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Department of Transportation and Works
Use of Government Vehicles

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Honourable Wade Verge, MHA

Public Accounts Committee

Chair: Jim Bennett, MHA

Vice-Chair: Ray Hunter, MHA

Members:

Eli Cross, MHA
George Murphy, MHA
Tom Osborne, MHA
Kevin Parsons, MHA
Calvin Peach, MHA

Clerk of the Committee: Elizabeth Murphy

Appearing:

Office of the Auditor General

Terry Paddon, Auditor General
Sandra Russell, Deputy Auditor General
Adam Martin, Audit Senior

Department of Transportation and Works

Lori Ann Companion, Deputy Minister
Gary Gosse, Assistant Deputy Minister, Transportation
Paul Smith, Assistant Deputy Minister, Corporate Services
Murray Adams, Manager of Equipment Support

The Committee met at 9:00 a.m. in the House of Assembly Chamber.

CHAIR (Bennett): Good morning everyone. This is a meeting, or better put, a hearing of the Public Accounts Committee of the Province of Newfoundland and Labrador. Today, we are inquiring into a section of the Auditor General's report, which was 3.4 of the 2014 report, dealing with the use of government vehicles.

I am the Chair. My name is Jim Bennett. Our Committee members are the Vice-Chair, Mr. Hunter. Alongside him ordinarily is Mr. Parsons – he has a medical matter this morning and advises that he will be running late, he will probably join us in the afternoon – Mr. Peach, and Mr. Cross.

In the second row are Mr. Osborne and Mr. Murphy. My Clerk is Ms Murphy. To my immediate right we have our Auditor General and his staff. We also have individuals from the Department of Transportation and Works, including the Deputy Minister, Ms Companion.

At these hearings the witnesses are here voluntarily. They have been asked to come and attend before the Committee and answer questions that the Committee members will have related to the report. The report was delivered by the Auditor General last December 2014.

When we get to the questioning part, which will be shortly after we have introductions and after the Auditor General provides some background – because that allows some context as to why we are asking these questions and what this stuff is all about. Generally, the lead member of any department, in this case being the deputy minister, provides some sort of background explanation and then we go into questioning.

The questioning alternates among the members. It is generally ten minutes unless they are into some sort of subject matter which should really – instead of discontinuing in the middle of a subject, they may run over. We tend to break around mid-morning for a brief fifteen or twenty-minute break and then resume. We are booked today for half a day.

I am not sure if all witnesses have been sworn or not. Ms Murphy swears witnesses who have not

been sworn. If a witness is with us and that witness has been previously sworn during this session of the House of Assembly, it is not necessary to have that witness sworn again.

I am going to ask Ms Murphy to administer the oath.

Swearing of Witnesses

Mr. Adam Martin
Mr. Murray Adams

CHAIR: Thank you, Ms Murphy.

Unless any members have any questions, I will continue with Mr. Paddon.

Mr. Paddon, would you like to give us some sort of background on this part of your report?

MR. PADDON: Thank you, Mr. Chair.

Firstly, as before, I will introduce my staff: Sandra Russell, the Deputy Auditor General is here; and Adam Martin, who is a manager in our office, but at the time of this report was the Auditor responsible for content.

The use of government vehicles – we had done some work on this on previous occasions, so we thought it would be useful to follow up and to re-examine this area. I guess we looked at it for a couple of reasons, the most significant being that the light-vehicle fleet of government is about \$31 million in capital costs. The operating costs are about \$8.6 million annually, so it is not an insignificant amount. Issues around safety and those sorts of things were also part of the consideration.

Our objective was fairly simple. It was to determine whether government is effectively managing its light-vehicle fleet. Our focus was more on the light vehicles that are on the highway. There are about 1,100 light vehicles that government manages that are on the highway in total. There are also some smaller vehicles: ATVs, snowmobiles, those sorts of things.

In terms of the conclusion that we reached, the conclusion was fairly simple. We did not think that government was managing its light fleet in

an appropriate or effective manner. I guess the rationale or the reason that we came down to that we saw was a lack of resources that were available within the Department of Transportation and Works, and probably in the client departments. The departments that have vehicles and report to the Department of Transportation and Works on their usage, there is really a lack of resources available to do appropriate management and monitoring.

That conclusion then is reflective in the recommendations that we provided to the Department of Transportation and Works. Those recommendations were two-fold. The first was to really assess if Transportation and Works is the appropriate department to monitor the fleet. So that was really just to say okay, Transportation and Works now is responsible for the overall monitoring of the light-vehicle fleet throughout government. Is that the right model to maintain? That is really something that they would take a look at and come to grips with.

Secondly, the recommendation is the department should assess the appropriate level of resources that is necessary to ensure that the management of the fleet is adequately discharged. So, if you are provided a mandate to monitor and manage a fleet, look at the resources that are necessary to be able to adequately do that work.

As part of our audit we did look at a number of issues around information flows, the amount of information that is being compiled, how it is being transmitted to client departments to the Department of Transportation and Works, how it was being entered, what was being done with it, those sorts of things. We found, essentially because of the lack of resources, that there were issues around the flow of data, the input of data, and the use of that data in terms of the ability to monitor.

The system that the department uses that is intended to monitor the system, we found, was a fairly good system, but the issue then became the quality of the data that was available within that system to be able to adequately look at the information that was compiled.

The bottom line for us is that yes, a system is in place. Right now, the department has the mandate to monitor and manage the light-

vehicle fleet. In our view there was an issue of resources available to be able to do that adequately, and the recommendation was to assess the required resources to be able to more appropriately manage and monitor the fleet.

CHAIR: Thank you.

Ms Companion, would you like to have a few words before we begin?

MS COMPANION: Sure, thank you very much.

I would like to introduce my staff: Gary Gosse, Assistant Deputy Minister of Transportation; Paul Smith, the Assistant Deputy Minister for Corporate Services; and, Murray Adams. Murray is the Manager of Equipment Support and he runs the vehicle fleet management program.

The department has taken the recommendations from the Auditor General's report really seriously. In addition to the Auditor General reviews in 2010 and 2014, the vehicle fleet management program has been reviewed several times internally. It has been a constant issue for prioritization for the department.

In the review of this program over the past years, both internally and externally, it continues to highlight the challenges with the programs where the departments are expected to supply the information to TW, and then TW is expected to provide oversight, monitoring, and feedback that allows the partner departments to effectively manage their vehicle fleets.

The department is actively putting in place measures and monitoring processes to facilitate departments supplying the data. Getting the data in the database has been one of the biggest issues because once you have the data, then you can do all kinds of analysis and bring it back.

This process is really beginning to work. The department is confident that the data on the vehicle fleet management, once all the information gets in, will definitely be more robust. The department has made progress in its ability to provide analysis and reporting back to departments, but there remains some work to be done to ensure that the Department of

Transportation and Works is positioned to provide all the necessary, required, and expected oversight monitoring function expected of it.

The Auditor General provided sixteen findings and two recommendations, as he just indicated. I have prepared an overview for the Committee of our plan in response to the sixteen findings which identifies what has been done, what will be done in the coming year to ensure that by the end of this year the department will be in a position to really have all the data. It will be functioning – hopefully the program will be functioning properly. I will pass that around shortly.

The most notable action since the AG's report is that we do have quarterly monitoring progress now in place to ensure that the information is entered in a timely manner. Departments have responded and we received the information at the end of June. The next information is expected at the beginning of October.

We did allocate some additional resources to the program over the past three months. We have more data entry done. We allocated some students. We filled an administration position which does a lot of the analysis of the data. I think we still have more work to do to staff up and to resource in that area, but that certainly is making a difference.

We are piloting with two departments, for the departments to be able to enter the data themselves into the system that we have. They are the Departments of Environment and Conservation and Municipal and Intergovernmental Affairs. That seems to be going well. Once we work out any bugs, then all the departments will be given access, and then data will be updated regularly.

We also have commitments from each department of one contact person in the department who is going to be responsible for providing this information, entering the information and a regular flow between TW and all of the partner departments. OCIO is working with us to ensure we have the report capacity that we need to be able to provide the analysis back to departments. I trust this overview that we have done will be helpful in our discussion this morning and I will pass it out shortly.

Finally, with respect to the two recommendations of the Auditor General and whether we should be responsible for vehicle fleet management, we have assessed across the country where vehicle fleet management is located. In the Atlantic Provinces we are pretty consistent. It is in TW or in their transportation department somewhere similar to ours. Most notably, out West they have an agency that is responsible for vehicle fleet management, but TW is currently responsible and will continue to be responsible for the foreseeable future for vehicle fleet management. So we will definitely be reviewing our structure to make sure we have the appropriate resources in place.

We have an organizational review of the Transportation Branch occurring in the next few weeks with organization management and development of Human Resource Secretariat. I hope that through that process we will be able to clearly identify, even within our department, if the vehicle fleet management should be in the Transportation Branch, or maybe it may be more of a Corporate Services function. We will identify that through our review and hopefully free up some resources and allocate to that to make sure we get done the work we need to get done.

Finally, the second recommendation from the AG is we should assess the appropriate level of resources. The department is committed to providing the appropriate resources to make sure the program functions. Now that we are starting to get very good, valid, and regular information and data, we will be able to do good analysis and be able to highlight any issues to work with departments.

We feel confident that the appropriate placement of the program within the department and a revised policy and procedure – the policy has not been updated since 2000. It definitely needs a bit of a revamp and we are committed to do that this year. Regular and consistent data by inter-departments, enhanced analysis, and auditing ability for our department will significantly improve the ability for this program to monitor, provide oversight, and provide a robust program.

We would be pleased to answer any questions from the Committee on the contents of the

report, or the actions that we are taking or plan to take.

CHAIR: Thank you, Ms Companion.

I think since you have prepared something that may easily address questions the members might have, that might not be required if they had a few minutes to review what you have prepared. Maybe we should take a brief break and let members review what you prepared.

MS COMPANION: Sure.

CHAIR: That may then either circumvent, influence, or amplify some of their questions. We will just take a brief break, maybe ten minutes or so.

Recess

CHAIR: So now that members have had an opportunity to review the summary – it looks almost like an interim report to me prepared by the Department of Transportation and Works – we will begin the questioning with Mr. Osborne.

MR. OSBORNE: Thank you.

Thanks again to our witnesses for appearing today.

Just a couple of questions to start off with. I know in the document you just passed out, item two: VFM has provided each department with a listing of their current vehicle inventory as produced from the EMS. I know that the Auditor General has found that not all vehicles were accounted for.

Are we relying solely on the EMS to determine which vehicles each department has? How do we know for sure now that all government vehicles have been accounted for?

MR. GOSSE: We are relying on the client departments or partner departments to provide us with – we have provided them with an inventory from our EMS. We are relying on them at the moment to indicate which ones are still in their fleets and which ones are not.

The forty-odd vehicles that the Auditor General reported as being missing were all ATVs,

snowmobile-type machines. We have cleaned those up now. We have rationalized or come to a conclusion that the explanation provided by the partner departments as to the disposal of those machines is accurate, and they have been removed from the EMS.

They do not appear in inventory anymore. That was the recommendation of the Auditor General, was to remove those from the system. We have to depend on the partner departments to keep us up to date, as with everything else in the EMS right now as far as data is concerned, to make sure our inventory is accurate in the EMS.

MR. OSBORNE: Okay.

Is the EMS in need of an update itself? I know that throughout the Auditor General's report it was not able to track certain information for example. Are we relying on an old system or old software for our modern vehicle fleet?

MR. GOSSE: The EMS is a good system. It has been updated. It can provide all the information that we need to manage our fleet once all the data is properly collected and input.

MR. OSBORNE: Okay.

When will we know for certain that all vehicles throughout government, all departments of government, are properly being monitored?

MR. GOSSE: We will have the next quarterly report from partner departments in early October. We will again go through the EMS and make sure that the inventory is correct, and if there are any discrepancies, rationalize why those discrepancies are there.

Until we have some resources ourselves to be able to do spot audits – we do not have the resources right now to be able to audit what other departments are telling us. We have to depend on the point of contact. We have made progress by having one person as a point of contact in each of the partner departments now. So at least we have someone to go to.

MR. OSBORNE: Okay.

In item 3, vehicle logbooks are not properly maintained. The response is that departments

are required to provide quarterly book information consistent with the policy.

It has been required for a number of years that vehicle logbooks be maintained properly, but they have not been. Just because it is a requirement, I guess, does not mean that they are going to be properly maintained. What measures are going to be put in place to ensure compliance with that requirement?

