

**Title: Wednesday, June 13, 2007 Public Accounts Committee**

Date: 07/06/13

Time: 8:30 a.m.

[Mr. MacDonald in the chair]

**The Chair:** Good morning, everyone. I would like to welcome everyone to the Standing Committee on Public Accounts this morning. Perhaps we can quickly go around the table and introduce ourselves, and we can start with the vice-chair.

[The following committee members introduced themselves: Mr. Bonko, Dr. Brown, Mr. Dunford, Mr. Eggen, Mrs. Forsyth, Mr. Johnston, Mr. MacDonald, Mr. Prins, Mr. Strang, and Mr. Webber]

**Dr. B. Miller:** Bruce Miller, Edmonton-Glenora.

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

[The following departmental staff introduced themselves: Mr. Bellikka, Mr. Day, Mr. Hammond, Mr. Penny, Mr. Ramotar, Mr. Smith, and Ms Yiu-Young]

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

**The Chair:** Could I please have approval of the agenda? The packages were sent out on June 12.

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

**The Chair:** Moved by Mr. Strang that the agenda for today's meeting, June 13, 2007, be approved as distributed. All in favour?

**Hon. Members:** Agreed.

**The Chair:** Seeing none opposed, thank you very much.

Now, this gets directly to item 3, our meeting with the Ministry of Infrastructure and Transportation. I would invite the deputy minister to introduce any other staff members that are present behind him, and they are welcome to participate in this morning's proceedings if they wish. If they could go to the microphone, that would be beneficial for *Hansard* as well.

You are welcome now to please give us a brief overview of the Department of Infrastructure and Transportation from the annual report of 2005-2006. I would remind all hon. members that we're dealing with the Auditor General's reports from this period as well as the ministry annual report.

Please proceed.

**Mr. Ramotar:** Thank you, Mr. Chairman, and good morning, everyone. It's a pleasure to appear before the Public Accounts Committee. I would like to start by introducing the Infrastructure and Transportation executive staff accompanying me here today one more time, this time with their titles: Rob Penny to my right, assistant deputy minister, policy and corporate services division; Shaun Hammond, assistant deputy minister, transportation safety services division; Bob Smith, assistant deputy minister, properties division; to my left Winnie Yiu-Young, senior financial officer; Barry Day, assistant deputy minister, capital projects division; Jerry Bellikka, communications director; and at the back Allan Kwan, acting assistant deputy minister, transportation and civil engineering division; and Gary Boddez, chair of the Transportation Safety Board.

I am pleased to be working with these dedicated individuals. I may call upon them, as you suggest, to share their knowledge of the

ministry's work and scope of operation in response to your questions.

Infrastructure and Transportation is responsible for provincial roads and bridges, water management, transportation safety programs, new government buildings, property management for government buildings, approved schools, postsecondary and health facility projects in partnership with program ministries. We are also responsible for property acquisition and disposal on behalf of the government of Alberta. Also, the ministry manages numerous grant programs and administers the natural gas rebate program. In 2005-2006 Infrastructure and Transportation was also responsible for air and vehicle services, school facilities, postsecondary facilities, and health facilities. Responsibility for air and vehicle services has since been transferred to Service Alberta in December 2006 as part of the government restructuring.

As of September 2005 Infrastructure and Transportation shares responsibilities for schools, postsecondary institutions, and health facilities with Health and Wellness, Education, and Advanced Education and Technology. Although fiscal responsibility for these programs now rests with the program ministries, Infrastructure and Transportation was responsible for the capital funding that was voted in our 2005-2006 budget. Our annual report highlights the expenditure for these programs.

I'll briefly recap a few of the ministry's activities and achievements in support of its key areas of responsibility during the 2005-2006 fiscal year. The ministry facilitated the passage of the Traffic Safety Amendment Act in 2005 to make roads safer for police, firefighters, and other emergency response staff as well as construction workers. Bill 39 set speed limits for motorists passing emergency vehicles and created new offences for speeding through construction zones.

The ministry initiated significant highway improvements in the Wood Buffalo region to address increasing infrastructure needs in the Fort McMurray area. We opened a six-kilometre section of Anthony Henday Drive in southwest Edmonton, including two bridges over the North Saskatchewan River. The ministry processed more than 190,000 permits to manage truck traffic, to minimize the damage done to highways by overweight and oversized vehicles.

The ministry continued progress on a major water management project to restore the main canal for the Carseland-Bow system and secure a continuing water supply for the area.

The ministry completed construction of a level 3 biocontainment laboratory in Edmonton, which increased Alberta's ability to test for the presence of livestock diseases while maintaining a high level of safety for workers.

The ministry completed 25 barrier-free projects throughout the province as part of the continued commitment to provide barrier-free access to government-owned facilities.

Construction continued on the Calgary Courts Centre. Completion is scheduled for summer 2007. The Calgary Courts Centre will be one of the largest, most technologically advanced court facilities in North America. It was designed with future growth in mind, allowing for ease of expansion to accommodate a growing city and province.

The ministry adopted new environmental standards for the operation of major provincial government buildings and completed a security review of all provincial government buildings.

The McDougall Centre in Calgary and the Alberta Research Council in Edmonton are the first two government-owned facilities to receive the Building Owners and Managers Association's green certification.

Working with the ministries, Infrastructure and Transportation also completed major renovations to the northern Jubilee auditorium

in Edmonton and the southern Jubilee auditorium in Calgary. We completed a major renovation project at Lougheed house in Calgary, continued implementation of numerous centennial projects, and commenced the preliminary design of the renamed Royal Alberta Museum.

The ministry launched the Alberta municipal infrastructure program, which provides \$3 billion over five years to cities and municipalities for top infrastructure priorities. The ministry also provided about \$35 million under the basic capital grant program, which includes funding for barrier-free transportation initiatives to improve accessibility for seniors and persons with disabilities. Projects such as the health research innovation centres in Edmonton and Calgary, the Mazankowski Heart Institute at the University of Alberta, redevelopment of the Lethbridge regional hospital, relocation of community health services in Fort McMurray, the Banff Centre, the Northern Alberta Institute of Technology centre for apprenticeship technologies, Calmar elementary school, Two Hills school, and many others were undertaken during the year.

We also worked with stakeholder boards to start preliminary planning and design on a number of new facilities, such as the Edmonton clinic and the Children's hospital in Calgary.

We continued to administer the natural gas rebate program to assist Albertans with high home heating costs. We provided about \$634 million in rebates to residents.

**8:40**

Before I discuss the financial results, I would like to mention that the ministry has had minimal growth in its numbers of FTEs since 2001-2002. During that time the ministry budget has grown significantly, and we have taken on numerous additional responsibilities. I am pleased to say that this trend will continue to 2007-2008.

The 2005-2006 authorized budget for the operating expense and equipment inventory/purchases vote totalled \$3.7 billion. Expenditures in our total operating expense and equipment/inventory purchases vote were lower than the authorized budget by \$146.8 million, or approximately 4 per cent of the budget. This is due primarily to \$92 million lapsed in the energy rebate program as a result of lower than anticipated gas prices and \$48 million lapsed in noncash cost items such as amortization costs. For your information, our ministry is not allowed to access any funds lapsed for the natural gas rebate or noncash programs such as amortization, consumption of inventory, and nominal sum disposals without prior approval from Treasury Board.

