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**Daily Sitting 58**

Thursday, May 24, 2001.

*1 o'clock p.m.*

Prayers.

Mr. Haché laid upon the table of the House a petition on behalf of residents of the local service district of Petit-Rocher Sud, urging the government to proceed with asphaltting the west side of Principale Street in Petit-Rocher Sud. (Petition 14)

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Mr. Haché laid upon the table of the House a petition on behalf of residents of the local service district of Petit-Rocher Sud, urging the government to undertake the necessary work to prevent flooding in Petit-Rocher Sud. (Petition 15)

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Mr. Alward, from the Standing Committee on Crown Corporations, presented the First Report of the Standing Committee on Crown Corporations for the session which was read and is as follows:

May 24, 2001.

To the Honourable  
The Legislative Assembly of  
The Province of New Brunswick

Mr. Speaker:

I have the honour to present herewith the First Report of the Standing Committee on Crown Corporations.

The report outlines the activities of the Committee since its report to the Second Session of the Fifty-fourth Legislative Assembly.

The report contains numerous observations and recommendations pertaining to the province's regional hospital corporations, which began appearing before the Committee on an annual basis in January of 2000.

In addition, staff of the Office of the Auditor General attended the initial hearings with the hospital corporations and provided the Committee with a report of observations and recommendations arising from the process. A copy of this document is attached hereto as Schedule "A".

Your Committee wishes to thank the officials of the various Crown corporations and agencies that appeared during the public sessions and wishes to acknowledge their cooperation in providing requested information.

And your Committee begs leave to make a further report.

(Sgd. :) David Alward, M.L.A.  
Chairman.

The full report of the Committee as presented follows:

May 24, 2001.

To The Honourable  
The Legislative Assembly of

Mr. Speaker:

Your Standing Committee on Crown Corporations begs leave to submit this their First Report to the Third Session of the Fifty-fourth Legislative Assembly.

This report outlines the activities of the Committee since its First Report to the Second Session of the Assembly in December, 1999.

January of 2000 marked the first time that the province's hospital corporations appeared before a committee of the Legislative Assembly. The Board Chairs, Chief Executive Officers and other senior officials from all eight regional hospital corporations appeared before the Standing Committee on Crown Corporations to account for their activities and spending for the fiscal year.

On January 5 and 6, 2000, the Committee met with officials of the Department of Health and Wellness and officials of the Office of the Auditor General. Officials outlined the structure and mandate of the province's hospital corporations and outlined general issues related to the health care system.

The Committee met with officials of the various hospital corporations as follows:

January 7, 2000 - Region 5 Hospital Corporation (Restigouche Health Services Corporation)  
January 11, 2000 - Region 7 Hospital Corporation  
January 12, 2000 - Region 4 Hospital Corporation  
January 13, 2000 - Region 1 Hospital Corporation (South-East)  
January 14, 2000 - Region 2 Hospital Corporation (Atlantic Health Sciences Corporation)  
January 20, 2000 - Region 3 Hospital Corporation  
January 26, 2000 - Region 1 Hospital Corporation (Beauséjour)  
February 7, 2000 - Region 6 Hospital Corporation (Nor'East Health Network)

On February 22, 2000, the Committee met in a special joint session with the Standing Committee on Public Accounts to receive and review the *Report of the Auditor General of New Brunswick, Volume II, 1999*. The Auditor General briefed members on the nature of the work undertaken and the contents and findings of the Report.

The Committee met in a working session on February 23, 2000, to follow up on the hospital corporation hearings and to prepare for the appearance of New Brunswick Power Corporation.

The Committee met with officials of New Brunswick Power Corporation (NB Power) on February 29 and March 1, 2000. Officials briefed the Committee on the role and mandate of the Corporation and outlined the utility's activities for the year under review.

The Committee met on March 13 and 14, 2000 to review the amended Fredericton to Moncton Highway Agreement. The Deputy Minister of Finance and the Deputy Minister of Transportation appeared before the Committee, along with various officials and advisors.