MR. GOSSE: Since 2012, we have sent four letters or memos from two different deputies to the deputies of the partner department reminding them of their requirement. We have sent the partner departments copies of the policy which says they are responsible for providing the data. A couple of departments actually have been followed up in phone calls from our deputy, which Lori Anne can speak to if she sees fit.

Right now, we are getting data from all the departments. The message seems to have gotten through to the point that they have identified a contact person in each department, which is a major leap forward in our view.

MR. OSBORNE: Okay.

MS COMPANION: If I could add, I think a robust process by TW in following up, making sure, and checking makes a difference. I think it is starting to make a difference.

We got all of our data in June, which was good from our perspective. We expect to have it in October. If not, we will follow up in October and make sure that we do get the information. Having the full set of data is what is going to make the difference of being able to properly monitor that program or not.

MR. OSBORNE: Okay.

In item 4, information has been received for the first quarter for the logbooks. Have you received the information for each and every vehicle?

MR. GOSSE: I did not catch all of your question, Mr. Osborne. I am sorry.

MR. OSBORNE: Okay.

You indicated that information has been received for the first quarter of 2015-2016.

MR. GOSSE: Correct.

MR. OSBORNE: Has information been received for each and every vehicle?

MR. GOSSE: I believe it is. Murray, can you – ?

MR. ADAMS: Yes, I would have to say that we probably do not have it for every single vehicle. For some of our vehicles, like our snow machines and our ATVs, we are probably still a little bit lagging behind in getting some of that information.

When it comes to, say, the light vehicle fleet in regard to our highway vehicles, I would say that we would have a good portion, maybe. I cannot say 100 per cent for certain that we do have every single one, though I know we do have odometer readings for every single one. When it comes to the logbook entry, maybe there might still be some missing, but I can guarantee that we do have all of the mileage readings.

MR. OSBORNE: Okay.

What measures will be put in place in the second quarter delivery of that information to ensure – I mean it is not just odometer readings. We are not even certain if we have odometer readings for every vehicle. It is not just odometer readings. To ensure that these vehicles are safe for our highway travel or that proper maintenance is being conducted on these vehicles – we also need that information.

MR. GOSSE: You have to understand that June was the first time we had gotten any information. So, the fact that we got what we think is the vast majority of it, I think, is a good thing. We will continue to follow up and make sure that we have data – including repair costs and warranty work that has been done – on all of our vehicles as we get more into the system and start to pick out the little missing pieces.

It is a little bit of a learning curve for all of us. I think we have come a long way, even since a year ago.

MR. OSBORNE: Okay.

MR. GOSSE: We have those systems in place now to try – and we do have that resource, that one person who is in Vehicle Fleet Management full time. We have that position filled full time now to replace the gentleman who was off on long-term sick leave.

MR. OSBORNE: Okay.

The Auditor General had indicated in one of his findings that “The EMS lacks the capacity to record detailed information entered from the log books for vehicles.” You indicated that the EMS is a good system. Does the EMS now have the ability or the capacity to record the detailed information necessary?

MR. GOSSE: The EMS has the ability to be able to track and analyze all of the data that we need. There are still some things that you would have to go back to the individual logbooks to determine: for example, who drove a particular car on a particular day. That would be a phenomenal amount of information to try to enter into any EMS. It is not something we need to be able to analyze, usage or mileage or fuel usage, or any of those repair costs.

MR. OSBORNE: Okay.

I should, I guess, direct that question or redirect that question again to the Auditor General. Are you satisfied that the information in the EMS is capable of providing all of the information necessary for the department to properly maintain the vehicle fleet?

MR. PADDON: I think it would be fair to say that we were satisfied that the EMS itself has the capacity to do the job. I do not think that was the issue.

The particular finding you are referring to was kind of a link between the information that is required to be in the vehicle logs in each individual vehicle, and then the information that is captured in the EMS. We found there was specific information around – as Mr. Gosse was mentioning – who was driving the vehicle on a particular trip and that sort of thing, which does not get transferred to the EMS.

While I tend to agree with Mr. Gosse that that particular information would not necessarily be necessary for the management side, the information side, it would help to be a bit more efficient. You would have to go back and sort of – if you find anomalies, for argument’s sake, and then you are trying to link it back to who was actually using the vehicle, the information would still be available back in the client department anyway. So you could still get it. It just would not be readily available.

It is not a fatal flaw. It is just a question of could it be a bit more efficient? Well, it probably could, but on balance it probably would not be the end of the world if it is not transferred from the logbook into the EMS.

MR. OSBORNE: Okay.

MR. PADDON: I think we are happy that the EMS has the capacity, as it is, to satisfy the requirements.

MR. OSBORNE: Okay.

MR. GOSSE: If I can just follow up, we would not have to go back to the partner or client departments to get the logbooks or that information. We have, actually, copies of the logbooks. The report provides copies. So we would have the information ourselves anyway.

MR. OSBORNE: Okay.

How long do you anticipate before all information throughout departments, throughout government, will be properly entered into those logbooks? If there is a complaint about a vehicle, or the usage of a vehicle, or an incident with a vehicle – for example, it would be helpful in that logbook to know what the operator’s name was of that vehicle, the destination of the –

MR. GOSSE: That information is all in the logbook.

MR. OSBORNE: Okay.

So that is now being entered in properly?

MR. GOSSE: That is being entered into the logbooks, yes.

MR. OSBORNE: Okay.

CHAIR: We should go to a government member.

Mr. Hunter.

MR. HUNTER: I would just like to thank the department and the AG's office for coming again and helping us understand a bit more about how these programs run.

In the EMS, are there provisions in that to register other motorized vehicles, besides cars and pickups?

MR. GOSSE: The EMS contains all of our light vehicles, which are cars, pickups, vans, SUVs. It also contains off-road vehicles, such as ATVs and snow machines, and our heavy equipment as well. So all vehicles are recorded in the EMS.

MR. HUNTER: Okay.

I know back a few years ago when I was critic for Natural Resources, I did get a few calls from employees of government complaining about tracking equipment. A lot of it was the smaller equipment, the ATVs, the boats and motors, and chainsaws, stuff like that, particularly when there was an event where they had to use this stuff. I had quite a few calls because I was critic for that area, particularly with forestry.

There did not seem to be any way to track it. When an event did happen and they needed ten chainsaws, we will say, or two generators or two water pumps, et cetera, when employees went out to find this, they could not find it. I could not prove anything, but people were saying: Well, so-and-so got a generator, and so-and-so got an outboard motor, and so-and-so – it was never tracked. Is that still the same way?

MR. GOSSE: The EMS will allow us to identify which department or which division the particular piece of machinery has been assigned to.

As far as knowing that a person took a particular chainsaw on a certain day and went to do something, that would be for the partner department themselves to track. That is kind of their inventory control that they would have to

do. We would not be able to monitor that, no more than we can monitor individual drivers on a particular day without going back to the logbooks. If it is a road vehicle, we can certainly very quickly identify which department it has been assigned to.

The example of getting a complaint, someone from the public calls in, as long as they can provide a licence plate number or a vehicle number, we can very quickly make the determination as to what department and what division of that department the vehicle has been assigned to. With very few exceptions, a call to my counterpart in that department would know who was using the vehicle on that particular day very quickly.

MR. HUNTER: It is a very important issue for tracking purposes and maintenance purposes. I remember one time we had a forest fire. Some of the people who were called to fight the fire came back and told me that the pumps they were told to pick up to fight this fire were not there. They went looking and could not find the pumps.

Other new pumps were made available, but some of them were told – do we retrieve these pumps? Oh no, do not worry about it, they are not in any inventory. If the fire burns them, leave them where they are, or whatever. They were never tracked. Even in cases where pumps were not working properly, they were never repaired.

The issue of tracking and the issue of keeping a log on it so we will know they are in working order and we will know where they are and stuff like that, it is very important in emergency cases. The EMS, I thought, was to do all that, particularly with gas engine equipment, whether it be a chainsaw or a snowmobile, or whatever.

That is part of the plan as the EMS? That is part of the plan to do that, to track the maintenance and the location and all that stuff? It is very important.

MR. GOSSE: I am not sure that every piece of mechanical equipment has an EMS number attached to it or an equipment number attached to it. I know certainly all of our vehicles do.

Chainsaws may not have been logged into an EMS. Part of the reason for that, Mr. Hunter, is that – part of the reason why we take delivery of all vehicles, whether it is an ATV or a Ski-Doo or a light vehicle, we take delivery as the department responsible for the fleet to make sure it is entered into the EMS.

The line departments can go out and buy gas power tools, whether it is a saw or a pump, and we are never aware of it. I do not think that is the purpose of an EMS. Departments have to be responsible for their own inventories, the same as my department is responsible for surveying equipment. It is just a tool they use in the performance of their duties every day.

MR. HUNTER: Yes. Also, some cases that I have run into over the years, too, where – are leased vehicles and rented vehicles included in your inventory as part of your inventory?

MR. GOSSE: They are included in the EMS and given a number, yes.

MR. HUNTER: Particularly with highways, because they probably rent two dozen vehicles every year, or lease, or whatever. Forestry does the same thing.

MR. GOSSE: Anything that is rented long term, which is more than thirty days, would have a number. If you or anybody, any of us, fly to an airport and rent a vehicle for two days that is not in the system and it never shows up in our inventory.

If it is a long-term rental, thirty days or more, first of all, you have to have Treasury Board approval to do that, and when we get that and rent a vehicle for more than thirty days, then it is assigned a number for tracking.

MR. HUNTER: They are included in the number of vehicles on the list?

MR. GOSSE: I cannot confirm whether these include rentals or if this is strictly the government fleet. Murray, can –

MR. ADAMS: (Inaudible) include the government fleet.

MR. GOSSE: (Inaudible) in this number.

MR. HUNTER: Yes.

I did get a number of complaints in my career time as a politician, and it seems like every now and then you get a lot of complaints about vehicle use. I have heard a lot in the last ten year, particularly. A lot of it was with Forestry and a lot with Transportation where vehicles are leased, parked in front of a building, and probably not move for months at a time, but they are still leased.

Now, maybe it is for emergency reasons, whatever, but these are leased vehicles that only top management people were using. I had somebody in Forestry call me and said he could not get to a fire because a four-door, four-wheel-drive leased vehicle was parked and they were not allowed to use it because it was for one of the management people, and that machine was parked 90 per cent of the time.

So the use of the vehicles needs to be tracked as well as the maintenance and the fuel and everything else. So if that is the case, we got a firefighter who cannot get to a fire because a brand-new leased vehicle is sitting in front of an office somewhere – and the complaints particularly came out of around the Gander area, because that seems like it was the most government employees with Forestry and Natural Resources and whatever was out in that area.

That was a big concern the last number of years that people have called me on. So if we have X number of vehicles we want to make sure they are utilized or used – particularly the ones that are leased – for the purpose of servicing the people and the Province.

MR. GOSSE: I cannot speak to how Natural Resources manages their own fleet internally. I am pretty confident in saying that that would not happen in Transportation and Works. This year, for example, we had approval to lease long term up to twenty-five vehicles. I think we are at about ten right now. That is predominantly on our engineering side where we have projects, and it depends on how projects are scattered and how widespread they are whether we need vehicles or not. We always try to manage with our own fleet.

I am not aware of any situation where we had someone who needed to get to one of our projects, who were told no, that vehicle is not for you to use.

MR. HUNTER: So they are charged out to projects if a vehicle's lease –

MR. GOSSE: Our long-term leases are charged to the engineering projects, yes.

MR. HUNTER: A particular job, projects, yes. That is why sometimes –

MR. GOSSE: The only exception to that would be two vehicles that we lease in Labrador for our water bomber operation. That is for transporting our crews from their point of residence, their office, to the airport.

MR. HUNTER: The other thing that I was concerned with a number of years ago was the fuel consumption. Fuel was charged to particular vehicles and the vehicles were probably smashed up, or motors gone and all that. There was still being fuel charged to that vehicle.

In a lot of cases when I asked the question why, they said, well, we need that fuel for something else, a Ski-Doo, or a quad, or something else. It was charged to a vehicle for some reason. I do not know what that reason was. Particularly, close to the end of the year, a lot of machines were gassed up, fuelled up, gas cans were full. In the summertime, Ski-Doos were filled up before they were put away. In the spring, then there were other things filled up with fuel. It did not seem like a prudent way to manage our fuel costs.