I will now provide you with more specifics on program spending for 2005-2006. Of the \$3.5 billion spent in the operating and equipment/inventory purchases vote, \$633.6 million was spent on the natural gas rebate program, \$275.2 million on noncash items, most of which is amortization, and the balance of \$2.6 billion in remaining programs. Of the remaining \$2.6 billion, approximately 43 per cent, or \$1.1 billion, was provided to municipalities through a number of grant funding programs to meet transportation and water/waste-water infrastructure needs. These programs play an important role in supporting Alberta municipalities as they address infrastructure pressures.

To help Edmonton and Calgary meet transportation priorities, both cities continued to receive funds under the city transportation fund based on 5 cents per litre of road fuel sold within city boundaries. Edmonton was entitled to \$80 million and Calgary was entitled to \$95 million from this program in 2005-2006. For other cities, towns, and villages Infrastructure and Transportation continued to provide \$60 per capita grant funding to support local transportation needs such as road construction, road rehabilitation, and transit buses.

In 2005-2006 17 projects were approved under the resource road program. Through this program private industry contributes to project costs along with municipalities. Funding of \$68 million also assisted Alberta municipalities with the construction of high-priority water/waste-water treatment projects. A total of 147 projects across the province received funding through the Alberta municipal water/waste-water partnership. In 2005-2006 government also provided funding to municipalities through the rural transportation grant program, which saw 76 municipalities receive a total of \$58.5 million. The program allows municipalities to meet heavy traffic demands, improve and expand local road systems, and increase the safety of their local road infrastructure. Program funding enables municipalities to hire engineering consultants to do surveys, design, and supervise work on road construction projects.

In 2005-2006 the federal government announced a new program called the new deal for cities and communities, which commits \$477 million to Alberta over five years, and this is for municipal infrastructure. About \$57 million was received from the federal government under this program in 2005-2006.

The balance of the \$1.5 billion in the operating and equipment inventory purchase vote was spent on the following programs: \$190.7 million on highway maintenance, \$100 million on highway rehabilitation, more than \$140 million to provide and maintain about 1,800 government-owned buildings, \$104 million on leases to accommodate government programs, about \$32 million on transportation safety services, and \$683 million was spent on construction and preservation of health, postsecondary, and school facilities.

Approximately \$26 million is required to operate the Swan Hills Treatment Centre. This was offset by revenue totalling \$14.6 million, resulting in a net cost of approximately \$11.4 million to run the facility in 2005-2006. This includes the government's contribution of \$625,000 to a decommissioning provision each year.

Approximately \$182 million were spent on the construction or expansion of government-owned buildings and facilities. We continued to construct the Calgary Courts Centre and proceeded with construction of the Mazankowski Alberta Heart Institute.

Approximately \$24 million were spent on government owned water management infrastructure, such as dams, canals, and spillways. We spent \$149 million on provincial highway construction. Some projects include highway 619.

**The Chair:** Excuse me, Deputy Minister, please. I'm sorry to have to interrupt you, but we have a list of members that have questions. The committee clerk did send a letter to your department indicating that you had 10 minutes for opening remarks, and we're well beyond that.

**Mr. Ramotar:** Sorry.

**The Chair:** We're going to now proceed with questions if the members have any other questions for you. But first we have to . . .

**Mr. Dunn:** Mr. Chair, I will be very brief.

**The Chair:** Appreciate that.

**Mr. Dunn:** We have our comments on Infrastructure and Transportation in volume 2, and they're on pages 141 to 152. You'll see in there that the ministry has implemented virtually all our prior recommendations or is making satisfactory progress on the other ones. However, in the November 2006 report, that's the thinner one, we made a numbered recommendation that the department implement a risk-based system to ensure that the eight Métis settlements

comply with the terms and conditions of the grants provided by the department. We noticed significant noncompliance for the grant terms and conditions during that audit, and the department has accepted our recommendations.

Those are my brief comments, Mr. Chairman.

**The Chair:** Thank you. I appreciate that, Mr. Dunn.

Mr. Bonko, please, followed by Mr. Strang.

**Mr. Bonko:** Thank you very much, Mr. Chairman, and thank you much, Mr. Dunn. Referring to the Auditor General's report of November 2006, page 24, the AG states that the department is not enforcing grant conditions on rural transportation grants and street improvement grants to the Métis settlements. Why aren't you ensuring that applicants are complying with the terms of the grants, which was outlined by the Auditor General report?

**Mr. Ramotar:** We have specific criteria for the use of the grant funds. What we haven't done a good job at is good monitoring to make sure that the money is spent in that year that it's allocated or spent on the projects that it's allocated to. We have several grant programs within our department, and it's virtually impossible to monitor each municipality or Métis settlement to make sure that happens on every project. What we are doing, however, is: we accept the recommendations from the Auditor General, and we will be doing a better job of risk management. We are putting a plan in place to make sure that we can do proper monitoring of not only grants to Métis settlements but to all municipalities.

8:50

**Mr. Bonko:** Okay. A follow-up. On the same report it states that your department is still providing funding for recipients who are three or four or more years behind in reporting progress and also retroactively without any evidence of progress. Why are there such lax controls on the money in your department?

**Mr. Ramotar:** That's one of the areas that we have to tighten up. There are some grant programs, however, that are very small, where municipalities need to accumulate the funds over a period of time so that they can do a single project.

**Mr. Bonko:** Okay. Could the Auditor General maybe elaborate a bit on either one of the questions?

**Mr. Dunn:** Yes. Well, thank you very much for the question. We will be following up on this next year. We will be extending this examination to other municipal areas. Picking up on what the deputy minister has just said, the two criteria are: do you spend the money in the period of time in which it was projected to be spent, and do you spend it on the project that it was authorized for? The reason why we went into this area was that we received a question from one of the Métis settlements about a road that had been outstanding for a number of years, yet the monies had gone out many years ago and were sitting there, and the road still remained unpaved. That's what initiated us looking into this area. Any further comments I'd have would have to wait till our next examination. We'll be following up as to how the monitoring is being approved and overseeing that these projects for which the money has been authorized have been undertaken appropriately.

**Mr. Bonko:** Thank you.

**The Chair:** Mr. Strang, please, followed by Bruce Miller.

**Mr. Strang:** Thanks, Mr. Chairman. To Mr. Ramotar. If you could turn to your business plan, pages 256 and 257, what I'm looking at is the Alberta traffic safety plan. I'm wondering if you can give me some insight on the aspect of graduated licences and also on the aspect of how we're monitoring and working with the transportation of dangerous goods.

**Mr. Ramotar:** Thank you very much. I'll ask my ADM, Shaun Hammond, to respond. The first question is on graduated licensing.

**Mr. Hammond:** In terms of the monitoring?

**Mr. Ramotar:** Yes.

**Mr. Hammond:** The graduated driver's licence program: we're currently reviewing the program in terms of monitoring the effectiveness of the program. There is a review being conducted by the Traffic Injury Research Foundation, TIRF, looking at the effectiveness of the graduated driver's licence program. That result should be out later this year.

**Mr. Strang:** Okay. Thank you.

**Mr. Hammond:** In terms of dangerous goods we have an effective program of on-highway monitoring, where we involve not only our own inspection force with commercial vehicle enforcement but also the RCMP and local police forces. The program in Alberta is probably one of the most comprehensive monitoring programs for dangerous goods in the country. We are able to effectively manage the program to the extent that we have significantly lower non-compliance rates with the requirements for dangerous goods transportation than the national average.

