getting as much. Well, if you take the populations and take the footprint, you'll find that there's not a lot of difference.

**The Chair:** Thank you.

**Mr. Lund:** But Calgary has a very large corporate area whereas in the Edmonton area you have to look at the capital region because it's those communities that are around it.

**The Chair:** Second question, please.

**Mr. R. Miller:** I guess further to that, then, my question would be: why is Edmonton not being treated as the capital city? Why are you not including, when you look at Calgary, if you're talking about the footprint, communities such as Airdrie and Okotoks and High River and Chestermere and even Cochrane, for that matter?

**Mr. Lund:** Because that would then increase the footprint, and then we'd include Leduc and some other communities. I mean, let's be

realistic. If you take the footprint of Calgary and the population and put that on Edmonton, you'll find that the municipalities that I have described will then about equal Calgary. Calgary is a different structure. It doesn't have the same cities around it. Airdrie is fast growing, and yes, it will be a city, and yes, it is close, but it's no closer than Leduc.

[Mr. Griffiths in the chair]

**The Deputy Chair:** Thank you very much.

Reverend Abbott, followed by Ms Blakeman.

**Rev. Abbott:** Thank you, Mr. Chairman. I want to take you back, Minister, to your annual report, page 139. There was something there that sort of caught my attention, and it's actually the municipal support programs, 2.3.3, and it talks about the resource road program. I see there that there was \$18.5 million budgeted and only \$12.8 million expended, which left \$5.7 million on the table, which kind of blows my mind because I know that there were a lot of communities, a lot of municipalities subscribing to that resource road program. I know we certainly could have spent that \$5.7 million in Drayton Valley alone for resource road projects. So I'm just wondering why that money was left on the table in that fiscal year.

**Mr. Lund:** Well, as you know, the way the whole contracting works, you start out by having a design and then a tender and the whole process. It turned out that in some areas of the province in '04-05 adverse weather had set in, so the projects did not get completed. A lot of the contracts have progress payments, so you pay for work that's done. In this case there were a number of delays that caused the projects not to be completed when we thought they would be, so the money lapsed.

**Rev. Abbott:** I guess I'm wondering, as a follow-up or a supplemental then: is there some kind of an automatic mechanism where those dollars will be flipped over into the next fiscal year and therefore added to the resource road program so that they don't get, you know, again just left unused?

**Mr. Lund:** Yes. They're not lost.

**Mr. Ramotar:** Yes. This is a grant program, and it's in the operating vote, so we can't carry over the unspent money automatically. We can transfer that money to another grant program within that vote for that fiscal year. Then in the following year we take the money that we provide in that one program and transfer it back to the resource road program. Like the minister says, these projects are constructed, most of them, over two years, sometimes three years, so we have to do a balancing act over a three-year period. If you look at our documents, you will see close to \$18 million or \$19 million a year over a two-year period on average.

**The Deputy Chair:** Thank you very much.

Ms Blakeman, followed by George Rogers.

**Ms Blakeman:** Thank you. I'm following up on a series of questions asked earlier by Mr. Chase, so this is springing from information contained in the Auditor General's report on page 257 and, of course, following up on Mr. Chase's questions around the flight logs. The minister stated that flight logs were deleted from the database if there was personally identifying information or personal information in the flight log. A home phone number is the example

that he gave. My question is: is the presence of personal information in the flight log the only reason that the department deletes a log from the database, and if it's not, what are the other reasons?

**Mr. Lund:** That's the primary reason. I can't think of any other reason. We're following the FOIP legislation, and personal information has to be kept confidential. It's not that you wouldn't get other information like the fuel on board and all of the other things that the pilots may be – well, the exact time when they contact the tower. All of that is on that flight log, and that's all available. But the cost of us going through all of those flight logs and then deleting the personal information that happens to be on those logs: that's where the problem comes. All of that other information is there. If you asked to see a flight log for a certain specific date, you can get it, but we have to check to make sure that there's not personal information on it, personal information that's covered under FOIP.

9:30

**The Deputy Chair:** Thank you.

Second question, Ms Blakeman.

**Ms Blakeman:** Thank you. That was my follow-up question. In my reading of it, it looks like the log is deleted, not just the personal information. My question was: if the personal information is stripped out, does the log get reinstated in the database?