By resolution of the House adopted June 16, 2000, your Committee was empowered to sit following prorogation of the Second Session of the Fifty-fourth Legislative Assembly.

The Committee met on June 22 and 23, 2000, in a follow up meeting with officials of NB Power, to review the Corporation's 1998-99 Annual Report. The Committee also met with officials of NB Coal Limited.

The Committee met in a working session on September 14 to prepare for upcoming hearings.

The Committee met in the Legislative Council Chamber on October 3, 4, 10 and 11, 2000 to review the activities and financial statements of various Crown Corporations for the year ending March 31, 1999. Officials of the following Crown Corporations and Agencies appeared before the Committee:

Atlantic Lottery Corporation Inc.  
Kings Landing Corporation  
New Brunswick Highway Corporation  
New Brunswick Investment Management Corporation  
New Brunswick Liquor Corporation  
New Brunswick Museum  
Provincial Holdings Ltd.  
Regional Development Corporation  
Service New Brunswick  
Workplace Health, Safety and Compensation Commission of  
New Brunswick

On December 12 and 14, 2000, the Committee met in a special joint session with the Standing Committee on Public Accounts to receive and review the *Report of the Auditor General of New*

The eight regional hospital corporation officials appeared before the Committee for the second time in January 2001, as follows:

January 16, 2001 - Region 1 Hospital Corporation (South-East)  
January 17, 2001 - Region 4 Hospital Corporation  
January 18, 2001 - Region 6 Hospital Corporation (Nor'East Health Network)  
January 19, 2001 - Region 2 Hospital Corporation (Atlantic Health Sciences Corporation)  
January 23, 2001 - Region 1 Hospital Corporation (Beauséjour)  
January 24, 2001 - Region 3 Hospital Corporation  
January 25, 2001 - Region 7 Hospital Corporation  
January 25, 2001 - Region 5 Hospital Corporation (Restigouche Health Services Corporation)

On February 27 and 28, 2001, the Committee met with the Chairman and other senior officials of New Brunswick Power Corporation, to review their activities for the year ended March 31, 2000. The Committee also met with officials of N.B. Coal Limited.

## **Regional Hospital Corporations**

### **Introduction**

January of 2001 marked the second time that the province's hospital corporations appeared before the Standing Committee on Crown Corporations.

Overall, the process ran smoothly and proved to be beneficial to all involved. Officials were better informed of the process and Members had the advantage of the information they gained from the initial hearings. It was obvious from the detailed answers provided to Members' questions, that a significant amount of preparation was involved in the appearance by hospital corporation officials. The Committee acknowledges the cooperation of officials and looks forward to meeting with them again in the future.

During the hearings, many of the Board Chairs and other officials remarked that the process provided them with a useful forum in which to state their concerns and observations regarding the health care system. Officials stated that they appreciated the opportunity to appear before a body of elected representatives and to be accountable to the Legislative Assembly.

The opportunity to appear before the Committee was beneficial to the hospital corporations for a variety of reasons. It was noted that in preparing for the hearings it was necessary to undertake a thorough analysis of the financial statements and accounting aspects of the corporation. Officials cited other benefits, including improved accountability, increased communication to the public and the government, and the fact that the corporations were answerable to their shareholders, the people of New Brunswick. The hearings offered corporation officials the opportunity to express their concerns, respond to issues raised, and offer suggestions for improvement.

Overall, it is the Committee's view that the accountability process appears to be improving.

The following will identify a number of observations and recommendations the Committee brings forward flowing from our hearings with New Brunswick's eight Regional Hospital Corporations:

### **Office of the Auditor General - Observations and Recommendations from Initial Hearings with the Regional Hospital Corporations**

As noted above, the regional hospital corporations began appearing before the Committee on Crown Corporations in January 2000. At the request of the Committee, staff of the Office of the Auditor General attended the initial hearings and agreed to provide the Committee with a report of observations and recommendations arising from the process.