**Mr. Strang:** Thank you.

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

Dr. Miller, please, followed by Mr. Dunford.

**Dr. B. Miller:** Thank you. You know, one of my major concerns is the traffic fatalities on the roads of Alberta. We had the McDermid report, which focused on that issue, suggesting that a considerable amount of money should be focused on dealing with that huge issue, but the response of the government seems to be this Alberta traffic safety plan, which involves all kinds of other departments: Solicitor General, Justice, and nine other ministries. Now, my question is: is Infrastructure and Transportation taking the lead on this Alberta traffic safety plan? Is that the focus, so most of the money devoted to dealing with the issue of traffic fatalities and accidents on the roads is through infrastructure? Am I right?

**Mr. Ramotar:** That's a very good question. Traffic safety is a top priority for the Department of Infrastructure and Transportation, and hence that's why we started the review using Mr. McDermid. That initiative started out by our current Premier. The department of infrastructure, yes, is taking the lead in developing the plan. However, we have several departments with us and 43 stakeholder groups working with us. The model that we are using is essentially putting the funding where it should be. For example, funding to hire more sheriffs to monitor the highway system is in the Department of Solicitor General.

**Dr. B. Miller:** In terms of tracking the results of the concentrated effort to – I mean, do you have performance measures having to do

with people wearing their seatbelts and drinking and driving? Who is keeping track? Maybe there's another department. Who is keeping track of the overall situation of accidents and fatalities, how we're improving? Because, you know, if we're not improving through the use of all this money, we have a serious problem.

**Mr. Ramotar:** Absolutely, and the Department of Infrastructure and Transportation will roll this up through the traffic safety office, that we have established to focus on this initiative. At the end of the year we will roll up. We are developing several more performance measures, and we will roll up the numbers. What the committee did was: they came up with the proposal for additional funding with the idea that over three years we're going to see significant progress in terms of traffic safety. They indicated to me that the payback after year 1 would be about 6 to 10 per cent, and by year 3 it will be 25 per cent. We're looking at this like a business. We're investing X number of dollars for traffic safety, and we want to see a significant return. We don't want to see a 5 or 6 per cent return.

**Dr. B. Miller:** Yeah. Right. Thank you.

**The Chair:** Thank you.

Mr. Dunford, please, followed by David Eggen.

**Mr. Dunford:** Well, first of all, I want to congratulate you, Jay, and your staff. In the just about 14 years that I've been doing this, whenever I've had questions, I've gotten answers on a timely basis. I haven't always liked the answers, but at least we could then move on or knew what we were kind of up against. So I do appreciate that.

Another thing I appreciate is being able to drive through Calgary at a 100 kilometres an hour. It used to be 140, but photoradar sort of sorted that out for me. Well, I hate to say this to a past minister, but some of us drive up on Sundays and home late Thursdays. I've noticed over the years just a tremendous amount of money that's been spent on that Deerfoot Trail, that's allowed me, then, to do that.

I noticed in your annual report, on pages 26 and 27, that there was developed a provincial freeway corridor management plan. I wonder if you could just provide some additional detail in the sense of – I don't know – mission or the kinds of discussions that you have, the kinds of plans that you make under this group. Maybe he was even part of it.

9:00

**Mr. Ramotar:** Thanks for the question, Clint. Before I answer the question, I would like to point out that when we took over Deerfoot Trail, we had several lights on Deerfoot Trail. We didn't have a Deerfoot Trail extension connecting to highway 2 to the south. We did all of that work. Now Deerfoot Trail is a full freeway with no lights. The government of Alberta invested over \$200 million on that project. That project is an example of why you need to plan for a freeway corridor.

What we have done is we have initiated discussions with municipalities to determine which highways in this province should be set up for future freeways, looking ahead 20 to 30 years. We're starting out with the national highway system of which highway 2 is part. Highway 16 is part of that. Highway 9 is part of that, highway 63, and so forth. We want to make sure that we identify where we will have interchanges because once we go to a freeway, whether it's 20 or 30 years down the road, we have to eliminate a whole bunch of accesses. If businesses and municipalities are aware of the future plan, they can plan accordingly to set up businesses in the vicinity of these interchanges so that their access doesn't have to be closed when we turn the highway into a freeway.

**Mr. Dunford:** In the freeway system in the States, which we all enjoy for the most part, there's a combination through some areas of almost like a public highway system into a toll situation and then back into a public highway system. During this period of time that we're concerned with here today, were there discussions under this management plan at all about tolling any of the highway system in Alberta?

**Mr. Ramotar:** No. At this time we are not looking at tolling. We haven't discussed this with anybody. We believe that if we set up the highway system properly in the future, there is no reason why the government cannot toll a highway in the future. Frankly, to justify tolling, I think we would need to have freeways because you don't want to pay a toll to use a road when you have a whole bunch of at-grade intersections and lights and, you know, this type of thing. The first step in the process, whether it goes toll or not to toll, is setting up these highways so that they operate properly and safely into the future.

**Mr. Dunford:** Thanks.

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

David Eggen, please, followed by Neil Brown.

**Mr. Eggen:** Thanks, Mr. Chair, and thank you, Mr. Ramotar, as well for coming with all of your folks this morning. My first question is from the annual report on page 43. There's a chart there that demonstrates the ministry's consistent ability to outperform industry average costs for the operation of your facilities. I think this is certainly an admirable demonstration of efficiency, and I was just wondering how the ministry manages to do that.

**Mr. Ramotar:** Thanks for your question. I'll ask Bob to answer, please.

**Mr. Smith:** There are a number of things that go into that factor. In terms of the operating costs obviously we pay the same tax rate as others do. That's part of those costs. A couple of things we've been doing for probably 14, 15 years now is that we've been undertaking energy performance contracts in our buildings. So we have had a very active program to reduce the operating costs in our buildings. The results of that program currently are saving us about \$6 million a year. That's just the effect of work that we started doing in about '94 or '95.

Other things that we are doing is that there has been a recent announcement in terms of the department adopting the LEED standard for the design of our buildings. That's just the most recent step in terms of energy design that we've been as a ministry looking at for probably 30 years or so. We've had very active programs in place to ensure that our buildings are operating very efficiently. The rest of it is probably a question of the level of services. This is a broad survey that goes right across the industry. Various buildings provide various levels of services, but we compare very favourably, and we intend to continue doing that.

**Mr. Eggen:** Thank you.

I guess my follow-up question is: considering your performance capacity to underscore or undercut the industry average, wouldn't it then be seen illogical that you would hand over the operation and maintenance of public buildings to private contractors as you would do in a P3 type of a thing?

**Mr. Smith:** What I should comment on is that we've actually been

outsourcing our buildings for the last – 1983 is when we started the exercise – 23, 24 years now. In fact, many of our buildings are already outsourced and using private-sector contracts to provide the direct service delivery in each of these buildings. We work with our service providers to ensure that we've got the appropriate standards in place, but we rely on the service contractors to in fact go out and competitively source materials, and they're doing an excellent job in that respect. The outsourcing has actually been under way for a considerable period of time. Probably 70 to 75 per cent of our space is currently outsourced.

**Mr. Eggen:** Seventy per cent?

**Mr. Smith:** It's in excess of 70 per cent.

**The Chair:** Thank you very much.  
Neil Brown, please, followed by Mr. Bonko.

**Dr. Brown:** Thank you, Mr. Chairman. My question to Mr. Ramotar would be: how are resources allocated to new provincial road infrastructure projects? I'm wondering whether or not they're assigned on a priority basis based on some objective criteria such as traffic volumes, congestion, delays, or incidents caused by traffic or by population served or something of that nature. Can you tell us how those resources are allocated?

