



# **STANDING COMMITTEE ON PUBLIC ACCOUNTS**

**Hansard Verbatim Report**

**No. 5 – November 28, 2016**



**Legislative Assembly of Saskatchewan**

**Twenty-Eighth Legislature**

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

Ms. Danielle Chartier, Chair  
Saskatoon Riversdale

Mr. Larry Doke, Deputy Chair  
Cut Knife-Turtleford

Ms. Jennifer Campeau  
Saskatoon Fairview

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The Battlefords

Mr. Glen Hart  
Last Mountain-Touchwood

Mr. Warren Michelson  
Moose Jaw North

Ms. Nicole Sarauer  
Regina Douglas Park

Mr. Randy Weekes  
Biggar-Sask Valley

[The committee met at 08:00.]

**The Chair:** — Good morning everyone. Welcome to Public Accounts. I'm Danielle Chartier; I'm the Chair of Public Accounts. And with us today we have Larry Doke, Herb Cox, Randy Weekes, Warren Michelson, Glen Hart, Jennifer Campeau, and we have Ms. Cathy Sproule substituting for Ms. Sarauer today.

Welcome to Judy Ferguson, our Provincial Auditor and the officials from the GTH [Global Transportation Hub]. We've got Mr. Bryan Richards. But I'll have . . . have an opportunity to speak in just a moment. I have one document, before we get started on our item of business, that I'd like to table and that is Ministry of Health: Report of public losses, July 1st, 2016 to September 30th, 2016. Well welcome to the Provincial Comptroller's office here. My apologies, we've got Chris Bayda and Terry Paton. Welcome today.

And with that, I think we'll just get started on our . . . We only have one item of business today, and that is reviewing the *Special Report: Land Acquisition Processes, The Global Transportation Hub Authority and Ministry of Highways and Infrastructure*. So I will pass it off to Ms. Ferguson to make some comments.

**Ms. Ferguson:** — Thank you very much, Madam Chair, Deputy Chair, members, and officials. Thank you for the opportunity just to, I just wanted to reinforce a couple of points that we raised at the last meeting. And the reason that I do that, that I wanted to do that is that our office is a bit concerned that our finding — which is the audit did not find evidence of conflict of interest, indications of fraud or wrongdoing by GTH management or the board of directors — is not well understood and has really I think overshadowed our audit conclusion. When we sit back and pause as an audit office, we think this may stem from an insufficient understanding of audit, and perhaps that's impacting the understanding of the results of our GTH audit.

So as noted in our report, and as we raised in the November 8th Public Accounts Committee meeting, our office did not do a forensic audit or audit the activities of private sector individuals or corporations. Rather, as we expressed at that meeting and in the report, the GTH audit focused on GTH processes to acquire land. The purpose of the audit was not to accuse or vindicate individuals or entities involved in specific land transactions, as may have been the purpose of a forensic audit.

As previously emphasized, we did the audit in accordance with generally accepted auditing standards. We refer to these standards as GAAS. You know, as we noted in the last meeting, GAAS doesn't allow the auditors to ignore risks of fraud due to . . . or errors or irregular acts, as they relate to the objective of the audit. Rather, as we previously highlighted, GAAS expects auditors to identify such risks, carry out audit procedures in response to those risks, and assess the audit and evaluate the audit evidence.

In addition GAAS recognizes, owing to the inherent limitations in audits, there's always the unavoidable risk that an audit carried out under GAAS may not detect fraud, wrongdoing, or

conflict of interest. To acknowledge this limitation, we stated that the audit did not find evidence of conflict of interest or indications of fraud or wrongdoing by the GTH management and board of directors.

You know, so we want to emphasize that the audit did not conclusively state that there was no conflict of interest, fraud, or wrongdoing with respect to these land transactions related to GTH. As indicated in our report, our conclusion is that the audit did not have effective processes to acquire land for the purposes of transportation logistics hub from the private sector reflecting fair value. As our office has previously stated, ineffective processes have left taxpayers exposed to increases in land value and paying for increased land prices. That concludes my comments. Thank you.

**The Chair:** — Thank you, Ms. Ferguson. Mr. Richards, if you'd like to make a few opening comments. And just if any other officials are answering questions, if you can introduce them, and if they identify themselves when at the mike. I'll pass it off to you.