**Mr. Lund:** If somebody requests to see a log of a certain flight, makes that request, we will pull it out. We will take the personal information off it – it will be blanked out – and you get the rest of it. You've done that. When I was the minister, that was done.

**The Deputy Chair:** Thank you very much.

George Rogers, followed by Mr. Bonko.

**Mr. Rogers:** Thank you, Mr. Chairman. Mr. Minister, thank you for a great report. I'd like to take you to page 52 of that report. Measure 2.4 talks about the construction progress on the north-south trade corridor. I'm just wondering if you could share with us how much was spent on the twinning of that highway corridor in '04-05.

**Mr. Lund:** It looks like it was \$200 million, and that of course includes a portion of the Anthony Henday south.

**Mr. Rogers:** Okay. Thank you. Again, Mr. Minister, on that same page there's a statistic that mentions that over \$13 billion in international trade between Canada and the U.S. was trucked on that route. I'm just wondering if you have any breakdown between what proportion of that went through Coutts and how the rest of that might have been split between B.C. and Saskatchewan.

**Mr. Lund:** Well, our statistics show that there's roughly 80 per cent of Alberta imports that come through Coutts and that about 60 per cent of our exports exit through Coutts, 20 per cent coming in through Saskatchewan and B.C. and about 19 per cent of the exports.

Now, it's interesting when you look at where our markets are developing. Asia is quickly becoming home to, particularly, the foodstuffs, so we believe that there will be much increased movement through the ports of B.C. As a matter of fact, in our joint cabinet meeting that whole issue came up. The B.C. government is spending a considerable amount of money to upgrade ports and the handling facilities, as a matter of fact some 30 million dollars up in the Prince Rupert area to handle containers. We will be looking at

that as a very important initiative on our part to make sure that the east – we've done a good job on the Canamex and the north-south corridor for trade. Now we have to concentrate on some of the areas for east-west so that we've got good access to the ports for our Asia markets.

**The Deputy Chair:** Thank you very much.

Mr. Bonko, followed by Mr. Lindsay.

**Mr. Bonko:** Thank you, Mr. Chair. My questions are from the Auditor General's report, pages 264 and 265. Commercial vehicles, motor vehicles are basically the intent of it. What did your ministry do in the 2004-2005 year that could have prevented oversized logging trucks from injuring commuters? With the increased traffic and as the logging industry continues to supply the housing boom, there's that much more traffic on the road. What did your ministry do to prevent some of these injuries?

**Mr. Lund:** Gregg, I guess that's for you.

**Mr. Hook:** Yes. The Auditor General's observations specifically relate to inspection programs. Logging trucks, like all commercially registered vehicles, are subject to an annual bumper-to-bumper mechanical safety inspection, and we would carry that out. Not related to this observation but in terms of truck safety generally, logging trucks and commercial vehicles are regularly monitored as they travel on Alberta highways. We have a number of manned vehicle inspection stations that they have to report to, and at that time their loads are weighed. We would check to make sure that the logs are properly secured, that the drivers are qualified, that the vehicles are in good condition.

We also have a program in place with Alberta's logging industry where they do a weighing of the vehicles when they come to the mill sites to make sure that they are in compliance with Alberta's legislation. We have access to those records, and we routinely check with them to make sure that that self-monitoring process is working.

**Mr. Bonko:** Okay. Thank you for that one. In a different vein, though, what did the minister's office do to protect consumers from those that were licensing the drivers; in other words, the shady individuals?

**Ms Blakeman:** Oh, yeah. The selling of the licences.

**Mr. Bonko:** Exactly. The selling of the licences to some of these people. In that way the consumers weren't being protected again.

**Mr. Lund:** That was a very serious situation that developed in Calgary with that one driving school, and of course there are charges being laid. They were shut down, first of all. That happened as soon as we became aware of it, and charges are being laid.

It's terribly unfortunate because, you know, you normally trust doctors, you trust lawyers, and you trust the people that are given authority, given some ability to act in the public good. Then when they breach that, it really has serious consequences, so we're treating all of that very seriously. We're watching all of these licence-issuing venues, the testers and this sort of thing, to make sure that they're following our guidelines. But these kinds of things happen. We're going to be vigilant in watching to make sure that there are not more of them.