**Mr. Ramotar:** Thanks. Another very good question. For new roads we use all of those criteria that you outlined, including the economic development factor. There are roads that are required to help with the economic development in certain parts of the province, and that's a key criteria that we also use. Of course, they will generate traffic. They may generate additional collisions and stuff like that if we force industry and the new users to use existing roads that are already up to capacity.

**Dr. Brown:** Well, I wonder if you could tell us: if there is such an objective criteria, could you share it with the committee? Also, I'd like to know whether there's a regional component to the allocation of resources to new road construction related to the population.

**Mr. Ramotar:** Yes. We certainly will share the criteria with this committee. We can also share the criteria that we use, if you like, for developing programs for existing road, for example, rehabilitation and how we go about selecting those. For new roads and also for existing roads the dollars are allocated on a needs basis across the province. It's not regional. There may be some obvious hot spots within the province, like the Fort McMurray area or Grande Prairie or in and around Calgary or Edmonton, that are obvious, but normally it's needs based.

**The Chair:** Thank you. Mr. Ramotar, if you could provide that information that was requested by Dr. Brown through the clerk to all members, we would be grateful.

9:10

**Mr. Ramotar:** Okay. Will do.

**The Chair:** Thank you.  
Mr. Bonko, followed by Mr. Johnston.

**Mr. Bonko:** Thank you, Mr. Chairman. On page 103 of your annual report, down at the bottom, statutory expenses, under Public Private Partnership for Edmonton Southeast Ring Road there shows a deficit

of \$34 million. Now, I'm understanding that the P3s are supposed to save taxpayers money, but you have this \$34 million showing up in the column. Can you please explain that for me?

**Ms Yiu-Young:** You're asking about the \$35 million shortfall for the year. That primarily reflects an acceleration of the project, that the project has progressed faster than what we had anticipated at the beginning of the year. That amount of funding was made up later in a future year, so the total costs for the project remain the same.

**Mr. Bonko:** Okay. Then at the bottom it says that it includes an achievement bonus of \$2.5 million.

**Ms Yiu-Young:** That achievement bonus has been built into the total expenses for the ministry. It's just a reporting that reported that separately for information purposes.

**Mr. Bonko:** Yeah, but who was that paid to? Was that the contractors?

**Ms Yiu-Young:** Oh, no. The achievement bonus is paid to the government staff at the end of the year upon the achievement of surplus for the government.

**Mr. Bonko:** Upon surplus of the government, then?

**Ms Yiu-Young:** Yeah. I think each ministry is rated separately, and the achievement bonus at the end of each year is determined at the GOA level.

**Mr. Ramotar:** Yeah. That's correct. All management and opted-out staff are entitled to a bonus, and there's a system in place to allocate the bonus to staff.

**Mr. Bonko:** Well, that certainly prompts more questions, but I've only got two, so I'll come back to that. Thank you.

**The Chair:** Thank you.  
Mr. Johnston, please, followed by Bruce Miller.

**Mr. Johnston:** Thank you, Chair. On page 19 of your annual report about the sixth bullet down is "improve commercial driver competency through driver-training initiatives." I also see that we've got over 300,000 professional drivers on the road. Are we keeping up there with driver-training initiatives? How are we doing that way?

**Mr. Hammond:** There are a number of aspects to the driver training. Recently there was a program launched with Red Deer College, actual professional driver training for commercial drivers, so I'll start with the commercials. That's a first in Canada. It's a partnership with Red Deer College, with the transportation training development centre, which is a group of stakeholder carrier companies looking to improve the quality of the commercial driver. If I bring it down a level, we're currently looking at reviewing the driver-training model for all drivers now. So there will be an enhanced model going out in terms of the driver training for new drivers as well as the launch of a slightly changed approach to testing and so on. But, certainly, at the commercial driver level we have got the first program in Canada. It's launched through Red Deer College, and it should reap benefits in terms of much-improved training for commercial drivers.

**Mr. Johnston:** Okay. Thank you.

We're monitoring commercial driving profiles with other jurisdictions. Can you give me an example of something we do?

**Mr. Hammond:** The way it's worked in the past is that there has been very little data sharing in terms of performance of commercial drivers across the country, but with enhanced systems and better partnerships with the other jurisdictions we're able to get driver profiles. Offences committed in other jurisdictions by commercial truckers as they were hauling through Canada sometimes took a long time to get to us and get recorded against the driver profile. That's no longer the case. It's almost immediate. There is a continued update of the profiles coming in from other jurisdictions. We share data with the other jurisdictions, and as such the commercial driver profile is constantly being updated, so we have a better look at the current state of driver performance.

**Mr. Johnston:** Thank you very much.

**The Chair:** Thank you.

Dr. Miller, please, followed by Len Webber.

**Dr. B. Miller:** Thank you. I'm looking on page 94, interesting numbers here about legal claims, 163 legal claims amounting to about half a billion dollars. I'm just wondering why so many claims.

**Ms Yiu-Young:** These are contingent liabilities, and they are estimated at that amount, but they have not yet been settled. Unfortunately, I don't have details on those for you at this time, but I can follow up if you like.

**Dr. B. Miller:** Now, there's the Alberta risk management fund, which covers 70 of the claims. Where does the money come from to pay the other claims? Does that come out of your budget?

**Mr. Smith:** If I could maybe just add to that. Many of these claims relate to expropriation agreements that we have, so if you think about all of the road development that's going on, there's land acquired for that. Much of it is acquired through expropriation, and that includes lands in the Edmonton and Calgary TUCs. It's a contingent liability as Winnie indicates, and it remains there until, in fact, we've resolved that claim, whether it's through negotiation, which is how most of them of them are resolved, and some of them are resolved in the courts. So it's a compensation issue as much as anything else around how much somebody should be paid for their land.

**The Chair:** Thank you.

Mr. Webber, followed by David Eggen, please.

**Mr. Webber:** Thank you, Mr. Chair. Mr. Ramotar, currently I'm conducting a review here in Alberta, a private security review, so I have some interest in the area of security. I've noticed that in your report on page 38, your goal 4 is to "address physical building and site security needs in government buildings in collaboration with partners." Your results have been that you have completed a security review of the government of Alberta buildings, and you've developed a security strategy, which is great. I take a look at Mr. Dunn's annual report, and it indicates in here that the progress is satisfactory with respect to your security needs, although there are some items that remain to be implemented, and that is on page 151 of the Auditor General's report. I'm just curious to know what is being done to fully implement Mr. Dunn's recommendations.

**Mr. Ramotar:** Thank you. I'll ask Bob to give us a status report on that matter.

**Mr. Smith:** This is an item that the Auditor General has reported on for several years, and first of all we've fully accepted the recommendations, and we've been working against that. As we note in our annual report, what we've done is we've surveyed all of our facilities, we've developed standards for security that we want for the various types of facilities, and we've got an estimate of cost to in fact undertake a number of improvements for our facilities. The current cost estimate is around \$5 million, and it's a work-in-progress.

**Mr. Webber:** Just a quick question here with respect to the wording "single-client-use building." Can you just give me a better indication of what you mean by single-client-use building?