**Mr. Richards:** — Thank you, Madam Chair, and committee members. Thank you for the invitation to appear here today. I would like to introduce Kelly Brossart, our director of communications. Kelly is just going to support me, if at all possible, to answer the questions that you may have.

When it was first announced, we greatly welcomed the review and the audit that proceeded. It was a very comprehensive examination of the complex details surrounding the GTH land purchases and our related processes. We appreciate the insight and input of the auditor, and I wish to sincerely thank the Provincial Auditor and her office for the work they completed in auditing the land acquisition processes of the GTH. Their guidance and detailed analysis provided our office with a very helpful amount of information for our relatively young organization.

During a recent 75-minute debate in the legislature on November 3rd, there was a comment made by the hon. opposition regarding the GTH and how people want to understand what is the GTH. I believe this may assist the committee as well. I would like to take a moment to share some of the details of the GTH, beginning with our mandate.

As all present here are very aware, we are a province dependent upon trade. The GTH was originally conceived as part of the discussions to relocate CP [Canadian Pacific] Rail from a downtown Regina, congested area, and was created by order in council in June 2009. It was designed to be a generational project that supports Saskatchewan's participation in trade.

Our primary mandate is to support the economic and social development of Saskatchewan by developing and managing a transportation and logistics hub to enhance our trade reliance challenges. The GTH has the authority to purchase, lease, or otherwise acquire land for its operations. The GTH authority is the developer, maintainer, and regulator of the 1,800 acre footprint. Much like a municipality, the GTH is responsible for all aspects of the footprint from community planning to enforcement.

We basically operate as an inland port. When Saskatchewan is 1,000 miles from tidewater, we need a community that unites trade-related activities for customers, service providers, importers, and exporters in one location. It's specifically designed for organizations in warehousing, distribution, transportation, and logistics, as well as light processing and manufacturing.

It offers a strategic location for these business operations. The most important aspect of this is the critical co-location near critical transportation infrastructure. Everything from property design, roadways, zoning, and bylaws has been crafted to help clients and their products reach domestic and international markets. The GTH is an opportunity to bring transportation needs together, the opportunity to have rail and the national highway system co-located with large distribution centres, large shippers, and Saskatchewan producers all in one key transportation link.

I cannot overemphasize that a change in transportation infrastructure is critical to how Saskatchewan producers access markets. Without added efficiency or effectiveness, we will stay status quo. With up to 65 per cent of a client's decision based on the long-term transportation costs related to the location of their facility, clients absolutely rely on our rail and highway connections to reach their customers and reduce costs of their supply chain. Just like the CP intermodal yard development was critical to moving goods by rail, the highway bypass is critical for moving goods by truck.

The bypass generates and will generate transportation efficiencies by creating new linkages, saving time and costs, and increasing safety for both trucks and the motoring public. We are very conscious every day that our facility and our industry is dependent on transportation assets that travel the same highways as our children and our school buses.

This land purchase was required to support this critical piece of infrastructure and deliver those benefits. It also offered an opportunity to have the remaining land available for future development of the GTH, again that generational project with a long-term vision.

The GTH authority Act gives us the responsibilities and powers similar to that of a municipality. However, unlike other municipalities, our Act does not give us the authority to expropriate land. During the development of the GTH Act, the government had determined that it would be inappropriate for the GTH to have that authority. It decided those powers would provide the GTH with an unfair advantage as compared to other commercial property developers and be inconsistent with plans to operate the GTH on a commercial basis. Thus the November 2012 bill that introduced the GTH Act in the Assembly did not include giving the GTH expropriation powers. The Assembly supported this bill and it came into law in August 2013.

Clearly now competing on a commercial basis, on a willing-buyer, willing-seller basis, the GTH proceeded to hire a land agent to help it acquire the east parcels, the subject of this audit. I won't get into all of the specific dates of the transactions, as the audit provides a very detailed timeline of activities and interactions from all parties involved. The Provincial Auditor has concluded that we lacked sufficient

communication, documentation, and processes. We accept her conclusions and her recommendations.

As we know, the Office of the Provincial Auditor conducted two audits concurrently about processes to acquire land: one of the GTH's processes to buy land from the private sector for the transportation logistics hub; and one of the Ministry of Highways and Infrastructure's processes to buy land to construct the Regina bypass, a major highway improvement project and one needed to support efficient and free-flow movement of goods in this area of the province.