**The Deputy Chair:** Thank you very much.

Mr. Lindsay, followed by Mr. Chase.

**Mr. Lindsay:** Thank you, Chair, and I want to thank the minister and his staff for the excellent annual report. I would like to follow up on a 20-some-year-old land deal that was raised in the Legislature by our tired old opposition Liberals, but instead my question is going to be relevant and relate to the year '04-05 annual report. My first question is: what was the impact of escalating construction costs on capital projects in '04-05?

**Mr. Lund:** Okay. Roadway projects were affected by up to \$30 million worth, and then there was about another \$12 million increase in the cost of overlays in '04-05. We've got to recognize that that was just right at the start of these escalating costs, and they've been going up considerably since.

**Mr. Lindsay:** Thank you. Then a supplemental: is there a point where projects would be scaled back until a downturn in the economy would take place?

**Mr. Lund:** When you say "scaled back," I think you're meaning a specific project. We go ahead with it, but, say on pavement, we don't put the strength that we want or the road base or the width or the turning. No, I would much prefer to maintain our high standards and, if we have to, just not do as many projects. Certainly, the projects that we're doing have a 40-, 50-year life cycle. To pull back on standards and do only 80 per cent of what we should – then you pay for it big time over time. So let's do them right; do less if we have to because of the escalated costs.

**The Deputy Chair:** Thank you.

Mr. Chase, followed by Mr. Prins.

9:40

**Mr. Chase:** Thank you. I'm referring to page 39 of the 2004-05 annual report. I'm also noting that almost half of Alberta's highways are in fair to poor condition. In the annual report on page 39 it notes a \$70.1 million overexpenditure in provincial highway systems due to "higher than normal expenditures for highway maintenance." How do we know that privatizing highway maintenance is saving money?

**Mr. Lund:** Go ahead, Jay.

**Mr. Ramotar:** As you know, we outsource. We haven't privatized. We outsourced highway maintenance back in '95-96. The difference between the privatization and outsourcing terminology is that with privatization we basically ask somebody else to do the work and we walk away. With outsourcing, we maintain the standards, we monitor the work, we even order the work that is required on highway maintenance, and contractors only get paid for the work that they do. For example, if they don't get out there to remove snow, they don't get paid.

[Mr. MacDonald in the chair]

About five years after we outsourced highway maintenance, we brought in an outside consulting firm to look at the process and to tell us whether we were saving money. Their report indicated that we are saving up to 20 per cent on highway maintenance. This was done about four or five years ago, and since then we haven't gone back to do another study because we felt that it's not necessary.

**Mr. Chase:** Thank you. My supplemental: what steps did the ministry take in 2004-2005 to ensure that the road quality is up to

acceptable standards? I consider almost half of our highways being in fair to poor condition unacceptable.

**Mr. Ramotar:** Well, when you speak of road quality, there are two things to look at. On one hand, it's the responsibility of the department to make sure that the work that is done by consultants and contractors is done to department standard and the highest quality possible. To ensure that that is happening, after we outsourced the design, construction, administration, and maintenance of highways, we have retained specialists in our department to make sure that they can do an overview of what is happening out there.

The second part of quality has to do with traffic volumes, traffic types, and the amount of funding that is going into highway preservation. What we have done within the department because there is competition for funding for all infrastructure in this province: we have come up with innovative methods and alternative design to stretch our dollars without compromising quality. For example, we would do more chip seal, thinner overlays; you know, that kind of stuff.

**The Chair:** Thank you.

Mr. Prins, please, followed by David Eggen.

**Mr. Prins:** Thank you, Mr. Chairman. I'm turning to pages 58 and 59 in the annual report. It talks about progress on the completion of major water management construction projects, and there's a little graph there that shows the results versus the targets of the last three years. In each of these years the results are actually higher than the targets, but it doesn't actually show any costs. It just shows the percentage of results over targets. On page 140 of the same report at line 2.9 it talks about the costs, \$39.347 million, for the infrastructure on the water management side. Does this number represent the total amount that was spent on completing these projects?

**Mr. Lund:** Yes, it does. The \$39.3 million is what was spent to complete the major projects.

**Mr. Prins:** Okay. My next question. It only talks about, like in this first graph, the Carseland-Bow River headworks project. Is that the only project we're working on, or are there other projects as well?