**Mr. Smith:** The government of Alberta has got a variety of buildings. We operate things like provincial buildings, office buildings, this building that we're in today. We also operate Research Council facilities. That would be an example of a single-client building, and there are five or six of those across the province. Jails are in that same example of a single-client building, although I can tell you the security is provided by the Solicitor General, not ourselves, in that situation. So we have a variety of building types, and we have security standards to suit each of those types.

**Mr. Webber:** Excellent. Thank you.

**The Chair:** Thank you.

David Eggen, followed by Heather Forsyth.

**Mr. Eggen:** Thanks, Mr. Chair. I was going to ask about something else, but I'd like to find out the department's view of this achievement bonus thing from page 103 that Mr. Bonko pointed out. I just would like to ask how the mechanism functions and if you could describe whether or not you find it to be particularly useful or effective.

**Mr. Ramotar:** The government as a whole sets the criteria for the achievement bonus at different levels in government. For example, deputy ministers have different criteria on how much money goes into the pot. For managers it's the same thing: a percentage of their salary for opted-out, also a percentage of their salary.

9:20

In the department we have four performance rating criteria, 1 being marginal; it means that if you are rated 1, we should look pretty closely at firing you. If you are rated 4, it means that you're walking on water. Our statistics show that 50 per cent of our staff are rated 1 and 2, and 35 per cent on average would be rated 3, and 15 per cent would only be walking on water, meaning a rating of 4.

At the beginning of the year we have a performance contract with all of the staff. They have to meet certain objectives, and these objectives are set to support the department's objectives and goals, which are set to support the government of Alberta objectives and goals.

**Mr. Eggen:** Well, I can just see a couple of problems associated with it. You can certainly reserve your judgment as to whether you think it's an effective program or not. I mean, for example, doesn't that sort of system perhaps go against the intention of executing a budget where you have public monies to spend to zero and you have

something that you need to achieve with that? Perhaps this system, on one hand, could undermine that by just looking for a place to cut at any given time for the sake of, you know, getting to that target percentage area.

The other problem that I know from experience with this sort of system is that it becomes part of just the regular expectation of payment, that without review of something like this it just becomes part of what people expect as their salary type of thing. So you have, you know, this sort of bonus system not fulfilling a function of efficiency but just being another part of payment. I guess that perhaps you're not the best person to ask in regard to the performance of this, but I just have my doubts about the effectiveness of this.

I'm now running out of steam in that regard, so thank you.

**Mr. Ramotar:** I'm still looking for the question.

**Mr. Eggen:** Yeah. So how would you rate the effectiveness of this in the infrastructure department? That was the part that I asked for before.

**Mr. Ramotar:** I think it's very effective. I should say that the bonus system in government is not budgeted for. At the beginning of the year we budget for program dollars. It is not an entitlement because towards the end of the fiscal year that's when the government makes a decision as to whether there will be a bonus system and how much money would go in the bonus pool and how that should be funded.

**The Chair:** Thank you.

Heather Forsyth, please, followed by Mr. Bonko.

**Mrs. Forsyth:** Thanks. I'm going to go off the budget system, and I'm going to go back to the Auditor General's report on page 142. One of his comments was the fact about improving the definition of a P3 and "determine key prerequisites to identify projects most suitable for P3s." On page 60 of your annual report you have put a definition of the P3.

For the purposes of Government of Alberta capital projects, a Public-Private Partnership (P3) is defined as a form of procurement for the provision of capital assets and associated long-term operations that include the components of private finance and risk sharing.

Am I assuming that that definition wasn't up to the Auditor General's standards? I might have some confusion there.

**Mr. Ramotar:** Another very good question. P3s around the world are fairly new, and for North America they're very new. When we got into a P3 with the Calgary courthouse as our first project that we wanted to do as a P3, as you know, we eventually took the financing component out of it. That started out the debate as to what is a P3.

One of the big players out of Australia put in their brochure our maintenance contracts as a P3. All it is is a long-term contract for five years. So it's no different than a regular contract that we would have for one year. It's just that the term was longer, and they assume that it is a P3, and it's probably for publicity reasons.

When we got into it and started to work with the Auditor General, we both agreed that we should come up with a definition not only for Canada but specifically for Alberta so that Albertans know what we are talking about when we talk about P3s. Our definition includes private-sector financing in whole or in part, and it must have the structural maintenance component of that infrastructure. In other words, we need a 30-year warranty or a 25-year warranty depending on the length of the concession for that project. For the ring road in

Edmonton, for example, over the next 30 years the private sector must maintain that road in good condition and hand back that road in specified condition at the end of 30 years, so there's an incentive for the private sector to build quality up front. So the two key components are basically that the structural maintenance must be in it and that there must be skin in the game from the private sector.

**Mrs. Forsyth:** Jay, if I'm understanding correctly, what the Auditor General has put in his report is to improve the definition of a P3. Currently there is a definition of a P3 on page 60 of your report, so the following year the improvement of the definition will be contained in 2006-07. I know that we're not supposed to ask questions, but I'm just trying to understand that. Am I correct in that?

**Mr. Ramotar:** Yes. We came up with a definition, and the Auditor General's office accepted the definition.

**Mrs. Forsyth:** Okay. Thank you. Because I used two, I'll . . .

**The Chair:** If you've got something quickly, go ahead.

**Mrs. Forsyth:** No. Because then everybody will say that it's favouritism. I'll go on the list. I asked two.

**The Chair:** She's back on the list then.

Mr. Bonko, please, followed by Ivan Strang.

**Mr. Bonko:** Thanks, Mr. Chairman. On page 103 again just to maybe get some clarification on the bonuses. Can the deputy minister assure us and taxpayers and the committee that if the staff are trying to achieve a balanced budget, we aren't doing with less service in order to achieve that budget to guarantee that performance bonus? Are we being shortchanged in any way, shape, or form?

**Mr. Ramotar:** I can assure you that the bonus system does not impact any one of our programs. Like I indicated before, we are not allocated money up front for bonuses. We are allocated money for programs, and then towards the end of the year the government decides whether there'll be a bonus system or not and what the criteria for putting the money in the pot are and also where the money is coming from. Most of the departments don't have the money to begin with, including ours. The government would have to find money from general revenue to give the departments for the bonus system, so I don't believe it impacts programs at all.

**Mr. Bonko:** This is a supplement. Could you, in fact, provide the committee with the criteria as well as the amounts for the bonuses? You talked about criteria that are being met to ensure or secure bonuses. Could you provide us with the criteria?

**Mr. Ramotar:** Yes, we will.

**Mr. Bonko:** Okay. The other one is: since the inception of the program . . . [interjection] This is a follow-up. Back off there.

How often have the bonuses been paid on an annual basis since the beginning of the bonus program?

**Mr. Ramotar:** It's paid once a year.

**Mr. Bonko:** No. I mean, if it has been in place for 15 years, has it been consecutively paid out for 15 years, or have there been years that they have not paid out?

9:30

**Mr. Ramotar:** I believe it's been paid out every year.

**Mr. Bonko:** Thank you.

**The Chair:** Mr. Strang, please, followed by Bruce Miller.

**Mr. Strang:** Thank you, Mr. Chairman. Mr. Ramotar, I guess I'm a little confused here because you've got our business plan where you show your core business 4, but it's goal 9. Then on page 56 of your business plan it's goal 7. What I'm looking at is: "develop transportation infrastructure in support of northern economic development." I guess what I'm looking for is: how are you driving that to fulfill that commitment there, especially with the just in time inventory and with other highways, especially highway 40 north? I'd be remiss if I didn't ask this question.