A copy of the report prepared by the Office of the Auditor General is attached hereto as Schedule "A". A summary of the report is also contained in Chapter 13 of the *Report of the Auditor General of New Brunswick 2000*.

The Committee recommends that the Department of Health and Wellness and the regional hospital corporations give consideration to the many observations and recommendations contained in the attached report prepared by the Office of the Auditor General.

Further, the Committee notes that paragraphs 34 to 39 of the report deal with the Office of the Auditor General providing a support role to the Committee. It is noted that under Section 15 of the *Auditor General Act*, the Standing Committee on Public Accounts may request the Office of the Auditor General to provide assistance to the Committee, in planning its agenda and during its review of the Public Accounts and the annual report of the Auditor General. However, the Act is silent with respect to the Crown Corporations Committee.

The Auditor General states "We feel that our attendance at the Standing Committee on Crown Corporations meetings with hospital corporations (and this report) is an extension of the principle inherent in the legislation. And we welcome the opportunity to continue that support in the future."

The Auditor General goes on to recommend that the Committee propose an amendment to the *Auditor General Act* to more clearly define the Auditor General's relationship with the Crown Corporations Committee.

The committee appreciates the ongoing assistance provided by the Auditor General and his staff, and would like to thank them for their assistance during the initial hearing with the hospital corporations. The Committee agrees that the *Auditor General Act* should provide clear authority for the Office of the Auditor General to provide assistance to the Standing Committee on Crown Corporations in the future.

Accordingly, the Committee recommends that the *Auditor General Act* be amended to more clearly define the Auditor General's relationship with the Standing Committee on Crown Corporations.

### **Annual Report Policy**

In its First Report to the Second Session of the Fifty-fourth Legislative Assembly, the Committee recommended that the annual report policy of government be fully complied with by all Crown corporations and agencies. It was noted that the annual report policy (AD-1605) was applicable to all departments and agencies of government. This would include the province's hospital corporations.

Although the Committee has seen some improvements in the reporting mechanisms by the hospital corporations since its last report, it appears that the annual report policy is still not being fully complied with.

The Committee therefore recommends that the annual report policy of government (AD-1605) be fully complied with by the province's hospital corporations by fiscal year 2000-2001.

### **Uniformity of Reporting**

One concern identified by the Committee was the apparent lack of uniformity in reporting among the various hospital corporations. It was the view of the Committee that there should be more uniformity among the hospital corporations in the form and content of annual reports, including the presentation and layout of the reports and the amount and type of information contained therein.

Members noted that financial reporting systems varied region by region and that there did not appear to be uniformity in the meaning and definitions of terms used in the various financial statements. General terms such as "Administrative Expenses" and "Miscellaneous" appeared to have different meaning and application depending on the corporation. There also did not appear to be a uniform amortization reporting structure. Such discrepancies make comparisons difficult.

The Committee noted that all hospital corporations appear to adhere to generally accepted accounting principles. However, the corporations should make a greater attempt to follow similar guidelines in applying these principles. This would make it easier for comparisons to be made between the financial statements of the various corporations.

The Committee recognizes that there needs to be a certain amount of flexibility in the accounting and reporting processes. However, for comparison purposes, it is imperative that there be more cohesiveness and similarity in the reporting structure.

**The Committee recommends that each hospital corporation adhere to a uniform reporting structure as determined jointly by the hospital corporations and the Department of Health and Wellness.**

### **Budget Process**

Regional Hospital Corporations indicated that their budgeting process concluded in February or March each year. While it appeared to be a process based on the development of an expenditure plan, there appeared to be a lack of uniformity in the processes and information used to determine the expenditure plan.

Explanations provided by corporations varied from development of a service delivery plan based on the collection and completion of empirical data, to projections using primarily past performance with a inflation escalator. There appeared to be a lack of uniformity in the collection of service delivery data between corporations.