**Mr. Lund:** That was the major one, but there are others; for example, the Milk River Ridge rehabilitation. There was the Little Bow project. That one is pretty much completed now. But those projects were in there. They were smaller. The Carseland-Bow headworks was the big one.

**Mr. Prins:** Okay. And they're all included in that \$39 million then?

**Mr. Lund:** Yes.

**Mr. Prins:** Okay. Thank you.

**The Chair:** Thank you.

Mr. Eggen, please, followed by Dr. Morton.

**Mr. Eggen:** Thanks, Mr. Chair. My question is in regard to the infrastructure deficit that we're facing on maintenance and redevelopment of established neighbourhoods. I have sort of a groundswell of protest in quite a number of neighbourhoods in northwest Edmonton given that their roads and sidewalks haven't been maintained or repaved for upwards of sometimes 30 years. I'm wondering if the minister or one of his staff could explain what the

rationale is for why, in fact, we haven't seen an adequate investment in our urban areas in regard to directing funds to maintaining the infrastructure that is in such sad need of repair, not just the roads but sewers and bridges.

**Mr. Lund:** The member commented on primarily the city infrastructure: streets, sidewalks, those types of infrastructure. Of course, those are the responsibility of the city. One of the things that's been happening is that the cities were having difficulty keeping up with the expansions that were happening, so they didn't have the money to spend on rehabilitation. But from the province this year, for example, there's over a billion dollars going out to municipalities to help them with their infrastructure, a number of different programs that can be cost shared. If the economy stays as strong as it is and the revenues continue to grow, then you will see more of that rehabilitation work done, which is a good thing. We need to preserve what we have already got. That's the partnership that we're working on with the municipalities.

Currently, under that \$3 billion over five years, that's \$600 million that goes out to the municipalities. That is a new program. It just started in '04-05. That's a huge chunk of money that's going to go a long way to satisfy their needs. Although with the growth that's occurring and the difficulty that we've all got with growth like this, the tax doesn't start flowing until after the expenditures have been done. So there's that squeeze time in there that creates a problem for everybody.

**Mr. Eggen:** Well, thanks. Just in relation to that then. Considering that Edmonton is one of the fastest growing municipalities in Canada, if not North America, isn't the limitation that they placed on infrastructure one-time funding for Edmonton, in fact, constraining our capacity to do that infrastructure maintenance when a lot of that money is required for growth on the fringes of the city?

**Mr. Lund:** Well, that's an interesting comment. That's the first time that I've heard that Edmonton is the fastest growing. That makes about 19 of them in the province that are the fastest growing. [interjection] Well, I'm sorry, but everywhere I go, they're the fastest growing community in Canada.

We acknowledge that there are huge pressures on many municipalities with the rate of growth. We acknowledge that, but there's a finite amount of money. We're contributing a very substantial amount. I recognize that it's difficult. There's some infrastructure that you don't see, like the water and the sewer lines and those kinds of things. That's very expensive when those have to be replaced, and many municipalities are running into that now because that infrastructure is quite old. There's the expansion plus that.

9:50

**The Chair:** Thank you.

Mr. Minister, there are several members that are still interested in asking questions. We're going to have to have them read into the record and the responses provided in writing through the committee clerk to all members of the committee.

**Mr. Lund:** So that means I can leave?

**The Chair:** We would appreciate it if you could stay and hear the questions from the members. In another three or four minutes, hopefully, we will be done this portion of the meeting, and you're welcome to leave.

Dr. Morton, please.

**Dr. Morton:** Thank you, Chair. My question arises from the Auditor General's report on your ministry, pages 250 to 259, on the air transportation services branch and specifically on page 253. Our hon. friends in the Liberal Party seem more concerned about who's flying on the government aircraft than on the state of repair and the condition of these aircraft. I'm sure there is no element of self-interest in that, but as someone who does use that aircraft fairly frequently to come up to Edmonton every Monday morning, my self-interest is concerned with the safety.

I note that in the Auditor General's report on page 253 he indicates that the King Airs, specifically, are 25 years old and will require "replacement or significant refurbishment in the near future to provide the same level of safety available in modern aircraft to passengers." So my question is: are there plans to upgrade the fleet or get more modern equipment? I'd be curious to know if there's a recommendation from the Auditor General on that as well.