[Mr. Prins in the chair]

My follow-up is on the aspect of regional safety. What I'm looking at is sort of the harmonization of weights and dimensions, being that we're a landlocked province, to fulfill the need to make sure that we're not at a disadvantage in moving goods to the markets or receiving goods.

**Mr. Ramotar:** They are two very good questions. At the end of the day it's a needs-based allocation of funds and selection of programs with input from all associations, committees that we have working in the province, including northern Alberta.

I'll ask Rob to comment in a little bit more detail on that.

**Mr. Penny:** Thanks, Jay. Ivan, several years ago we developed a northern Alberta transportation – well, actually, it wasn't northern Alberta; it was an all of Alberta long-term transportation strategy which was looking at economic development, potential investments all around the province of Alberta, but specifically it could be targeted that in northern Alberta there was going to be a lot of investment, particularly around the Grande Prairie and the Fort McMurray areas. We were taking a long-term look as to which roads or which highways or transportation connections needed to be made in northern Alberta to support economic development, to support continued growth in northern Alberta. That is part of the sort of considerations as we're looking at new investments into the transportation network and new highways. So it looks at, like, the east-west connector between Peace River and Fort McMurray, the upgrading of highway 40, let's say, to the Grande Cache and the Grande Prairie areas, connections from High Level through Rainbow Lake into Fort Nelson, and those kinds of connection in the longer term.

**Mr. Strang:** Okay. Thank you.

**The Deputy Chair:** Is that good for your question?

**Mr. Strang:** No. I've got a supplemental.

**The Deputy Chair:** Okay. Go ahead.

**Mr. Strang:** No. I gave him the supplemental on weights and dimensions.

**Mr. Ramotar:** Harmonization is key to economic development, especially in western Canada. Alberta has been the leader in

pushing for harmonization with not only the western provinces but across Canada. We established a few years ago the minister's council on transportation essentially to push harmonization not only in the trucking industry but also the bus industry. We are making progress, and I think I would say significant progress over the past few years with British Columbia, which is a main economic partner with us.

With their change in government a few years ago we have done some great things with them. For example, we have some joint-use facilities. We are building a vehicle inspection station in Golden, B.C. That alone will force harmonization for permits and weights and dimensions and this type of stuff. The building is up. I think the facility is up and running right now. It's a \$12 million facility. We contributed \$5 million.

British Columbia is also using our truck routing system that we call TRAVIS. That again would assist the harmonization of weights and dimensions and permits and this type of stuff.

Anything else to add, Shaun?

**Mr. Hammond:** Just that we're going to look at Demmitt. We're considering a joint-use station at Demmitt so that the northwest corridor is also fully harmonized with a single weigh scale, a legal inspection station.

[Mr. MacDonald in the chair]

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

**Dr. B. Miller:** I'd like to ask about contracts and cost overruns. At page 89 you have a lot of money, \$6 billion, I guess, in contracts. But according to the *Alberta Gazette* in 2005-06 the contract increases, overruns approved came to \$48 million. Maybe that doesn't seem like a lot of money if the total of the contracts you're looking at is \$6 billion. Still, do you have an explanation for that kind of overrun?

**Mr. Ramotar:** It depends on how the contract is set up. On the highway side it's very difficult to estimate the quantities of dirt that you will move, dirt that you would haul in to build a road, the amount of asphalt that you need. So most of our jobs are based on estimating unit price. If you run into a rough terrain, like soft ground, for example, your quantities can go up significantly. So at the end of the day, although your unit price is set, the value of the contract goes up.

On the building side if it's a small construction job, we can design that job and tender it one time, and that price is fixed. There is no cost overrun – period – unless the government of Alberta decides that they want to change the scope.

**Dr. B. Miller:** Thanks for the explanation.

**The Chair:** Is that it?

**Dr. B. Miller:** Yeah.

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

Neil Brown, please, followed by David Eggen.

**Dr. Brown:** Thank you, Mr. Chairman. As one of my colleagues mentioned, one of the core businesses of the department is transportation safety. I don't know what the statistics were in '05-06, but according to the Alberta Motor Association foundation for traffic safety we have around 100,000 collisions per year in the province:



around 27,000 injuries and approximately 400 killed. I'd like to know how safety improvements are prioritized and how that priority, in terms of increasing road safety, is balanced against the needs for new roads.

**Mr. Ramotar:** The safety of our roads is essentially the number one priority. What we do is keep track of the collision statistics along the highway and at intersections throughout the provincial highway system. Once the number reaches a certain level – for example, if there are five collisions at a certain location over a certain period of time, within a few years – we flag that location. Then we do what we call a traffic safety assessment of that location and determine whether it's the road's problem or whether it's a user problem. It could be things as simple as signage or removal of shrubs for sight distances.

What we have done in the last year is we have instituted what we call a black spot program. These are spots where you have accidents, and they need to be fixed. Most of the time, I can tell you, it doesn't cost a lot of dollars to fix these problems. Last year we had allocated \$5 million for the black spot program, and in the next two years we have money dedicated to the black spot program as well. We took a slice of the money out and dedicated it to the black spot program rather than waiting to see towards the end of the year whether we have any leftover dollars in February to do our black spot program.

9:40

**Dr. Brown:** My follow-up question would be related to the Deerfoot Trail in Calgary. This freeway and its interchanges have gained a certain notoriety in terms of their accidents. The interchanges on the Deerfoot Trail consistently rank among the very highest in the province in terms of injury accidents, and I'm wondering why more resources were not allocated to resolving that very serious safety issue.

**Mr. Ramotar:** The growth in traffic over the past two years has been extremely significant in the Calgary area, as you know. Yes, we have a few interchanges that the engineers say are failing. They can't handle the capacity anymore. This year we are doing work on at least two interchanges to help fix that problem. We are hoping that with the construction of the east ring road in Calgary, it should help take traffic from Deerfoot Trail.

**The Chair:** Thank you.

David Eggen, please, followed by Heather Forsyth.

**Mr. Eggen:** Thank you. As you can imagine, I'm very interested in these public/private partnerships. I'd just like to ask: do you have criteria for what would qualify as a good P3 project potentially? I was wondering if I could ask what the ministry would consider to be a poor fit for a P3 type of project.

**Mr. Ramotar:** Well, another very good question. Not all projects are made the same. If you look at a highway project, for example, a good P3 project, one of the first criteria would have to be the size of the project. In my opinion, it should be a hundred million dollars or more, the total construction cost of the project. The second thing is that the project should set itself up in such a way that you can end up with significant innovation from the private sector because that's where they're saving their money, and basically some of their savings at least are passed on to the government.

**Mr. Eggen:** Innovation?

**Mr. Ramotar:** That's right.

**Mr. Eggen:** Like, what does that mean, sir?

**Mr. Ramotar:** Innovation means flexibility for the proponent to come up with a different design that would meet the government of Alberta design criteria so that there is no compromise in the longevity of the infrastructure as well as the operations of the infrastructure over a certain period of time. So if you provide a simple project to a proponent where you don't have room for significant innovation, you can expect that you're not going to have significant savings at the end of the day as well.

**Mr. Eggen:** Okay. Well, I mean, certainly I don't dispute that because the person who is the contractor has to make a buck off it, and so be it. Where I'm most skeptical is with smaller projects and structures and specifically schools because, you know, we're not going to hit too many hundred million dollar schools. So what's the potential? Considering in the budget here, if there seems to be a problem with meeting the needs of school boards for new schools, what's the ministry's opinion of using P3s for new school projects?