I was told it was because of budgeting reason that they used up a lot of – they did not use it, a lot of fuel was stored filling up a damaged vehicle that was never going back on the road again. Maybe it was filled and maybe it was not, but it was charged to that vehicle. The vehicle is still in the inventory list? Would they be still in the inventory list if they are smashed up?

MR. GOSSE: Potentially, yes, unless it has been disposed of for some reason. It could be damaged and waiting for repairs. It would still

show up in the inventory. Until it is disposed of, typically through an auction if it is a road vehicle or an ATV, it would be in the inventory until it was taken out and auctioned.

MR. HUNTER: Is our intention to try to speed up the process? If vehicles are damaged and need repairs, instead of waiting to find some money or Budget time to get that vehicle back on the road, is our intention to do that so we will not have to lease a vehicle to replace it?

MR. GOSSE: As the transportation department, if we have a vehicle that is damaged or is in need of repairs, we will repair it as quickly as we can. We do not take a vehicle as damaged and just automatically go and replace it with a leased vehicle.

As a matter of fact, it is very seldom that we would do that, especially on our maintenance side. That is kind of an area where you get some damage done. We have some vehicles with very high mileage. It is not uncommon to have to do repairs. We do not replace them with rentals.

MR. HUNTER: Yes, because I did hear some people complain because they had to wait too long for parts and vehicles were sitting too long. Then by the time it comes to repair them, they are saying, well, this machine has 250,000 on it, we need the motor now. It is pretty well better to scrap it now.

MR. GOSSE: There are times that, yes, we do an assessment. If you have a vehicle with 250,000 or 300,000 kilometres on it – and they are not unheard of, especially in our department – and it needed a significant repair like a motor or a transmission, then we would have an assessment done to determine whether it is viable financially to repair that vehicle or just to auction it and replace it. That would not mean that we would automatically go out and lease a vehicle to replace it.

MR. HUNTER: So the EMS would give you a heads-up. Rather than spend \$10,000 to keep this vehicle on the road, it is better to put it in an auction list and replace it. The EMS is designed for that?

MR. GOSSE: The EMS does not tell you when a vehicle should be replaced. The EMS tracks

the usage, repair costs, and fuel usage. We depend on our licensed mechanics to do the assessment on a vehicle, whether it is worth repairing or not. Then there is a standard form that they do.

It is basically a repair estimate that you would get done at any garage that shows you the parts it needs and the number of hours estimated to do the repair. It comes down to a total cost to repair. If you are going to have to spend \$10,000 to repair a truck that is five years old with 250,000 kilometres on it, that is probably not a wise use of \$10,000.

MR. HUNTER: Yes, but in an auction you get \$500 for it. I was told of cases that happened, where vehicles had brand-new motors or brand-new transmissions at a cost of \$5,000, and then a decision was made that, well, it is too old to put back on the road, put it in auction. People picked them up in the auctions for \$500 with a \$5,000 motor in it.

MR. GOSSE: I am sure there are all kinds of stories, but some of them, I believe, are just stories.

MR. HUNTER: Yes, so tracking is very important to eliminate that –

CHAIR: Mr. Hunter, could we go to Mr. Murphy now?

MR. MURPHY: Thank you very much, Mr. Chair.

I would like to come back to question four under the section of logbooks. You say here in the second bullet: essential contact person in each department has been identified and is responsible for providing the required information now. Can we have a list of those contact people for our own information, if we can get that?

MR. GOSSE: We can provide that.

MR. MURPHY: If that is possible, yes. Thank you.

MR. GOSSE: What was happening before this process was put in place was that we were getting information from probably four or five

individuals in various departments and you did not know if you had everybody. With the one point of contact, at least you can ensure that you have one person who is providing you the department's information. We can get you a list.

MR. MURPHY: Okay. Thank you.

Under number 6, "Limited maintenance information is entered into the EMS. In addition, there is no monthly report generated on maintenance activity as required." I want to come to a point here that the use of government vehicles by many and varied drivers could also be a life safety issue. While some drivers are not mechanics, some of us are mechanically inclined.

What I am getting at is that we are passing along the keys to somebody who may not know the state of a vehicle even though they are going out and performing a job in the line of their duties. We have that unknown quantity there. It is a safety and workers issue, not to mention workers' compensation. You can get into all sorts of complications here.

When it comes to vehicle inspections, obviously if we had some sort of a system there where somebody would look at a piece of government equipment, for example, like they do for buses – under the National Safety Code, buses are inspected every six months. Is there a possibility here, or does government do it already? Do they have a system lined up where you would have a safety officer, such as you would find in Service NL, who is actually doing an inspection on government vehicles to ensure there is a mechanism there that would ensure these vehicles' safety?

MR. GOSSE: We do not have a safety officer like SNL would. We have a team of journeyperson mechanics who inspect our heavy equipment once a year, as required. Our light vehicles are scheduled for what we call preventative maintenance checks every 12,000 kilometres. They have a sticker in the window, just as you would see when you go in and get the oil changed in your own vehicle that says your next service is due at 12,000 or 24,000 kilometres. So we do those. I do not know if Murray can expand on that any or not.

MR. ADAMS: That is what we do, yes. That is true. That is mainly for TW vehicles. Obviously when a vehicle is getting repaired at an outside garage, say with a different department, sometimes we kind of rely on the department to make sure that the maintenance is done on their own vehicles.

MR. GOSSE: One of the requirements now is for the repair costs and the maintenance checks on the vehicles to be provided to us so we can enter it into the EMS.

MR. MURPHY: One of the reasons why I say that and why I bring up National Safety Code – and the guys and the girls out there on the highways doing the rig inspections, bus inspections and everything, they are super at their job. I keep thinking if there is not a role here that government might be able to fulfil in the care and maintenance of vehicles and at the same time cover off inventory reporting.

As the Auditor General pointed out, I believe there were missing vehicles at some particular points. Anything that moves, basically, that requires a licence plate should be subject, as far as I am concerned, to an inspection knowing that there are so many different drivers. That could be anything from an ATV to a snowmobile.

So I am just wondering is there a possibility that, number one, we can get the safety check done to make sure that all of these vehicles are ready; and number two, we can cover off a system of inventory reporting too, for these light vehicles that are there?

MR. GOSSE: On the inventory reporting, we are doing that now with our quarterly reports.

MR. MURPHY: Yes.

MR. GOSSE: TW certainly does not have the resources to inspect every vehicle out there that government owns. We keep up with our own, but we are challenged with that.

Heavy equipment technicians and mechanics are at a premium these days. They are in high demand. It is one of the areas where we have had difficulty recruiting. We are keeping up with our own fleet at the moment. Other departments have to go to private service

providers and have the repairs done with the requirement that they provide copies of the invoices to us and a copy of the repairs that have been done.

MR. MURPHY: Okay.

I am just wondering too for the various departments – I know that Transportation and Works cannot possibly be keeping up with it, but Service NL for example, for the vehicles they have, they would be responsible for their own vehicles at this particular point.

What I am saying is that if there was a role there for Transportation and Works – for example, when it comes to National Safety Code, they will go ahead and they will check out every bus in the Province every six months. So they have that ability in January to do it. They do it twice a year, but in between it is also a possibility here that they can be used too for inventory reporting as well. That is the point I want to make.

I do not know if you have explored that or if there is a possibility that the inventory reporting can be done in-house at the same time the vehicle inspection is done. There is a possibility here that if a vehicle is not tracked or does not show up for the inspection, then, obviously, somebody has to go and track that vehicle down to make sure it does. Then at the same time they may not find it. They might find it on the missing list or whatever.

I am just making the suggestion to see if government has considered that or what they are doing in the various departments. We know the situation right now with Transportation and Works.

MR. GOSSE: With our quarterly reporting and line departments like SNL having a point of contact that is providing us with information on their light vehicle fleet, our EMS has the ability to be able to identify outliers, ones that have not had a repair done in eighteen months. We know that there is an issue with that.

We will be able to identify vehicles that either have not reported their repairs to us, or they have not reported them because they are not doing them. So the EMS will allow us to do that once we get all the data in. It is a robust system

and it will allow us to do what we need to do as long as we get the data.

MR. MURPHY: Okay.

So you do not feel that there would have to be any need of a biannual inspection of a vehicle that would be mandatory in this particular case that might help you do an inventory report?

MR. GOSSE: I believe that government vehicles are in pretty good shape when it comes to condition.

MR. MURPHY: Okay.

When it comes to the Department of Justice – I am not sure how they do it now but the Department of Justice used to have a quartermaster type system that would be worked out say, for example, down at Fort Townsend.

Do you have somebody there who would be directly responsible overall in various departments? For example, it might be a highways depot, but somebody obviously would be looking at that then. Somebody would be looking after the maintenance requirements and parts list, that sort of thing, of back-up brake pads or something that might be needed for vehicles.

MR. GOSSE: We have a full garage in each of our four regions on the Island. We have a garage in Labrador that is a little more difficult to staff at this time, so we are having some repairs done outside. We also have stockrooms with all of the common parts available very quickly and standing offers in place so we can purchase parts that we do not have in stock generally very quickly, although we have had some challenges around that area on delivery in time.

MR. MURPHY: Okay.

MR. GOSSE: So we have these sources available. We have licensed, qualified journeyman mechanics in all of our regions, both for automotive and heavy equipment, and the parts that we need very quickly and then the parts that we do not need so much of. It would not be prudent these days, and most garages do

not keep large inventories of parts that you may use once every six months.

MR. MURPHY: Yes.

When it comes to the mileage that some of these vehicles have, is there a point in time when you get to a point where there is 200,000 kilometres on a vehicle, that you would get rid of it? If it has a mechanical issue, obviously, you would probably consider getting rid of it, if it has 200,000-plus.

Do you look at mileage on a vehicle before you go to disposal of it, or do you look at the maintenance record? It is not all the time that you will have a vehicle with 200,000 kilometres on it. Sometimes, in some cases, you might not have a problem with the vehicle, so what do you do there?

MR. GOSSE: One of the benchmarks for disposal of vehicles is 200,000 kilometres. We do have vehicles with more than 200,000 kilometres on them.

MR. MURPHY: Okay.

MR. GOSSE: Are they safe to be on the road? Absolutely, they would not be on the road if they were not safe. We have our own mechanics to tell us that they are safe.

MR. MURPHY: Okay.

MR. GOSSE: They have the same responsibilities as a mechanic at Avalon Ford or Hickman's or Joe's Garage around the corner. If they are telling us that it is safe, then we have to take their word for it that the vehicle is safe to be on the road.

MR. MURPHY: Okay, that is good.

I am just wondering about the time, how much time I have.

I guess I will come on down to number eight when it comes to the fuel purchase data. We were told in Estimates by the minister that we might run into some anomaly sometimes – I think, Gary, you might have been there too at the time, particularly when it came to outside fuel purchases. Sometimes you might find a pickup

truck might have taken a bit too much gas, but sometimes we are told it may involve the simple fact that there might be an ATV in the back of the pickup truck and they are taking extra cans of gas and everything.

How would you account for that now under the EMS? Would you be doing the reporting for a purchase of fuel, for example, for two vehicles, or would it fall under the one? How would you differentiate that?

MR. GOSSE: Purchases for ATVs or – let me speak to our own department. We have many of our maintenance trucks that have a fuel tank in the back, and that is because we are using backhoes on the road that we need to fuel up –

MR. MURPHY: Yes.

MR. GOSSE: – and it is just not efficient to bring them back to a fueling station to fuel them up when you are 150 kilometres away from somewhere that provides diesel, for example. We are using chainsaws. We are using small rollers for compacting asphalt. We are using all kinds of fueled machines.

The fuel for those machines is supposed to be purchased under a separate card, a utility card, in the depot and not for the vehicle itself.

Unfortunately there are times when an operator goes back to a service station to get fuel and the utility card is back at the depot, which could be fifty kilometres away, and he decides, rightly or wrongly, to get the fuel and just charge it off to the vehicle. We know that has happened. We are trying to correct that, but it should not be recorded to the vehicle that it was purchased under.

MR. MURPHY: Okay.

MR. GOSSE: We are confident that the purchases that had been made – and, Mr. Murphy, when we identified some of these anomalies, we went back to the people who had made the purchases or to the depot that had made the purchase and there was no hesitation as to explaining how that happened. They had no heads-up that we were coming to ask that question. You did not get the sense they were making excuses for things. It was very straightforward. We were out doing a culvert

and we needed fuel for the backhoe, did not have the card, we fueled up the tank using the card for the truck.