**The Chair:** Thank you very much.

Ms Blakeman, please.

**Ms Blakeman:** Thank you. I'm following up on the previous question. So appearing at the top of page 258 in the AG's report: "However, a flight could occur and be deleted from the database before being logged, without a valid reason for doing so." Again my questions are: under what circumstances would that happen, and has it been addressed so that it doesn't happen in the future?

**The Chair:** Thank you.

Reverend Abbot, please.

**Rev. Abbott:** Thank you, Mr. Chairman. Dr. Morton asked my question.

**The Chair:** Okay. Thank you.

Mr. Chase to conclude, please.

**Mr. Chase:** Thank you. My questions have to do with page 26 of the annual report. The two questions are: what steps did the government take in 2004-05, to pursue high-speed rail between Edmonton and Calgary, and will the minister please table the feasibility study, including ridership potential, et cetera?

**The Chair:** Thank you.

That concludes this portion of our agenda. Mr. Lund, certainly with your staff, please feel free to leave. Thank you for your time this morning, and the very best to you and your staff.

**Mr. Lund:** Thank you very much, Mr. Chairman and members of the committee.

**The Chair:** Okay. Now we have Other Business under item 4 on our agenda. The vice-chair and Mr. Johnston attended a conference recently in Victoria, and we're going to get an update from them on that conference.

**Mr. Griffiths:** Thank you, Mr. Chair. Art Johnston and I did attend the Re-energize 2006 Summit on Results Based Management in Victoria, B.C., on May 8 and May 9 of this year. I'd like to table the letter that gives an indication of all that we learned. I would like to read into the record two recommendations that we've made based on our experiences.

The first is that when new members are put on the Public Accounts Committee, they should have at least a one-day orienta-

tion, which we felt could be hosted by the Auditor General and his staff, given their experience and expertise in this matter, to learn how to be more effective committee members in our questions.

The second recommendation was that we felt that any conference or training seminars should be attended by the chair and the deputy chair and then two other members of the committee in order to enhance the professional development opportunities of more committee members and the chair and the vice-chair. So we encouraged our chair to draft a budget requesting increased funding in order to accommodate that requirement.

Was there anything you'd like to add, Mr. Johnston?

**Mr. Johnston:** No, no. I think you've covered what I would have covered. The recommendations are great.

**The Chair:** Do you have a question, Mr. Prins?

**Mr. Prins:** Are you making these recommendations a motion?

**Mr. Griffiths:** We weren't going to make them a motion. It's an updating letter and two recommendations that we made. We weren't prepared to make them motions.

**The Chair:** Thank you.

**Mr. Lindsay:** Do we need a motion to accept the letter as information then?

**The Chair:** We don't need to, but I appreciate that. Thank you.

Also under item 4. At last week's meeting I indicated that I will not be attending the Public Accounts conference in P.E.I. in September. Mr. Webber volunteered to go in my place, and I would

like now to designate Mr. Webber as representing the chair at that conference. Thank you. We will alert the Speaker's office, and we will make the appropriate arrangements.

**Mr. Webber:** Mr. Chair, would it be a good idea to possibly have a vote on this whether it should be an appointment?

**The Chair:** No. We clearly, hon. member, passed a motion, and I appreciate, Reverend Abbott, that we passed a motion on April 26, 2006.

**Mr. Griffiths:** It indicates that the chair and the vice-chair would go or their designates, and that was approved.

**The Chair:** Certainly, we're going to abide by the motion, and I'm going to use the authority that was given to me under that motion. Last week you volunteered, and you're quite welcome to go, and we will make the arrangements. We will alert the Speaker's office and get all this done. Okay?

Hon. members, our next session if we're still in the Assembly will be Wednesday, May 24, with the hon. Mrs. Yvonne Fritz, Minister of Seniors and Community Supports. If session is out, the next meeting is Tuesday, June 6, at 10 a.m., and we will also be meeting after lunch on June 6.

If there are no other items, could we have a motion to adjourn? Moved by Mr. Prins that the meeting be adjourned. All in favour?

**Hon. Members:** Aye.

**The Chair:** Opposed? Seeing none, it's carried. Thank you.

[The committee adjourned at 9:57 a.m.]