Furthermore, corporations indicated limited involvement exists between corporations and the Department of Health and Wellness during the budgeting process. There also appeared to be issues related to the lack of sufficient time to complete the budget process.

**The Committee recommends that the Department of Health and Wellness and the regional hospital corporations develop a timely budget process that meets the Department's requirements and at the same time allows the Corporations to accurately compile their budget information.**

### **Enhancing Communications**

A common theme that arose during the hearings concerned the problem of communication between the hospital corporations and the Department of Health and Wellness. A number of officials referred to a perceived communication gap that exists in this regard.

This has been recognized as an ongoing problem and one that presents a challenge that should be addressed by the parties involved. Both departmental and corporation officials alluded to the problem during their appearance and it is imperative that they work together to address the issue.

The Committee believes that better communication between the department and the corporations would facilitate the interchange of ideas and concerns and promote shared plans of action to deal with the problems and challenges faced within the health care system.

Over the long term, enhanced communications should lead to more productive and meaningful results, including improved planning, budgeting and spending activities.

**The Committee therefore recommends that the Department of Health and Wellness and the regional hospital corporations work together on enhancing the level of communication and increasing the value of that communication.**

### **Funding for Out-of-Province Acute and Tertiary Care**

Issues concerning the funding level for tertiary care hospitals were identified. Specifically, some corporations felt that out-of-province acute care exceeds the per diem allotment for this care.

The Committee recommends that the Department of Health and Wellness, along with the hospital corporations, explore the funding formula for out-of-province services, specifically in relation to acute and tertiary care.

### **Acute Care Bed Policy**

The issue of acute care beds was brought up on numerous occasions during the course of the hearings with the hospital corporations.

A number of officials expressed concern regarding the use of acute care beds by long term care patients. However, there did not appear to be any consensus whether financial savings would be realized if the current practice was changed.

The Committee believes this to be is an important issue to New Brunswickers, and one that should be reviewed to determine where there is room for improvement.

**The Committee therefore recommends that the Department of Health and Wellness undertake an evaluation of the practice of utilizing acute care beds for long-term care patients as part of the long term care strategy.**

### **Job Poaching**

The perception of job poaching among the various hospital corporations was raised several times during the Committee hearings.

It was noted that hospital corporations in the province were at times actively recruiting skilled workers from other hospital corporations. Several corporations submitted that this was an ongoing problem which should be addressed.

The Committee is of the view that hospital corporations should not be actively recruiting personnel from other hospital corporations within the province. The Committee sees this practice as being counteractive to the overall management of human resources within the provincial health care system. All of the corporations receive their funding from the same source, the provincial government. For one regional hospital corporation to actively recruit employees from another only results in further vacancies and the need for additional recruiting.

The Committee recognizes that it may be difficult at times to find skilled workers in certain areas of the health care field. It also acknowledges that individual employees may have legitimate personal reasons for seeking similar employment in other areas of the province. However, this does not justify the active recruitment by hospital corporations of skilled workers from other provincial hospital corporations.

**The Committee recommends that the problem of job poaching among the various hospital corporations be examined by the Department of Health and Wellness and the hospital corporations.**

Your Committee wishes to thank the officials of the regional hospital corporations and other Crown corporations and agencies that appeared before the Committee during the public hearings.

And your Committee begs leave to make a further report.

(Sgd.:) David Alward, M.L.A.  
Chairperson

Ordered that the report be received, that leave be granted and the Committee continued.

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Hon. Mr. Volpé laid upon the table of the House a document entitled *New Brunswick Protected Areas, May 2001*.

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Hon. Mr. E. Robichaud, Deputy Government House Leader, announced that following third and second reading of Bills, and in view of the agreement with the opposition to dispense with Private Members' Motions, it was the intention of government that the House resolve itself into a Committee of Supply to continue consideration of the estimates of the Department of Training and Employment Development followed by those of the Department of Transportation and the Department of Education.