MR. MURPHY: Okay.

MR. GOSSE: That is where you get some of the diesel purchases on a vehicle that uses gas. So that is where some of that came from as well.

MR. MURPHY: Okay.

I have final question then, when it comes to question eight, and then I will pass it on to somebody else who wants to ask some questions, Mr. Chair. Just around the inventory reporting, budgeted fuel expense by department, I guess from Transportation and Works.

Do you track yearly or quarterly your fuel purchases so that you can measure off one year against the other? I know that the dollar amount would obviously be different, but the fuel expense over, for example, the last ten years may be pretty much the same.

Have you done an analysis on that to see if your gas purchases were out of line from one year to the next? What have you done there?

MR. GOSSE: We certainly track costs. I believe we are tracking litres as well.

MR. ADAMS: Yes, the litres and cost.

MR. MURPHY: I guess the question would be for Murray then in this case – I think Murray is your name. Can I call you Murray?

MR. ADAMS: Go for it.

MR. MURPHY: All right, thanks.

You do a tracking then of costs on a year-by-year basis, or how do you do that?

MR. ADAMS: Yes, we can track pretty much the fuel that is used for a specific vehicle. We can track, like you say, it in a certain area of the Province, like one of our regions, say the Avalon region versus the Western region, or we can track as an overall how much fuel was purchased a department and by government as a whole.

The EMS has the ability to be able to get all of these numbers for us and we can compare them as we need to.

MR. MURPHY: When it comes to the litres used, though, I do not know – price obviously is going to be reflective in budget and that sort of thing, the way prices have been, but certainly you can track litres.

MR. ADAMS: Yes, we can track litres and cost. Both of it would be available to us, yes.

MR. MURPHY: Have you found say, for example, in various regions when it comes to your fuel that is consumed, that those amounts would be relatively the same over the last couple of years? Have you noticed that?

MR. ADAMS: Well, I would have to say now obviously that the EMS is kind of a little bit of a work in progress there on some stuff as well. We have, I would say maybe since the last three years or so now, received regular reports from our fuel card suppliers. Those fuel card suppliers obviously will give us a full amount of fuel that we purchased during the run of a year or whatever.

I never really sat down and actually compared to see the number of litres that would be used, say, from a year-to-year basis, but we do have the ability to do so. So, obviously, we would be able to check that out at any time that we need to.

MR. MURPHY: Yes, it would be interesting to see the numbers.

Okay, Mr. Chair, I can pass it on.

CHAIR: Mr. Peach.

MR. PEACH: Thank you, Mr. Chair.

Just to follow up on what George was asking with regard to the fuel. At one point in time didn't we use dye in our fuel? Do we still have that system now? I know when fishermen buy their fuel they have a dye cast into it that differentiates it from just regular fuel. Didn't we have that system, too, at one time?

MR. GOSSE: We did have it at one time, but at one time we used to store fuel at most of our depots. Most of our fuel is purchased now from retailers. We have very little fuel storage of our own.

Quite honestly, Mr. Peach, I do not know if the fuel that we do have stored is marked or not. Certainly, it was when we fuelled all of our vehicles from our own tanks, but we have gotten away from that practice for a number of reasons.

MR. PEACH: Just go back to number 4 there, you mentioned contacts. I do not know if I am in order to mention names, but are we talking about the contacts like Garry Spencer, Glen Groves, and those people? Is that the contact list we have? It is a different list, is it?

MR. GOSSE: That is within our own department. No, we have asked for a point of contact in each of the other partner departments.

MR. PEACH: Okay, I misunderstood it.

In number five there: the EMS does not contain information on personal usage. It is not permitted under the current policies. There is a lot of equipment out in the depots. Are you saying that some of this is not being recorded under the EMS?

MR. GOSSE: What is not being recorded in the EMS is personal usage because personal usage of government vehicles is not permitted. There is no need to track something that you are not allowed to do.

MR. PEACH: Okay.

So everything else is being tracked in the depots. Is that what is going on? If somebody picks up and drives their – I will use my district, for instance. People who have to go on Monkstown Road, for instance, travel to Burin to pick up a vehicle, and then have to travel all the way back down to Monkstown to do their work. Then at the end of the day, instead of the vehicle staying on Monkstown – use a grader, for instance, on Monkstown road. Instead of having his own vehicle down on Monkstown Road, he has to go right back up to Burin, check in, and then come back again to Monkstown.

These kinds of situations certainly must be costly within a department. Do we keep records of all that which is going on from day to day?

MR. GOSSE: All of the use of government vehicles is recorded in the logs for the vehicle. The situation you are describing there – there may have been an anomaly at one time where that may have happened.

As a rule, we leave our equipment. If that was the case, we would leave the equipment at the closer – and it could be one of our seasonalized depots, a depot that is not open in the summertime. We would leave equipment there and then transport our staff back in a pickup.

MR. PEACH: That is what I have been told several times, but it is not happening. I do not know the reasons why.

MR. GOSSE: For whatever reason, our managers in the depots manage who goes where and how they get there. They are pretty keen on getting as much work done as they can. They would not intentionally do something that was counterproductive.

MR. PEACH: If there is some portable – and just a follow-up from what Ray was talking about earlier about generators, chainsaws, and things like that. If some unit out there was using chainsaws, or generators, or something gave out, do we have a policy that before they can be replaced they have to return the old one, unless it was lost in a lake, somewhere like that?

MR. GOSSE: With something like a chainsaw that was unserviceable and no longer used, I do not know that there would be any official disposal method for doing that, other than like a lot of garbage, thrown in the garbage if it is no longer used –

MR. PEACH: What is our policy?

MR. GOSSE: – and it is confirmed. The light vehicle policy does not apply to chainsaws or to generators. We are talking about the light vehicle fleet here.

MR. PEACH: Yes, I know, but still it is government equipment. What would be the

policy with regard to – because there is a lot of that stuff used, right?

MR. GOSSE: Even if it is a chainsaw, it should have an asset number assigned to it. Once that asset is no longer used, it should be no different than the computer on your desk. There are forms through GPA that are done to dispose of equipment, and it may very well mean throwing it in the garbage.

In the case of a chainsaw, we would not dispose of it unless it no longer worked and was not worth fixing. Some things like computers or desks, if we are going to talk about just assets in general, there may be a value to that and GPA would take it and auction it off.

MR. PEACH: Yes. My point is that the depots themselves cannot dispose of that. It has to come back to the department. That was my point.

MR. GOSSE: There would certainly be a manager or a superintendent who signed off on disposal of assets.

MR. PEACH: Yes.

MR. GOSSE: It would not be left to a labourer or a mechanic.

MR. PEACH: It just could not be thrown to one side of the depot say, we need a new chainsaw, and then you send out a new chainsaw.

MR. GOSSE: No.

MR. PEACH: Okay.

I just want to mention about the four or six so-called brushcutters we have for a minute. I am just wondering what the future is for them, the ones we had purchased there back in probably 2009, 2010?

MR. GOSSE: It would have been around 2010. We bought them over two different years, 2010 and 2011 maybe.

MR. PEACH: Yes. They are not very efficient. The ones that are cutting, when they are cutting the brush they are leaving the stumps about five-foot long in some places. You have to go back

and clean it up again the second time around. It might be the operators and not the machines sometimes. It seems like there is an awful lot of double work being done there and certainly it is not a good sight by the roads.

I can take you down now to Southern Harbour and a job that was done just recently. It is not a good site. I am wondering because those machines can only reach about fifteen feet, which is down in the ditch really. If you have a ditch, they cannot reach the other side. They can only reach one side by the side of the road.

It seems to be a machine we are using that a backhoe extended – not extended, but one of our excavators can do the same job with regard to the alders. An excavator can reach thirty-five feet, which is on the other side of the ditch, and take it all, clean it all up, and it is gone, but with those, they just do not seem to be very efficient. What is the future for those?

MR. GOSSE: Let's just be clear on what those machines were intended to do. We knew exactly what they could do when we bought them. Those machines were intended to clean up, just as you say, around shoulders, around guide rail, and around our signs. They were a lot less expensive than buying a backhoe and a cutter head to try to clear the right-of-way ourselves. For that type of work we contract it out.

Those machines are strictly meant for maintenance purposes with getting rid of alders around our guide rail and around our signs. We have one per region, so we have to move it around.

With the exception of yours, I have heard very few complaints about the mess that it leaves. Generally, we do not get much of a comment on it at all. We have people asking whether they can keep it in certain areas for longer. We have had town councils ask us if we can keep it and do council roads for them, so everybody cannot be upset with the work that it does.

MR. PEACH: Maybe I am the only complainer.

The other thing I want to ask you – I mentioned some time ago, and you had mentioned to me that you had purchased an excavator now that could take the head for cutting brush. How far

along is that? Do you have that head yet, or are you still waiting for it to be in the budgets or what?

MR. GOSSE: No. We have purchased a head for our backhoe in Labrador where we have done some of our own work with a brushcutter-type head on a backhoe. I am not sure that we have one on the Island. I would have to confirm that for sure. I do not think there is one on the Island.

MR. PEACH: If we had one, though, wouldn't that cut a lot of cost for the brush cutting? Can you see that being –?

MR. GOSSE: The first thing you have to do is buy an excavator for several hundred thousand dollars to put it on. The excavators we have now we are focused on doing our ditching. We do not even have a lot of excavators other than rubber-tired ones, and those cutter heads will not fit on a rubber-tired backhoe. They need to be a large hydraulic excavator to carry those. It is still more efficient to contract that stuff.

MR. PEACH: The other question that I have is with regard to operators. There were a couple of incidents that happened in my district with regard to operators. I am just wondering what the policy is that we have within the Department of Transportation with regard to the policy for insurance versus policies with any other company.

If you are an operator and you have an accident, then that accident comes off your own personal insurance. Is that a policy that we have or is that pretty much a common policy everywhere?

MR. GOSSE: What you are saying there is not entirely correct.

MR. PEACH: Okay.

MR. GOSSE: If you are driving a government vehicle and you have an accident, our insurance pays for the cost.

MR. PEACH: You mean a light vehicle?

MR. GOSSE: Because it is an accident against the driver, the insurance companies themselves have the right or the ability to be able to identify

Joe as a risk, and your personal insurance rates could go up.

MR. PEACH: So you are talking about the insurance on light vehicles like cars and trucks that you have?

MR. GOSSE: On any government vehicle.

MR. PEACH: So the trucks that are plowing the roads, the plows, an operator who has an accident at – the two incidents that I know the drivers themselves, their insurance had to stand for the cost or whatever. Is that common? I know what you are saying. The insurance company makes a decision, is that what you are saying?

MR. GOSSE: That is correct. That is not a government policy. That is between the insurance companies. That, I expect, would be the same whether you were driving for Day & Ross or Metrobus. The insurance companies have the ability and that is the arrangement between them.

It is not something that we promoted or encouraged. In fact, we have made our views known that, especially for – if someone is obviously negligent and has an accident then they have a responsibility. In cases where we have snowplow drivers out in far-less-than-ideal conditions and they hit a white parked car in a snowbank – had no idea if there was one there, sometimes they do not even know they have struck it. If they strike it with the wing of the truck, they do not even know that they have struck anything. It is big equipment.

You can take a park light or a tail light out of a car and not even know you struck it. We have argued that those guys have not been negligent in any way, they should not be penalized. It is the insurance industry that takes that on themselves. We have very little control over it.

MR. PEACH: So there are investigations done on that, is it? Does the operator have a right to appeal the decision to the DOT; or is it just the insurance says, look, you are at fault here, and it is on your insurance?

MR. GOSSE: Calvin, it is not an appeal to us. It is the insurance companies. This is not something that is driven by us.

MR. PEACH: Okay.

MR. GOSSE: This is driven by the insurance companies. We have written and said this is not fair to our operators who are out in conditions that are far less than ideal trying to make it safe for everybody else to get home.

MR. PEACH: I am just asking the question because I was told that it was a policy of the DOT, but it is not.

MR. GOSSE: No.

MR. PEACH: Just making sure.

MR. GOSSE: That is another story that is inaccurate.

MR. PEACH: Yes, okay. Thanks.

Thanks, Mr. Chair.

CHAIR: Yes, normally we break at 10:30 a.m. and that allows enough time for a double round for Opposition members and every government member. We started late this morning and then we took an early break to review the documents.

There are coffees outside. There does not seem to be any point in waiting an extra half an hour for the coffee to get cold. We will come back and begin with Mr. Osborne and then go to Mr. Cross.