**Mr. Ramotar:** I think that with single, stand-alone schools, unless they are complex, it'll be difficult to achieve significant savings through a P3. It doesn't mean that you can't. For schools you don't have to have a \$100 million school to make it significant. The hundred million dollars I was referring to is for a highway project. For water/waste-water projects you can go as low as \$10 million, depending. The way to do schools is to bundle a number of schools together to make a bigger package, to bring that number up, because essentially what you are doing is buying bulk.

**Mr. Eggen:** Okay. Thanks.

**The Chair:** Thank you.

Heather Forsyth, please, followed by Mr. Bonko.

**Mrs. Forsyth:** Thanks, Mr. Chair. Jay, I'd like to talk about the Alberta traffic safety plan. On page 7 of the minister's report he talks about "Looking to the future, the provincial government is committed to implementing the Alberta Traffic Safety Plan." Then we go to page 19 of the annual report, and there is substantial mention again of the McDermid report. I was involved in that report when I was the Solicitor General. Again, there were many, many recommendations in that report. Of all the recommendations in there, how many have been implemented or are we implementing?

**Mr. Ramotar:** Shaun.

**Mr. Hammond:** Thank you. The traffic safety plan was a very high-level plan with a large number of strategies associated with it. We're bringing it down to a three-year action plan and three one-year action plans. So we have these strategies. Of the ones that we're focusing on right now, our first one that is being rolled out is the community mobilization, working with the Department of Health and Wellness to put in place community co-ordinators who are going to be our primary source of rolling the programs out into the communities throughout the province.

The second component is that we're currently working with the Solicitor General, who is heading up this process, to put in place an enforcement strategy. The enforcement strategy, again, will be not just a spotty program or weekend-by-weekend thing but a three-year strategy around enforcement of certain things: speeding, occupant

restraint, impaired driving. Those are our top three that we are planning to roll out this year. The actual education component and the enforcement strategy and the community involvement are all rolling out in this year. That's part of the first-year action plan that we've already put in place.

The other strategies to deal with the graduated driver licence, the commercial vehicles, and so on, will follow as we put together the action plans for years 2 and 3. Certainly, the top priorities for the traffic safety action plans will be speeding, occupant restraint, and then impaired driving.

**Mrs. Forsyth:** Thank you. I have no other questions because he answered that very well.

**The Chair:** Thank you.

We have in the time left two members with questions on the list. We now have three. We will proceed with Mr. Bonko, followed by Mr. Strang. If we run out of time, we will ask that the questions be read into the record and responded to in writing through the clerk, Mr. Deputy Minister, to all committee members.

Mr. Bonko, please.

**Mr. Bonko:** Thank you, Mr. Chairman. On page 102 of your annual report the department spent \$634 million on energy rebates last year. Instead of subsidizing waste, why isn't the department investigating a technology that would reduce our energy consumption?

**Mr. Smith:** I think that's a question probably better raised in the Legislature than here. I think what I can respond to is that the government of the day in '05-06 decided that it would put out a rebate program. In fact, what we've done is deliver that program within the criteria established.

**Mr. Bonko:** And then on page 81, why have the accounts payable and accrued liabilities increased from \$249 million to \$305 million?

**Ms Yiu-Young:** What's the question again? Sorry.

**Mr. Bonko:** Why have the accounts payable and accrued liabilities increased from \$249 million to \$305 million?

9:50

**The Chair:** You can respond in writing if you would prefer.

**Ms Yiu-Young:** The change is primarily due to the fact that we had accrued liabilities related to the natural gas rebates program, so that explains the difference between the two numbers.

**Mr. Bonko:** Can you maybe go a little bit more . . .

**Ms Yiu-Young:** I don't have any other details aside from that, but I can follow up.

**Mr. Bonko:** Thank you.

**The Chair:** If you could provide details, again, through the clerk to the committee members, we would be grateful.

Mr. Strang, could you read your question into the record, please? We will get a written response.

**Mr. Strang:** Thank you, Mr. Chairman. Mr. Ramotar, I guess what I'm looking at is: with our increased population and what's transpiring in our province, I'm just wondering how you're prioritizing the

water and waste-water infrastructure for municipalities. That's on page 46.

My second supplemental is on page 96 of your annual plan. What I'm wondering about is the line item on the bottom section there where you're working on miscellaneous. Your actual for 2005 was \$29,000, and then for 2006 you're looking at \$374,000, but you'd budgeted for \$2 million. So if you could get back to us in writing, I'd appreciate it.

Thank you, sir.

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

Neil Brown, please, to conclude.

**Dr. Brown:** Yeah. Two questions. One is: where the safety of a roadway like the Deerfoot Trail has been identified as a problem by reason of incidence of collisions and your department identifies enforcement as a major problem, I'd like to know how you follow up with respect to that enforcement, how it's reported. And how do you ensure accountability of the local law enforcement to your suggestions?

Secondly, with respect to the northwest ring road, the Stoney Trail, which was under construction during the time period of your report here, I'd like to know why level-grade intersections were built into the design of that roadway at the time, because we now have traffic lights in a situation where we're supposed to have a ring road. It's got nothing but traffic lights on it.

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

Mr. Ramotar, we appreciate your time and the time also of your staff. I on behalf of all the members of the Public Accounts Committee wish you and your staff the very best as you prepare another annual report. Thank you for coming this morning.

**Mr. Ramotar:** Thank you, Mr. Chairman.

**The Chair:** We have other matters to deal with on the agenda. You're free to go. Again, best wishes.

**Mr. Ramotar:** Thanks.

**The Chair:** If we could move along to item 4, please, members. Last week the committee agreed to discuss research questions for Philip to pursue over the summer. Also, the committee briefly discussed a procedure for relaying questions through the committee clerk that members would like pursued in preparation for the committee's September and October meetings. How does the committee at this time wish to proceed?

**Mr. Eggen:** Well, I've been thinking about this a bit, and my suggestion would be that we put forward research possibilities to Dr. Massolin and keep it public amongst the whole committee here. We would share that information when he produces it. I think that having a researcher will provide the potential for us to perhaps work more collaboratively in the functioning of this committee. You know, from what I've seen other committees do in other jurisdictions, and federally especially, you do have quite a lot of working together between the parties. This might be a way by which we can do that because ultimately the Public Accounts Committee is to serve the best interests of the taxpayer. I'm sure we can find some common things that we would like to work with together, and Dr. Massolin can help facilitate that.

**The Chair:** So if I have got this straight, you are suggesting or

advocating that when each individual member makes a request for research or details on a specific budget, that research is shared with all members of the committee.

**Mr. Eggen:** Yeah. We can circulate that submission, and we can circulate the results as well.

**The Chair:** Okay. Do you have any suggestions? It has been suggested that the chair and the deputy chair form a subcommittee and work with Philip and Corinne, the clerk, to review research requests received and make sure they get to all hon. members. Would you be agreeable to that?

**Mr. Eggen:** I don't know. Sure. I mean, as long as it's not too onerous. Yeah, you need a way to filter through that information. You know, I think that we're all going to be trying to make this work. So it's just a simple way to go through each submission and make sure it all gets passed around, right?