It was agreed by unanimous consent to dispense with the two hours of Private Members' Motions for this sitting day of the House.

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The following Bills were read a third time:

Bill 35, *An Act to Repeal Unproclaimed Public Acts and Parts of Public Acts*.

Bill 36, *An Act to Repeal Acts Not Consolidated and Not Repealed*.

Bill 42, *An Act to Amend the Legislative Assembly Act*.

Bill 54, *An Act to Amend the Executive Council Act*.

Bill 65, *An Act to Amend the Judicature Act*.

Ordered that the said Bills do pass.

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The following Bill was read a second time and ordered referred to the Committee of the Whole House:

Bill 70, *Electronic Transactions Act*.

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The Order being read for a second reading of Bill 71, *Supplementary Appropriations Act 2000-01(2)* a debate arose thereon.

And the debate being ended, and the question being put that Bill 71 be now read a second time, it was resolved in the affirmative.

Accordingly, Bill 71, *Supplementary Appropriations Act 2000-01 (2)*, was read a second time and ordered referred to the Committee of the Whole House.

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The House, according to Order, resolved itself into a Committee of Supply with Mr. Ashfield in the chair.

And after some time, the Chairman declared it to be 6 o'clock p.m., and left the chair to resume again at 7 o'clock p.m.

7 o'clock p.m.

The Committee resumed with Mr. Ashfield in the chair.

And after some time, Mr. Alward took the chair as Acting Chairman.

And after some further time spent therein, due to the unavoidable absence of Mr. Speaker, Mr. Ashfield, the Deputy Speaker, resumed the chair as Acting Speaker and Mr. Alward, the Acting Chairman, after

requesting that Mr. Deputy Speaker revert to Presentations of Committee Reports, reported that the Committee had had under consideration the matters referred to them, had passed several items and asked leave to sit again.

Pursuant to Standing Rule 78.1, Mr. Deputy Speaker then put the question on the motion deemed to be before the House, that the report be concurred in, and it was resolved in the affirmative.

The following are the items reported:

MAIN ESTIMATES, 2001 - 2002  
ORDINARY ACCOUNT

DEPARTMENT OF TRAINING  
AND EMPLOYMENT DEVELOPMENT

Resolved, That there be granted to Her Majesty a sum not exceeding \$202,515,000 to defray the expenses of the following programs:

Corporate Services	69,258,000
Apprenticeship Services	3,680,000
Advocacy Programs	961,000
Labour Services	1,654,000
Employment Development	29,138,000
Labour Market Development	97,858,000
Less amounts authorized by law	34,000
Voted	202,515,000

DEPARTMENT OF TRANSPORTATION

Resolved, That there be granted to Her Majesty a sum not exceeding \$132,914,000 to defray the expenses of the following programs:

Administration	18,397,000
Transportation Policy	2,705,000
Maintenance	56,618,000
Winter Maintenance	50,846,000
Bridge and Highway Construction	4,382,000
Payroll Distribution	0
Less amounts authorized by law	34,000
Voted	132,914,000

GENERAL GOVERNMENT

Voted, Supply in the following amount to defray the expenses of the following program:

Labour and Employment Board	612,000
New Brunswick Highway Corporation	669,000

WORKING CAPITAL - MAXIMUM BALANCES  
2001 - 2002                      Voted

WORKING CAPITAL ADVANCES

Workplace Health, Safety and Compensation Commission	
Finance	360,000
Education	160,000
Health and Wellness	530,000
Training and Employment Development	30,000
	1,080,000

PETTY CASH ADVANCES

Training Employment Development	20,000
Transportation	50,000

INVENTORIES

Training Employment Development	1,250,000
Transportation	19,000,000

The said items were concurred in by the House.

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And then, 10.05 o'clock p.m., the House adjourned.