Recess

CHAIR: Thank you, we are back on the record.

I will go to Mr. Osborne.

MR. OSBORNE: Thank you.

You had mentioned earlier that there was a position hired, a Clerk I position, I think.

MS COMPANION: It is an administrative position. It is an Administrative Officer, I think. Murray, is it?

MR. ADAMS: Yes, Admin Officer.

MS COMPANION: Admin Officer.

MR. OSBORNE: Admin Officer, okay. Is that the Admin Officer I?

MS COMPANION: Yes.

MR. OSBORNE: Okay.

There was a Clerk III position and a Vehicle Fleet Manager position vacant as well. Have those been filled?

MS COMPANION: No, they have not been filled. They were eliminated previously. We are going to do an O&M review now of our branch. Hopefully, we will be able to identify some resources to put to the vehicle fleet management group because there is definitely a need for some additional resources. That is how we plan to do it.

MR. OSBORNE: Okay. Yes, I mention that it is quite an onerous task to manage the fleet.

MS COMPANION: It is.

MR. OSBORNE: Kudos to yourself for trying to take it on, but I think the Auditor General has identified that a lack of human resources is a major part of the problem. I know you are trying to reallocate for some resources. Is there anything more concrete than that in regard to the human resources needed to manage the government vehicle fleet?

MS COMPANION: Well, the line departments being able to enter their own data is going to make a huge difference. That is definitely going to alleviate some of our human resource requirements in TW.

Having that position filled is definitely a significant help. I hope, and moving it through to – I think we are going to move it to the Strategic & Corporate Branch and have more of our finance people to be able to provide some assistance, too, with regard to auditing and oversight, and putting some better and stringent processes in place. We really need an additional person or two in order to appropriately do what we need to do.

MR. OSBORNE: Okay.

In reviewing previous Auditor General reports on the use of government vehicles – and there were two previous reports that identified underutilized vehicles within the department. Can you tell me how many vehicles are now within the government vehicle fleet with under 10,000 kilometres and how many with under 5,000 kilometres?

MR. GOSSE: I cannot tell you that number right now. I do not know that we have the information in our EMS, based on our last quarterly report, if we have that information available. It will come out in our analysis as we go through. It is something that we should be able to identify in our annual report that we will have done for the end of this fiscal year.

MR. OSBORNE: Okay.

I know that the previous Auditor General report – or in one of those reports it had identified that there were eighteen vehicles that were underutilized. In the department's response to the Auditor General in that report they had agreed to eliminate eighteen vehicles, but instead of eliminating eighteen vehicles, they added vehicles. That was not picked up in this Auditor General report.

I should ask the Auditor General: Did you get any indication as to the number of underutilized vehicles in your review this time?

MR. PADDON: No, that was not part of the scope of our review this time, Mr. Osborne.

MR. OSBORNE: Okay.

I know the vehicle fleet had grown by leaps and bounds since that report. In this particular report now, when the Auditor General did his review, there were 1,596. I noted that the updated number of vehicles is now 1,588. It has gone down by eight vehicles, but it is still considerably higher than the number that was identified when the Auditor General had determined there were eighteen vehicles that were underutilized, I believe, with less than 5,000 kilometres on them.

MR. GOSSE: I think it is important to note that some – and I would not say all – of those underutilized vehicles are very specific-use vehicles that you could not use for another purpose. They have been set up to do a specific task.

You take, for example, our ARAN machine, which is our road analyzer. It measures rut depth. I doubt that is doing 20,000 or 25,000 kilometres a year, but it is a van that has been set up with all the analyzing equipment. The laser bars on the front – I mean you could not use it for anything else other than what it is intended for use as. Some of the underutilized vehicles are very purpose driven.

As far as increasing the fleet is concerned, I can tell you that we increased our fleet by about ninety vehicles in one year. That was done as the result of a cost-benefit analysis that was done and submitted to Treasury Board on our long-term rentals. We were doing long-term rentals on about ninety vehicles every year just to get us through our construction programs. So we were essentially paying for a vehicle a year in lease charges or rental charges.

A cost-benefit analysis that we did was submitted to Treasury Board. The direction we got back was to stop renting and buy ninety vehicles, increase your fleet by those ninety vehicles, which we did. I mean, yes, that was a significant increase in fleet, but it was done very specifically to address that long-term rental issue that we had every year.

MR. OSBORNE: Okay.

I certainly understand and accept the reasoning for specific-use vehicles, but is there a possibility that with other underutilized vehicles, if it is just a regular vehicle and not a specific-use vehicle, that there can even be a sharing of resources between departments? If you have even five or ten vehicles in government's fleet with less than 5,000 kilometres, and they are just regular highway-use vehicles, that is a considerable amount of public money going into the purchase and maintaining of those vehicles, and at the end of the day less than 5,000 kilometres a year on those vehicles.

MR. GOSSE: Once we do our analysis and identify those vehicles that are general purpose underutilized vehicles, then I would argue that we should not have those in our fleet at all. There are better ways of providing a vehicle, without having to own one, if it is only being driven 5,000 or 10,000 kilometres a year.

MR. OSBORNE: Okay.

MR. GOSSE: I think that is one of the things we need to address when we suggest changes to the light vehicle policy.

MR. OSBORNE: Okay.

Can you undertake to provide to the Committee a list of vehicles with less than 10,000 kilometres and with less than 5,000 kilometres?

MR. GOSSE: If we have the information available, if we can extract it from the EMS now, we can provide that. As I said, our goal would be to have all that data entered and presented in our annual report at the end of this fiscal year. Whatever we have now, Mr. Osborne, we can provide.

MR. OSBORNE: Okay. Thank you.

I think there were at least two internal reviews of the government vehicle fleet over the years. I think there have been three Auditor General reports. It has been a topic of a lot of review.

I appreciate the information that you provided this morning. I certainly hope the focus that your department is putting on government vehicles, through the information that you provided, will come to fruition and prove to be very useful.

I know that over the previous Auditor General reports, over the course of – I think the first one was done in the 1990s. The same complaints, the same concerns were identified in almost every report and nothing done about it. Like I said, I am hoping that, at this particular time with the information you provided, we will see very positive results from that.

I wish you well with it, but I wonder why – and it is no reflection on the current deputy, certainly, because you have not been there very

long – three Auditor Generals’ reports had found almost identical concerns, and those concerns had not been addressed from the 1990s right up until today?

MS COMPANION: Mr. Osborne, I am not really sure. I think there have been varying forms of efforts that have been put into the vehicle fleet management program. It is definitely a work in progress, and I am hopeful, too, that our shoulder to the wheel is going to really make a difference in us being able to get this program in an accountable way for government.

MR. OSBORNE: Okay.

We cannot fault you for what you are trying to do.

You mentioned, Gary, that there were ninety vehicles in the lease fleet, I guess, that were replaced and in one year there were ninety vehicles purchased. How many vehicles are currently leased or rented now by government?

MR. GOSSE: By our department, we had approval for up to twenty-five on the engineering side and two for air services side. I believe we have ten on the engineering side right now that are leased, and certainly the two for air services in Labrador.

Government wide –

MR. ADAMS: The Department of Natural Resources has about twenty long-term rental vehicles at the current time, along with the twelve or so that the Department of Transportation and Works has. That would be the only long-term rental vehicles that would be in the fleet this time, so roughly around thirty to thirty-two.

MR. OSBORNE: Okay.

So those are long-term rentals.

MR. ADAMS: Yes.

MR. OSBORNE: What are the benefits to a long-term rental versus a vehicle purchase?

MR. GOSSE: It would depend. A long-term rental in our policy manual, or government’s policy manual, is anything over thirty days.

Once we got to the situation that we were in and did our cost-benefit analysis, our long-term rentals were effectively for the whole construction season. So you are getting into the seven-, eight-, and nine-month scenario. In those cases it was cheaper to buy vehicles than lease them.

If a long-term rental is between thirty and sixty days, then I believe it is still the best option for government to lease for those – and it could be cyclical in nature. It may be thirty-two this year. Last year we did not have any long-term rentals as a department. If other departments had them it was for varying purposes and varying times.

So unless you are getting into a situation where a cost-benefit analysis is done using standard principles, shows that repeat usage or repeat long-term rentals for the same purpose for the same time every year proves to be less economical than an ownership, well, then I think there is still a need for some long-term rentals. Realizing anything long term is more than thirty days.

MR. OSBORNE: Okay.

CHAIR: Mr. Osborne, we should go to Mr. Cross now.

MR. CROSS: Thanks, Mr. Chair.

Most of the questions, I guess, have been asked by now, but there are a couple or three things I wanted to point at or identify.

In recommendation 8, from the report that you gave, it talked about fuel purchase data and mileage information, things like that. Back in the report on page 119 there are many examples, two or three examples, some seemed to be anomalies, others almost seemed to be violations of purchase of fuel data and things like that.

How will this new system – if monitored correctly – fix a problem of that nature? Would it be like multiple fuel purchases in a day exceeding the limits and things like that? Is that all going to be tracked with this system?

MR. GOSSE: Mr. Cross, once we have all of the data, any person we have now sourced to track and analyze the data, the system will not fix that but it will allow us to identify anomalies and follow up on them for correction if necessary.

MR. CROSS: Okay.

MR. GOSSE: The fact that there is more than one fuel purchase in a day is not uncommon for some departments, depending on the vehicle and the use that it is getting. We will be able to identify at least those potential outliers as we analyze our data and follow up to make sure that it is legitimate or to rationalize what happens.

MR. CROSS: This follow-up will be done by whom? By this Administrative Officer I or –?

MR. GOSSE: That is correct, yes.

MR. CROSS: Okay.

In recommendation 11, personal use of government vehicles, especially for people who have authorization to park their government vehicle at a private residence overnight. Is there a stipulated usage contract for someone who has a vehicle of that nature so they know what can and cannot be done? Because most of the time, as MHAs, what we would hear is another employee or someone, recognizing that someone is parking a vehicle, but they also recognize they might run off up the road somewhere after hours and using the government vehicle for that use.

When someone parks a government vehicle at home, is it a general practice that is the general vehicle they are using all the time or is their personal vehicle parked at the depot or parked somewhere, where when they obtain the vehicle it is there, they have usage?

MR. GOSSE: If they are approved to park a government vehicle at home, it is for parking only. It is not for running up the road in the night to pick up a carton of milk, for example.

MR. CROSS: Okay.

MR. GOSSE: In those cases, I doubt very much whether their own personal vehicle is anywhere but in their own driveway, because if they have

to run up to the store in the nighttime they have to use their own vehicle.

Our employees certainly are very aware that personal use or passengers in a government vehicle, unless it is another government employee, is not permitted. We have provided the policy document to all deputies and other departments which clearly identify that as well. I cannot imagine that deputies have not passed that information on to the people in their departments who are using vehicles, to make sure that they are aware of it. It is very clear that personal use of a government vehicle is not permitted.

MR. CROSS: Okay.

Is it possible that we could easily obtain that policy?

MR. GOSSE: Absolutely.

MR. CROSS: Could we get a copy of it or whatever, so at least we will be familiar with it?

MR. GOSSE: Absolutely.

MR. CROSS: It might deflect some criticism or whatever.

Most of the questions, Mr. Chair, unless there is a personal issue behind it, are covered for me right now. I will deflect back to Mr. Murphy.

CHAIR: Okay.

MR. PEACH: I just have a couple of –

CHAIR: Yes, Mr. Cross only went for a few minutes, so if another government member would like –

MR. MURPHY: Yes, sure.

MR. PEACH: You mentioned earlier, I think it was Mr. Osborne who asked the question about positions. We have had some mechanics out there who have retired. Have we filled those positions? You mentioned earlier there is difficulty to get some professional people and that. Are there many positions now that Transportation has, because my office is getting calls all the time from people looking for work?

It would be nice if we knew, or if we were let known the positions that are out there that are being posted because sometimes – I know you can go on the website and get it, but when you are on the road every day you do not have access to it. If somebody puts the question at you, you have to make two or three phone calls to find out. Is that possible? Can you tell us now if there are many positions out there that are not filled?

MR. GOSSE: It would be very difficult to keep that updated on a day-to-day basis to let people such as yourself, Mr. Peach, know that these are vacant positions. I think the easiest answer for you would be to refer people to a website because that is a living document. There is a site right on government's home page with all the currently posted government positions. All of our mechanics would be posted there.

MR. PEACH: Are there many positions there now not filled?