**Mr. Dunford:** I'm missing something here, I guess. There are now a number of sort of nonministerial agencies that we're going to be meeting with over the summer, but each of them has provided annual reports. The Auditor General, I think, has probably made comments on their situation. What is so different? In preparation for today's meeting, for an example, I used the annual report; I used the Auditor's report. What more would I need?

**The Chair:** Well, this is it. This is a work-in-progress. In the annual report from the ministry of health you would have the annual reports from the East Central health region and also the Northern Lights health region, but we do not have one readily available that I'm aware of, other than the Legislature Library, for Grant MacEwan.

**Mr. Dunford:** Oh, I see. Okay.

**The Chair:** Right? I looked for NAIT. I found a sort of an annual report but not the financial details. I'm sure the financial details are there somewhere, but I just haven't found them yet. SAIT and Mount Royal are coming as well. If we could get this all coordinated through Philip, we can have a look at those; we can compare them to previous years.

I would appreciate your patience with us. This is a work-in-progress. I would appreciate the patience of all hon. members because this change to Public Accounts is a work-in-progress. Hopefully, it's going to work, and the taxpayer is going to be better served.

**Mr. Dunford:** Well, I don't want to be misinterpreted. I was just curious as to, you know, if there was something new that we were looking for. From your remarks I hear that what we're looking for through Philip and yourselves as a subcommittee is making sure that we have access to the kind of material that we have here today.

**The Chair:** Yes. And if you have a particular interest over the summer in any line item from any one of those eight respective budgets, through Philip the research would be shared with the rest of us before the meetings in September and October to make it fair.

**Mr. Dunford:** Wouldn't that be my secret question to be unveiled in front of all of you at the committee meeting to show how astute Dunford is?

**The Chair:** Well, there are other budgets where you can develop your secret questions, and that's through Members' Services. Each respective caucus has a bit of money.

**Mr. Dunford:** Okay. You know, we plan to keep Philip busy with the policy field committees, so anything that we tack on here is just something that's in addition.

**The Chair:** He's very well qualified.

**Dr. Brown:** Mr. Chairman, I was just going to suggest in response to your earlier suggestion that I think it is a good idea if the committee members submit any requests for research to you and the vice-chair. Then in the unlikely event that there is a surfeit of those requests, you could prioritize them or vet them or whatever to meet the reasonable expectations of what we could expect our researcher to accomplish.

10:00

**The Chair:** That's a very good suggestion.

**Mr. Eggen:** Certainly, Philip, you must have been reflecting on what is possible with this new position and with Public Accounts, so I just wanted to ask if it's okay with the committee if, perhaps, Philip could share some of his reflections.

**The Chair:** Certainly.

**Mr. Eggen:** If that's okay with you.

**Dr. Massolin:** Oh, yeah, absolutely, and thank you for the opportunity to speak on this. I like the idea of the subcommittee for the reasons that were just stated here, to talk about workflow but also to establish a relationship with the group through the chair and the vice-chair with regard to what is possible and what other questions might be supplied by the Auditor General's reports, other reports and to do kind of a triage of the types of things that you would want to have done to supplement what is already there, to go into further depth. I think it's a good process, a way of parsing all of this.

Beyond that, I'm entering the process in part of the cycle. Ideally, you'd want to start right at the beginning. That's not going to happen, obviously, so just to reinforce what I said last time: if you could think of additional ideas in terms of research questions that would help sort of supplement what is already there in terms of the annual reports and the Auditor General's reports for these September and October meetings, I think that would be helpful. One example, perhaps, and I noticed this in this past meeting: the question of bonuses came up, and you might want further information on bonuses. Cross-jurisdictional sort of comparisons is just one small example. There might be others.

**The Chair:** Okay. Would there be any other members interested in serving on this subcommittee?

**An Hon. Member:** I saw his hand.

**Mr. Strang:** No. I was hoping you were going to let me ask a question.

**The Chair:** Yes. I apologize.

**Mr. Strang:** When we look at East Central health and Northern Lights, you know, we can look at their commonalities because they

come from different regions, and then both of them are served through Capital health. It would be kind of nice to see the import/export so we can get a better handle on that because that's always been an issue. Then again, too, when you look at Grant MacEwan and Mount Royal, also look at their commonalities, and the same with the two universities. We've got the province shared up, so it would be kind of nice to see that there's not a lot of duplication and that we're serving our people the way we should be.

**Mr. Dunford:** We are looking at 2005-2006, aren't we?

**The Chair:** Well, we could be beyond that.

**Mr. Dunford:** We could be beyond that?

**The Chair:** Yes, if the Minister of Finance has the annual reports already tabled for those respective health regions in September or whenever Mr. Dunn makes his annual report.

**Mr. Dunford:** So whatever is the most recent.

**The Chair:** The most recent, yeah. This is a work-in-progress, and Mr. Dunn will probably make his next annual report publicly available, possibly, between the meeting in September and the meeting in October.

**Mr. Dunford:** But it's still public accounts, not policy.

**The Chair:** It's public accounts, exactly. It's where the money went and why.

Okay. So is it possible, then, please, to have a motion to strike a subcommittee with the research co-ordinator and the committee clerk to assist us?

**Mr. Strang:** I'd make a motion that we have vice-chairs, and then we would have maybe Mr. Eggen sitting on it too. Then we've got the three parties looked after.

**Mr. Eggen:** I would do it. Sure.

**The Chair:** That would be great, actually. I appreciate that.

Okay. There's a motion. Would someone like to read that motion into the record?

**Mrs. Dacyshyn:** I'll do it.

**The Chair:** Restate the motion, please.

**Mrs. Dacyshyn:** I can restate the motion. Moved by Mr. Strang that the chair, deputy chair, and Mr. Eggen form a subcommittee and work with the research co-ordinator and committee clerk to review research requests received by individual members and decide how research requests should be handled.

**The Chair:** Thank you.

All those in favour? Opposed? Seeing none, thank you. We will keep all members updated.

Now, so far all entities have confirmed their meeting dates in writing or verbally with us, but we have had a request, interestingly enough – I believe it's a verbal request – that Grant MacEwan Community College and Mount Royal College switch times on October 16. One wants to come in the morning instead of the afternoon. Does any member have any issue with that? Okay. Corinne will make the arrangements. Thank you.

The committee clerk is in the process of requesting 2005-06 annual reports from the eight respective entities that we have invited to meet in September and October, and she will provide each of us with a copy when she receives them.

I realize we're over time, but at this time I would like to thank Corinne, the committee clerk, for all her work with us. The committee is changing. It has meant an extra workload for her, and she is doing it with diligence and patience. I certainly appreciate that. I would like to thank the *Hansard* staff as well for their work.

I would also like to thank at this time Keith Metcalfe. He has been very good to us. We have received excellent work from Keith Metcalfe, the committee room facilitator. He's always ready for our meetings, and he keeps us moving along. We certainly appreciate his diligence. Thank you, Keith.

Now, the date of our next meeting is two weeks from today if we're still in session. That will be on Wednesday, June 27, with the Solicitor General and Minister of Public Security. Otherwise, our next formal meeting of this committee will be Tuesday, September 11, 2007, with the East Central health region and the Northern Lights health region.

If there are no other issues or business, I would now ask for an adjournment motion.

**Mr. Strang:** So moved.

**The Chair:** Thank you.

Moved by Mr. Strang that the meeting be adjourned. All in favour? Opposed? Seeing none, carried. Thank you very much.

[The committee adjourned at 10:08 a.m.]