MR. GOSSE: We certainly have vacancies for mechanics. I am pretty confident in saying that. Whether there is anything posted right now, or if the posting had just expired and they are in the process of being reposted, I could not say for sure.

I am pretty confident in saying that we still have vacancies for mechanics. We have had extreme difficulty in recruiting, especially in remote areas.

MR. PEACH: I would say at this time of the year now we probably have operators too, because coming up for the winter we are usually short on operators.

MR. GOSSE: We have operators on recall certainly for winter, but we also post a call-in list. We advertise for a call-in list every year so we have someone to call. If someone is off sick on a morning you want someone who you can at least – a person you can call to come in on very short notice. We do those every year. It is another one that we have difficulty filling. In some areas we have nobody on a call-in list because we cannot get anybody who qualifies to apply.

MR. PEACH: Just a question on the operators. We had nine operators who passed the operator's course over in Bay Roberts a couple of years ago, in 2014. I think four out of the nine put their applications in through Transportation from Goobies to Bellevue; I think one may be in Whitbourne.

Transportation has a policy in place that you have to pass a test through Transportation in order to be qualified to be an operator within our operation. Those people took the test. Four of them failed, young people just coming out of school. I am being told by the operators that are operating there now – I know one guy who was a tractor trailer driver for fourteen years took a job with DOT and when he went to work with them, he was put there on a trial basis, given the trucks periodically on times to try and learn how to use the flyer.

I am just wondering why we would have that sort of a test out there, when they already passed the course, and why we would not probably look at them as an apprentice and train them into the job. If we can do it for one or two, we can do it for everybody or is it some other (inaudible) –

MR. GOSSE: We have to understand that there is a difference between a truck driver and an equipment operator. The ones who are coming out of Bay Roberts are, as you said, tractor trailer drivers, and I have no hesitation in saying that they are fully qualified to –

MR. PEACH: Heavy equipment operators.

MR. GOSSE: – drive a tractor trailer and back a tractor trailer into Dominion to unload. It is quite different than operating a piece of snow clearing equipment, or a backhoe, or a grader, or a loader. We test our operators on the loader to make sure that they can safely operate a loader. We test them on our plow trucks, we test them on a backhoe, and we test them on a grader. That is all the equipment that we have to operate. The position description for a Highway Maintenance Equipment Operator, an HMEO, is to operate those pieces of equipment.

It would be negligent on our part I would suggest – stronger than suggest – to take someone who has a licence to drive a truck and put them in one of those pieces of equipment

and put them on the road and have something happen that neither one of us wants to happen.

We talked earlier about insurance claims and that is for incidents have happened with qualified plow operators, so you can just imagine what would happen if you put someone out there with no experience. We do have a snow school where we try to train new operators every year. Even on our call-in lists, we try to train them the best we can and we test them on our equipment.

We have even gone back on our call-in list for winter checking them on the snowplows rather than the other two pieces of equipment, knowing they are only going to have to drive a plow truck. We have to do our part there to make sure that the people who are out on our roads driving heavy equipment, whether it is ours or somebody else's, is safe and qualified to do so.

MR. PEACH: My point was – and I think you might have misunderstood me. I was not talking about tractor trailer drivers who are going and taking a course in tractor trailer driving. I am talking about nine people who took a heavy equipment course driving graders, driving the backhoes, driving the excavators and driving the dump trucks. They came out of that school and they applied for a job.

Now, this test that they do I think it is mostly on the truck. They will go to Clarendville or they will go to Harbour Grace or wherever it is, the guy will go out and he will drive around town in the truck to see if they are capable of driving the truck. Some little slip-up at all fails them, so there are a couple of incidents that happened. The thing is we are looking for operators all the time and we have people right on our doorstep who took the course and cannot seem to get the job at Transportation.

In talking to the people at Transportation, I have called them several times and I said: Why can't this fellow get a job? They are saying: Well, he is just out of school. Here is somebody with a tractor trailer licence who drove a tractor trailer for fourteen years who never drove heavy equipment like a dump truck or anything like that, come in off the street and all of a sudden gets that job. They have to train him into the

truck to drive the flyer, we will say, for the wintertime.

I am saying: Why can't the young person who came out of school, who went to school, took this course, be trained the same way as that tractor trailer driver who has fourteen years' experience, comes in and all of a sudden for some reason out there that he will get that job and the guys who took the course cannot get there – that is my question on it.

MR. GOSSE: So the first thing we have to understand is everybody is going to do the same test when they come in our door in the beginning –

MR. PEACH: Everybody, yes.

MR. GOSSE: Everybody. We will certainly train the ones who do the best in that test, whether it is the inexperienced, new guy or gal right out of school or if it is the fourteen-year tractor trailer driver. Whoever does the best and we have to invest the least amount into to get what we need, that is the ones that we have to hire.

MR. PEACH: It is my understanding that the tractor trailer driver did not take the test.

MR. GOSSE: That is your understanding. That is not correct. Everybody does the same test.

MR. PEACH: I would not say it is not correct. I am just going by the people who worked in the depot told me. I am not saying that I am not right in what I am saying; the other guy must not have been right in what he said.

MR. GOSSE: He may have thought he was correct. I think you need to speak to some of the managers to see what they are doing out there, or equipment inspectors. We have equipment inspectors in every region that do our testing for us.

MR. PEACH: I spoke to them.

MR. GOSSE: Everybody does the same test.

MR. PEACH: I spoke to them, but I will leave it at that for now.

MR. GOSSE: If you spoke to them and that is what they told you, I would be interested in knowing who told you that, because that is not correct.

MR. PEACH: That is all the questions I have, Mr. Chair.

CHAIR: Thank you.

We will go to Mr. Murphy.

MR. MURPHY: Thank you, Mr. Chair.

I only have one question on item 15 on the information that you passed out: the handling of public complaints not coordinated by the branch. As a result, public complaints may not be properly addressed. What are you thinking here when you are talking about having an appropriate and consistent approach to address public complaints? Are you talking about having a central phone number where the general public might be able to phone and issue a complaint and handle it that way?

MS COMPANION: That is what we have envisioned. We need to work with our partner departments. We need to identify what would be the appropriate mechanism, but something like a number maybe on the vehicles that people can call to identify complaints and have a person be able to route those and get those addressed appropriately.

MR. MURPHY: Besides that, of course, not only is everybody covered under the Highway Traffic Act for any kind of vehicle infraction at the same time, but I would imagine that you would have your own policies outside of that that would come in line with the proper handling of a vehicle and non-abuse thereof?

MS COMPANION: Right.

MR. MURPHY: Okay.

Mr. Chair, I am pretty happy with the report of the Auditor General, and I am satisfied with the answers that have been given. A lot of my co-Committee members have also asked questions that I had on the list, but there is one more very important item.

This is the last time that we will see Gary Gosse, to my understanding, here at the Public Accounts Committee. Possibly, he may have one more hearing on October 22; however, if he is not there for that particular day, I want to wish him all the best. He has served thirty years with government in the department. I think that he should be showing right now a lot of pride in doing the job on behalf of the taxpayers of this Province.

His loyalty to the public service and to government and to his department has remained unquestionable. I know that he is probably the most congenial of all people that I have ever met in Public Accounts, but also when it comes to government Estimates while I have been here at the House – and lucky fellow, he is getting out a month ahead of me.

So anyway, I just wanted to wish all my best, Gary, and thanks again for your service, and one of these days hopefully you will write a book – you might want to call it *Pothole Stories* or something, but I will thank you in advance for your service in case we do not see you again.

Thank you, Mr. Chair.

MR. GOSSE: Thank you very much, Mr. Murphy.

It has been thirty-three and a half years in the public service. With very few exceptions there were very few days that I did not want to get up and come to work.

MR. MURPHY: There are going to be some pretty big potholes here to fill now without you around, I will say that.

MR. GOSSE: We have lots of capable people to take care of that. I have told all of my folks – because they have said October 30 is my last day, what is going to happen on November 2? I said you are going to come in, you are going to go to work, and you are going to carry on doing the things that you do whether I am here or not.

MR. MURPHY: Yes.

MR. GOSSE: Thanks for the comments.

MR. PEACH: Yes, just a comment. I want to thank the staff for answering the questions. Gary today has been no different today than any other day when we have a conversation. Some of the questions that I probably asked might have been a little different than what I normally had. Anyway I want to wish you all the best too.

I learned today that you are leaving the last of October and I want to wish you all the best. It has certainly been an enjoyable seven or eight years that I have had in politics working with you. You have been pretty helpful a lot of times that I have called. If I could not get the answers out in the district I certainly could rely on you yourself to get the answers for me. I want to say thank you for that.

I also want to thank the Auditor General for the reports that they had and their staff.

Thanks very much. It has been a great morning.

CHAIR: We are not done. We are far from done.

MR. PEACH: We are not done?

CHAIR: No.

MR. PEACH: Oh you have a lot of questions.

CHAIR: Mr. Osborne, do you have questions.

MR. OSBORNE: I do. Thank you.

You thought you were getting off easy here.

MR. GOSSE: I will open up my book again.

CHAIR: Mr. Murphy (inaudible).

MR. MURPHY: It is not me.

MR. OSBORNE: Gary, I am hoping that your departure is not because you are afraid of who is coming to the other side.

WITNESS: You are not there yet.

MR. OSBORNE: In questions, the Department of Transportation and Works; their own vehicles are repaired through the department. Other departments go outside for repairs. Is it more

economical to go outside for those repairs or to have them done in-house?

MR. GOSSE: I would argue that it would be cheaper. If we had the facilities and the staff to do those repairs ourselves, I think that would be the best way to have them done. We all have to understand that private garages are profit driven, whereas our own garages would not be profit driven. That is not to say there is anything wrong with profit or private sectors. Many good things are done in the private sector. All of our construction work is done by the private sector. As long as it is a competitive process it is fine.

I think that if we had our own repair facilities large enough to be able to do the government fleet and with the staff there who needed to do it, then it would be a good thing.

MR. OSBORNE: Okay.

Has there been any analysis done, to your knowledge, to compare the departments, the cost of repairs by the department that are going outside versus Transportation and Works? I know there are wage differences, obviously, for government employees versus a private garage, but there is profit for the private garage.

I am wondering, has the department done an analysis? Is it worth looking at and trying to do additional work in-house?

MR. GOSSE: I think once we have all of our data in and we can do some good analysis on repair costs that are being done by other departments, then that is an analysis we could do. Right now, we do not have the repair costs. We have one quarter's reports in now.

I think you would have to look at trends, as far as repairs are concerned. If you are just, kind of, isolated, and look at one quarter's reports on repair costs, that is not going to give a true indication of what is happening. So you need to be able to develop that database and then do some trending analysis to determine which exactly is more cost effective.

MR. OSBORNE: Okay.

I know Figure 2 of the Auditor General's report showed the cost of operating vehicles by

department. I am just wondering – there may be a very logical explanation, or it may be something that needs to be investigated, I am not sure.

For example, the cost of operating a vehicle for Environment and Conservation is considerably less. It is less than half of the cost of operating a vehicle for the Department of Justice. Is there a rational explanation for that, or is that something that we should look into and analyze further?

MR. GOSSE: I cannot say for sure whether there is a rational explanation or not. I know Justice operates vehicles – for example, if you see an RNC vehicle stopped at a motor vehicle accident, the vehicles are running. They do not turn them off because they have their lights going. They just do not shut them down. Whereas, I expect if Environment and Conservation stops on the side of the road to go do something back in off the road, the vehicles are shut off.

I would expect that there are going to be different operating costs depending on the operation that the particular body is performing. Some of it may not be able to be rationalized.

MR. OSBORNE: Okay.

MR. GOSSE: It may be something we can analyze once we get all the data in and can start doing some training analysis.

MR. OSBORNE: Okay.

I suggest that probably is an area we should analyze, in addition to whether or not repairs are –

MR. GOSSE: I would not disagree with that.

MR. OSBORNE: Okay.

I do have a couple of other questions so bear with me, if you would.

I know some of this has already been answered in the information that was provided to us, but the branch is not maintaining accurate and up-to-date inventory of vehicles. In the Auditor General's report – and I believe in previous Auditor General reports vehicles with licence

plates – licence plates were on the wrong vehicles. So tracking a vehicle – do you track it by serial number or do you track it by licence plate?

What should be corresponding and the same vehicle are two different vehicles. How do you correct that? Is that corrected? I know the vehicle fleet is quite large, 1,588 vehicles, but how do you ensure that we are tracking the proper vehicle so that even in EMS, if you have information on one vehicle, you are actually talking about the vehicle that you have information on.

MR. GOSSE: We do not track them by licence plate number. Each vehicle has its own assigned fleet number, and those are not easily transferable from one vehicle to another. They are put on with decals. While you might be able to peel it off one vehicle, you are not going to stick it on another one.

MR. OSBORNE: Okay.

MR. GOSSE: That is the number that is used for tracking our vehicle information.

MR. OSBORNE: Okay.

There was a little bit of talk earlier about possibly placing a number – and we see this oftentimes with commercial vehicles; how is my driving and a phone number. Are we looking at putting that on the back of all vehicles in addition to an EMS number or an identification number on the back of the vehicle? That in and of itself would help ensure that vehicles are properly – right now, I mean, unless somebody is going to log into a computer or look up a phone book number to try to make a complaint, if the number was on the back of the vehicle, that complaint could be made immediately because it is there.

MS COMPANION: Yes, we do envision something of that nature. We need to work with our partner departments. It would provide for a very good process for the public in terms of being able to report complaints. It would provide a very good accountability measure for government and its employees who are out using government vehicles, and it definitely would assist in our vehicle fleet management program.

So, we anticipate doing something of that nature, and working with our communications group to roll something out.

MR. OSBORNE: Okay.

MR. GOSSE: It is that “How is my driving?” is one of the very things that came up in our conversations on how to address this issue – it was exactly that. You see it on courier vans all the time: “How is my driving? Dial 1-800” So it is one of the options that we are certainly considering very highly.

MR. OSBORNE: Okay.

That would also curb – and I agree, it is probably not an excessive amount of personal use, but I do not believe there is no personal use. It would probably also eliminate some of the personal use of vehicles. We have all seen government vehicles in strange places at strange times and wonder whether or not they are there on government business. So if there is a number, employees would probably be more vigilant in the use of government vehicles as well.

MR. GOSSE: We would agree with that view.

MR. OSBORNE: In the Auditor General’s report, the logbook maintenance, there were no logbooks maintained for vehicles operated on the Avalon Peninsula – and I know that is being corrected with the measures that you have outlined today. Why were logbooks not maintained for vehicles on the Avalon Peninsula versus other areas of the Province?

MR. GOSSE: I cannot honestly answer that. I do not know if it was a misunderstanding on someone’s part. We did have a superintendent of equipment for the Avalon that was off for a long period of time as well. That position has now been replaced, and it is normally the superintendent of equipment who would provide the information to us through EMS. The new superintendent certainly is aware of his responsibilities now, and I expect that problem has been corrected.

MR. OSBORNE: Okay.

Did that include as well vehicles for the Department of Transportation and Works?

MR. GOSSE: That was just for Transportation and Works vehicles. As far as the other departments are concerned, I think we have gotten the message through now after four letters and phone calls from two different deputies to remind their colleagues that this information is required according to government policy, and we seem to be getting that information in now.

MR. OSBORNE: Okay.

We have already talked a little bit about the need for more human resources in order to properly manage the government vehicle fleet. In the Auditor General’s report, EMS lacked the capacity to record the detailed information. The branch lacks the resources to review each logbook received and input the information.

We are now relying on user departments to provide the information. If they are providing the information and somebody in Transportation – I am wondering about the connectivity to ensure that information is relayed accurately, not just timely but accurately and that we know that what is being passed on by department to somebody who is going to be doing the data entry into the EMS that we are actually tracking it accurately as well.

MR. GOSSE: As I said, we are piloting two departments now with inputting their own data, with a view to rolling that out to the remainder departments. That aside, we still require those line departments to provide us with copies of their logbooks and all the information. We will have the ability to be able to go in and spot check or audit, if you like, the data that has been entered.

If they input it themselves, it takes that human resource pressure off of us to a certain degree, but we will still have the ability to be able to go in and take a logbook and check down through them and make sure that data is properly and completely entered.

MR. OSBORNE: Okay.

MR. GOSSE: Oftentimes, Mr. Osborne, all you need is the ability to be able to do that to make sure others do it right.

MR. OSBORNE: On the issue of fuel – and I know, in part, my question has already been answered. The issue of fuel and fuel usage – and I understand that if there is a tank in the back of a truck and that truck is servicing a backhoe or a piece of equipment elsewhere, the need for that. I do not think any of us are naive enough to believe that there has never been misuse of gas cards within government.

How are we going to ensure that gas purchases are strictly for the use of government vehicles or government equipment?

MR. GOSSE: The credit card suppliers now provide us with a report each month as to what vehicles are using what fuel and at what times, so we would know on a daily basis what fuel is being used in what vehicles. Again, with our full-time person in place and with EMS current, we will say, we have the ability to be able to monitor those outlying situations where a vehicle has bought more fuel than what we think is appropriate for that vehicle. We have the ability to be able to go back and question ourselves then as to how that occurred or why it occurred or to get the circumstances surrounding that purchase.

You are right; you have to be able to monitor that to pick up on misuse.

MR. OSBORNE: Okay.

You are certain that the measures will be in place on a go-forward basis?

MR. GOSSE: I am certain that the measures are in place now and with the resources we have and with the resources we hope to get, then we will be able to do a pretty good job at monitoring fuel use and vehicle use.

MR. OSBORNE: Okay.

I am just checking now to make sure that there is nothing that I omitted because I know there have been questions asked by everybody.

It does appear, Mr. Chair, that that is my line of questions.

CHAIR: If no other members have questions, I would like to ask a few questions.

MR. PEACH: (Inaudible).

CHAIR: Go ahead.

MR. PEACH: I listened to Mr. Osborne asking questions with regard to the monitoring and stuff like that. What percentage of our monitoring is done electronically and what percentage manually? Do you know? Is that an appropriate question to ask at this time?

What I am getting at, I guess, is out there in the depots, the monitoring that is done out there with regard to the cost and everything, like fueling trucks and transporting equipment and all of that back and forth, is that done manually or is that being done – I know most of the offices have Clerks, so is that part of the job for her to monitor that electronically or is it all done manually?

MR. GOSSE: If you are talking about trucks moving back and forth and the operation itself, there is another system for monitoring that. Now it is done initially manually, almost like on a hand-written work order, or activity cards is what we call them. All of that information is entered into what is called our HMMS or our Highway Maintenance Management System.

MR. PEACH: Electronically?

MR. GOSSE: That is an electronic system very similar to the EMS, but it is meant for monitoring your maintenance activities –

MR. PEACH: Okay.

MR. GOSSE: – as opposed to your vehicle fleet. It is a little of both. It is entered originally or recorded originally, hard copy, and then entered into the HMMS system for reporting. We can develop a number of different reports from that as well.

MR. PEACH: So are we looking at, in the future, pretty much everything being done electronically? A foreman, for instance, or a

supervisor, would know the activities each day. He would have a logbook to mark it into, but then it would be transferred over to the electronic system. Would that be way that it is going to go?

MR. GOSSE: That is correct. That is the way it is being done now.

MR. PEACH: That is the way it is being done now?

MR. GOSSE: Yes.

MR. PEACH: Okay.

CHAIR: I hear you refer repeatedly to client departments. I take that to mean other departments of government that actually have control over vehicles, but they report to you. What sort of tools do you have available if they just do not report?

MR. GOSSE: The only tool that we have really is reliance on our policy, and follow-up correspondence from our deputy or phone calls from our deputy. Failure to get responses after even a phone call, I would have to leave it to the deputy to answer how she will follow up on that one.

I think we have enough tools now to be able to get the information. It is showing through, Mr. Bennett, that we actually got our information now on the first quarterly report that we have asked for. We are fully expecting compliance in October with getting the second quarter's report.

CHAIR: Okay.

Why that really concerns me is found on page 114 of the Auditor General's report. I think I would like to ask the auditor if he could enlighten us a little bit as well. The number of discrepancies versus the number of vehicles, if you look at the top line it says: "Incomplete information from client departments." Transportation and Works was zero so that means it was all complete. When you go to Environment and Conservation – seventy-seven vehicles; they have a fleet of 209. That means that over a third of the vehicles at Environment and Conservation had incomplete information.

I wonder if the auditor could shed some light on that. I do not think it is realistic to ask Transportation and Works what is going on with Environment and Conservation vehicles. You may be tasked that, but if it is minister to minister and department to department, and one department does not comply, it does not seem you have any mechanism to compel them, nor do we have an agency for vehicles.

I wonder if Mr. Paddon or your auditor could maybe enlighten us a little bit. I am going to go down this line with Environment and Conservation, because I make in 75 per cent of the vehicles at Environment and Conservation there were discrepancies. That is a huge number.

MR. PADDON: That is a fairly large number. If your question is why is there a large number in Environment and Conservation versus others, at this point that is not a question I can answer. That is really a question for the department to liaise with Environment and Conservation.

CHAIR: I agree. What did that auditor actually find?

MR. PADDON: Maybe I can ask Adam to have –

CHAIR: Just the nuts and bolts of how this –

MR. PADDON: – just some general comments as to what type of things.

CHAIR: What is happening here?

MR. MARTIN: When we did our analysis, we acquired inventories from the client departments and we compared it to the information in the EMS, where possible.

In some of the cases where you see incomplete data, such as incomplete information from the client department or missing vehicle description, things like that, some of the vehicles may actually be the same ones. In the seventy-seven at the top, you may see some of them – in, say, the assigned location below, it may be the same vehicle. They do not have complete information and the location data is missing or something like that.

We just took to looking at the EMS and comparing it on a one-for-one basis. So in some cases the EMS would locate a vehicle in Central, but the actual client data would say that it is in St. John's now. In some cases, they would have a vehicle that was listed as being operable in the EMS; this is, we have it. The client data would indicate that it is no longer a part of their fleet, indicating it has either been transferred or it has been rendered inoperable.

From our comparison of the inventories of the individual departments, we are able to determine these discrepancies between the information. The EMS, in some manner at that time was inaccurate compared to the actual client data.

CHAIR: Did you actually audit the individual departments and come up with this?

MR. MARTIN: We asked them and made a request to the departments. They each had a vehicle liaison, a contact in the department for information. We simply requested from them to give us their most recent inventory layout.

CHAIR: Was there any explanation provided why they would not be in an assigned location?

MR. MARTIN: We did not get any explanation such as that. Our primary goal for the audit and our scope was to determine if there were discrepancies, not to determine what the source of the discrepancy was.

CHAIR: Okay.

There is a line which says licence plates. There are a total of twenty-eight licence plates. Does that mean vehicles that do not have plates, or plates that are missing?

MR. MARTIN: The number of the plate for the vehicle in the EMS was not the same as the department indicated. The vehicle had the same vehicle number, say 06315, but the vehicle plate for it, which usually starts with GP, would be GP015. The actual one in the EMS would be GP114, or whatever, like that.

CHAIR: I do not know if the department can shed any light on how you have a – it looks like a wrong licence plate or no licence plate. What I am thinking are stolen licence plates. There is

big trafficking in stolen licence plates for people who owe tens of thousands of dollars in traffic tickets. They are driving with stolen plates. It looks like we have twenty-eight instances of licence plate issues.

MR. GOSSE: Unless there was a keying entry, I cannot imagine that there is a big demand for stolen government licence plates. They are pretty obvious because they are all starting with one series G. So it would be pretty obvious to any enforcement officer whether it, in fact, was a government plate or not.

The other thing, of course, with our government plates is that they do not have any annual renewal stickers on them. So that would be another trigger for an enforcement officer to say, well, that vehicle is not licensed. Even if he did not pick up on the G, it does not have a sticker.

Unless there have been some keying errors, we do not change licence plates on vehicles. If it was a 5 instead of a 4, it could very well be a keying error. That is not to throw a clerk under the bus. That is certainly not what this is intended to do.

With 1,500 vehicles, we should not have twenty-eight, but twenty-eight is not a big number. It should be zero. Do not get me wrong, it should be zero.

CHAIR: When you say we do not change licence plates, that sounds like if you get a vehicle and you put a plate on it, then it should be zero.

MR. GOSSE: It should be zero, yes.

CHAIR: Someone would have to take the plate off?

MR. GOSSE: Unless it was a keying error in the beginning – from the very beginning.

CHAIR: I am sorry?

MR. GOSSE: When we take delivery of the vehicles it is our mechanics who do the final inspection on the vehicle at our garage, put the decals on the doors, put the fleet number on the vehicle, and put the licence plates on.

CHAIR: If you go to Fisheries and Aquaculture – I am not sure who can answer this – the fleet is only thirty-seven vehicles. Fifty per cent of them are also non-compliant, including five missing from the department. How can it be five out of thirty-seven? That seems like a lot. Maybe the auditor can shed some light on it?

MR. PADDON: Really what we are doing is we are comparing a list of vehicles and information that we received from the client department, and comparing it to information that may be available in the EMS. So to the extent that there are differences, it will show up here.

If you look at vehicles missing from client department inventory, what we are saying is that the EMS would have that vehicle recorded. When we got the information from Fisheries and Aquaculture, it was not there. So there could be a variety of reasons. The vehicle may be disposed of, but the information had not been provided to the Department of Transportation and Works to be able to update the EMS. So these are the type of issues that you get.

CHAIR: In Justice and Public Safety there are 314 vehicles; sixty-three of them were not in the assigned location. What types of vehicles are they?

MR. MARTIN: Primarily police vehicles. That is the primary portion of the Justice fleet.

CHAIR: So does that mean they may be moved around and not recorded?

MR. MARTIN: Yes.

CHAIR: It could be in Corner Brook or –

MR. MARTIN: It would be assigned to a different location, but either not informed to Transportation and Works or not updated in the EMS.

CHAIR: There are three departments. That is Environment and Conservation with 75 per cent, Justice and Public Safety with 45 per cent, and Fisheries and Aquaculture with 50 per cent that are non-compliant, and all the other departments look to be quite a bit lower. I ask the deputy minister: Is there any issue with co-operation from these departments as opposed to others?

Why are some really good, and some really, apparently, very non-compliant?

MS COMPANION: There has not been any particular issue with any departments. Deputy ministers have a few means of being able to access information from other departments, and we have shown it in lots of different horizontal strategies – and this is like a horizontal program. We do it with many others.

Once the deputy minister is asked to provide the information, it is usually provided; and if not, a call or a follow-up from me to a deputy minister usually results in the information being provided.

CHAIR: I was speaking with a senior employee of a major corporation recently and he said in their vehicle monitoring from right here in St. John's he can tell you if an employee has a vehicle sitting outside idling. Electronically, he can say if the guy is driving up the Northern Peninsula speeding. It is all electronically monitored so he can put in a telephone call and ask this person, are you doing a service call and your vehicle has been running however long, you need to go shut off your vehicle. Are we anywhere near that? Is that something that we do?

MR. GOSSE: That technology certainly exists. I mean, automatic vehicle locator technology absolutely exists. You can track where your snowplows are; you can track whether the snowplow blade is up or down or how much product it is putting on the road by salt or sand. That does come at a cost, though. That comes at a cost of the initial equipment installation in the vehicles, which could be, if I remember correctly, about \$2,000 or \$2,500 a vehicle, plus then your monthly tracking charges, which is \$50-plus a vehicle a month.

There are pros and cons – there are a lot of pros to doing it. There are a lot of cons cost-wise to be able to do what needs to be done with it and to track it appropriately.

CHAIR: If private business, which operates a profit, sees a benefit to do that, then has government considered it? Has there been any sort of a study to say this is what it will cost to get going now with all the new ones we buy so

ultimately we would have them all really at our fingertips?

MR. GOSSE: You can certainly buy new vehicles with that equipment in it and you will pay for it with the vehicle, but there is still that monthly tracking cost associated with running the system. That is something that would have to be done by the private sector. Not that there is anything wrong with that again.

Yes, we have looked at it. We actually had some of the equipment put in our snowplows on the Avalon Peninsula a couple of years ago. We ran into issues that time with the service provider. It just was not performing the way that we had expected and what we were told it would do.

Is it something to consider? Absolutely, it could be considered again, recognizing of course the cost that goes along with that.

CHAIR: Earlier the deputy minister – or this report actually says, under four, log books are not submitted and then the information has been received for the first quarter of 2015-2016, which is fiscal, which we are in now – and I am not sure if another member asked if a copy was available. Mr. Murphy may have asked for a copy. If not, is there is a copy available of the first quarter?

MR. GOSSE: Of all the data?

CHAIR: In response to four, it says the information has been received for the first quarter of 2015-2016. Is it only raw data or is it organized in the format that the Committee could look at?

MR. GOSSE: If you want copies of the logbooks, there are box full of logbooks that you could – it is not very easy to copy. The information has been entered into the EMS.

CHAIR: I do not think we will want that, but where it says information has been received for the first quarter of 2015-2016 what information, do you mean the logbooks?

MR. GOSSE: We have copies of the logbooks which includes the mileage.

MR. ADAMS: (Inaudible) vehicle repairs, we do have copies of all that information provided to us as well, and they have provided us with a report that would summarize their odometer readings for, say, that month.

CHAIR: Is there something that has been condensed into a report that the Committee could have a look at – is that available? I do not think we are too keen on what raw data – that is not really what we do, but if there is a report –

MR. ADAMS: The only way that we would be able to get a report there, I guess, would be to summarize what is after being provided.

Right now, we just took all the data and we just, like they said, keyed that information into the Equipment Management System. So we never really summarized as to what was provided. We just took all the raw data and started entering.

MR. MURPHY: Maybe what you are asking is we want to get a sample logbook for a particular vehicle, just for our own purposes to see how EMS works.

CHAIR: Sure, that might be a benefit if a sample logbook is available.

MR. MURPHY: Yes.

CHAIR: What I was thinking is this response says that information has been received for the first quarter. I took that to mean that there was a summary, that there was a two page or three page or ten page or whatever that we could have a look and see. Because it says information has been received, that sounds like it is raw data.

MR. MURPHY: Yes, there might be something there.

What I had asked earlier when it comes to that section, by the way, just for your own reference, I was asking about who the contact people were for the various departments and I asked for the list of the same.

CHAIR: Okay.

Mr. Peach.

MR. PEACH: (Inaudible) when I was reading it, I just took that to read that the EMS received the information to be able to log it into the EMS. That is the way I took it. Is that right?

MR. ADAMS: That is correct.

CHAIR: So there is no report available, even an interim report?

MR. ADAMS: No, there is no summary report at this time.

CHAIR: Okay, we do not want to ask you to do any reports based on it but if it was available, it might be useful for us on an interim basis. I do not think we are there.

Did any members have any questions?

Mr. Paddon, do you have any observations or questions or areas that we should be inquiring about?

MR. PADDON: I just have a couple of comments or observations more than anything else. Just an observation on the question you just asked regarding the discrepancies between the EMS and the client departments.

From our perspective we looked at you have an EMS that has the capacity to provide some good analysis and some good information. The start of a good analysis is obviously good data. So that was the starting point when we looked at this. We concluded, really, that the starting point, the data, was in need of fixing up, of being massaged, and to make sure that you are starting out from the right point.

In order to get good data, you need to make sure that the client departments know that it is being used and used effectively and what it is for. If they have the sense that the data is not being used, then you end up with a situation where you have laxness in the whole process so information does not start to flow or nobody is really mindful of the significance of it. So I think that is a lot of what you get there in the discrepancies. If nobody thinks you are using the information, then they do not pay sufficient attention to it. So I just make that observation.

When I look at this whole process, I break it down into three elements. One, you have information starting off being entered into the logbooks in the individual vehicles. So you want to make sure that information is robust, is complete, and is being done on a daily basis. What I hear is that the information, the message, is being sent to departments basically from the top to the top to ensure that departments are aware. I guess once you get a more robust process in the department, if information is not complete or not timely, there needs to be fairly quick turnaround back to the departments to follow up, and that gets a message through.

The second element I would see here is logbook information getting transferred into the EMS. I think it is a good process to have the client departments entering the information themselves. I think that facilitates the transfer of information, and it takes a bit of pressure off Transportation and Works. There still needs to be that follow-up back to the departments if it is not done on a timely basis, and perhaps some kind of an audit process might ensure the integrity of the data.

Of course, last and most important, once you get all that done is, what do you do with all that information? The ability to analyze it is the critical part. We hear that there is a resource person in place now to be able to do that. We hope that person has the skills and ability to take that data and provide it to the appropriate person, but follow-up I think is the key once you get that information.

The only caveat I would say here – and it is not a caveat as much as an identified risk – is that the issues that we saw with this were human resource based. So the risk is that human resource issues become a problem in the future. No surprise, everybody knows that there are budgetary constraints and there could be some issues around that. If there are budgetary pressures, then this position sort of falls into the other departmental priorities. It is just a question of being cognizant of that and where this whole program fits, given the department is a big department with lots of priorities and lots of responsibilities. That is just something that we will be cognizant of when we follow up on the recommendations in a couple of years.

CHAIR: So when you say resource challenge, did you mean in the client departments or in Transportation and Works?

MR. PADDON: Our focus was more on Transportation and Works, and we certainly had the sense that human resource issues were at the root of the issues here. There were likely some HR issues. Whether it was a question of having people in place or having people with the appropriate focus on the information in the client departments was two separate issues. I suspect it was probably more of the latter that people really were not having the appropriate focus on making sure the information was, one, entered in the logbooks appropriately and on a timely basis and, two, then sending it to the Department of Transportation and Works.

CHAIR: Are you satisfied having reviewed this summary or, I will call it, an interim report, informally – are you satisfied that on reviewing that that if Transportation and Works is able to follow through, as this is outlined, with reasonable co-operation from client departments, that it will work? Is that enough or is something else required?

MR. PADDON: When I look at the report that the deputy has tabled here today, I would think, as long as it is followed through on and the appropriate attention is brought to bear, that this would satisfy the completeness of the recommendation that we have made.

CHAIR: Do members have any questions?

MR. MURPHY: Just one follow-up, I guess, for the Auditor General in this particular case.

Would it be your feeling from this that a proper use of the EMS would probably lead to cost savings, obviously, by government? Secondary to that, knowing that each department is responsible for their own vehicle usage, of course, that would probably come natural; I feel there is probably a need here for government to address it because we have 1,588 vehicles in the fleet now. If an effective use of this system is obviously going to show government that they only need to be using 1,200 vehicles, it is a significant cost savings to the taxpayer, obviously.

Are we monitoring our vehicles right, in spite of having this system here? Do we need to be monitoring it through the various departments or would it help to have a separate branch of government to actually be doing all the monitoring of all these vehicles anyway, rather than having departments?

That might be a bit of a large question but –

MR. PADDON: There are two questions there. I will tackle the first one first because I think that is the simpler one.

Is there an opportunity for savings if you have an effectively operating EMS? I think the answer is yes. I think there are opportunities there. How significant they could be, that remains to be seen; but, certainly, if you have a system that is working properly, the way it is designed, there are opportunities for savings.

Whether this should be a separate department or a separate area, I do not think I am equipped to – it certainly was not the focus of our report whether it should be a separate department. I mean, we did suggest as one of our recommendations that the department should look at where the monitoring of the government light-vehicle fleet should be housed, and that is an analysis that can be done by the department or done by government in general.

I do not have enough information, based on what we have done here, to be able to comment one way or the other whether Transportation and Works is the right place or a separate agency is the right place, or do you decentralize and have every department manage their own fleet. I can tell you what, intuitively, I would think. Certainly a centralized location versus decentralized is probably better in terms of control, but whether it is Transportation and Works and another agency I would not be able to comment.

CHAIR: Mr. Murphy, I think that would be really going into government policy whether –

MR. MURPHY: Yes.

CHAIR: Someone would need to make the call. I think that when the deputy minister began, she mentioned agencies out West and those seem to

be competing manners of dealing with it. On the one hand, you may want more government and, on the other hand, you may want less government, but I do not think that is really for us today.

MR. MURPHY: It is not just the City of St. John's either. It is the huge geography we have, so there are other issues there.

CHAIR: I think Mr. Peach had a question.

Any members have any questions?

Ms Companion, we cannot think of anything else to ask you that would be useful. Hopefully some of what we did ask you was useful. Would you like to have anything to say, otherwise we will close off?

MS COMPANION: Thank you very much. We thank the Committee and the Auditor General. The department is committed to making sure that we get this program running and getting it run right in being able to use the information to inform government's decision making and to inform departments on their utilization and best way to do that.

Hopefully, by the end of this year, we will see some significant progress and we look forward to that.

CHAIR: Thank you.

I will ask for a motion to approve yesterday's minutes.

Moved by Mr. Peach; seconded by Mr. Murphy.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: Carried.

On motion, minutes adopted as circulated.

CHAIR: We are now recessed until 1:00 p.m.

Thank you for coming.

On motion, the Committee adjourned.