I'd like to take a moment and review briefly about the importance of the Regina bypass to the GTH. As stated, our ability to compete on a national and international scale as a true inland port is largely dependent on free-flow access to our nearby highway systems. This is critical infrastructure in a competitive supply-chain market. Long-term economic sustainability and an efficient supply-chain system is a key driving factor for transportation providers, retailers, and distributors considering the best location to move products in and out of the province.

The bypass itself has been part of the province's regional transportation plan for several years. The GTH's early clients were provided this infrastructure commitment amongst the very early promises, leading to Loblaws locating a 1 million-plus square foot facility, and CP Rail relocating from that congested downtown Regina location. The land was important to procure to ensure it was available for completion of the bypass, to control development, to ensure contiguous land to join this GTH footprint through the path of the bypass, as well as neighbouring lands for servicing and infrastructure.

As the auditor noted in her report, it was not clearly identified which agency, GTH or MHI [Ministry of Highways and Infrastructure], should lead the purchase of the east parcel, while at the same time land values were escalating rapidly. The auditor referenced local reports detailing how industrial land values around the city of Regina were escalating, doubling in value from 2008 through 2013. Knowledge of the potential routes of the Regina bypass likely fuelled some of those increases.

Also during this time, landowners and developers were aware of MHI's land assembly activities regarding the west Regina bypass, Loblaws' rapid build and expansion of their huge facility. The city of Regina west industrial land study was readily available, and all seemed to know about the GTH's need for these east parcels.

Additionally this was all during a period of time in which the GTH was a relatively new agency and its primary and visible focus was to attract business to operate within the hub. It must be stated that, historically, logistic hubs like the GTH take 20 to 25 years to reach full maturation. We believe we have made tremendous progress to date, and now in our sixth year of operations the GTH is attracting admiration from industry peers.

Tiffany Melvin, the president of NASCO, was recently in Regina. For those of you who don't know, that is the North American Strategy for Competitiveness, a Texas-based,

tri-national coalition focused on trade, freight logistics, energy in the environment, and skilled workforce certification programs. Ms. Melvin is an expert in her field. She has worked with inland ports for 18 years, and states emphatically her amazement at how thoughtful and together the GTH is, and the progress being made in such a short time. She stated to a recent Saskatchewan Chamber of Commerce luncheon that “The GTH has the opportunity to be a major player in the continental freight movement network [in North America] and to put Saskatchewan on the map.”

I think we can all agree this is an important time for Saskatchewan. To assist, the government has created the GTH to be unlike any other inland port in Canada. Unlike traditional land options, we are a greenfield environment that allows clients the flexibility to seek property solutions unique to their needs. We don't simply subdivide property like traditional municipalities; we work with each client to create a solution with their supply-chain vision. As Canada's only autonomous and self-governing authority, when the clients come to us there is one team, one single point of contact for them to work with from concept to operations. We attempt to streamline processes and help clients move quickly through activities such as development, planning, and permitting.

[08:15]

The GTH's logistically superior design, which includes extra-wide, double-wide roadways, allows for the safe, efficient, and effective movement of goods by both rail and truck, and it offers a safe and reliable environment that is easily accessible for even the longest combination vehicles. At present we see about 4,800 weekly truck movements through the hub.

The GTH, we believe, is helping to grow the provincial economy. Private sector investment has reached \$485 million and over 860 jobs currently exist at our inland port. Our business development efforts are ongoing and include active discussions with more than 40 prospective clients who meet our permitted land use requirements. Those prospects include local, national, and international companies. Our recent designation by the Government of Canada as Saskatchewan's only foreign trade zone has brought forward additional international interest in the GTH.

I share this with you to provide context in terms of the commercial opportunities that exist for the GTH, and the land we purchased that was the subject of this audit was and is a strategic piece that is key to our commercial success. But as per the findings of the auditor, when the GTH was buying the parcels from the private sector, we acknowledge that we did not have the formal policies or processes for buying land or experience in acquiring that land.

The Provincial Auditor has concluded that we lack sufficient communication documentation and processes. Again we accept her conclusions. We are acting on her two recommendations. The recommendations for this Public Accounts Committee, first recommendation:

We recommend that the Global Transportation Hub Authority require, for its Board's review and approval, the preparation of business cases for major land acquisitions or

significant new initiatives.

The second:

We recommend that the Global Transportation Hub Authority require and keep documentation of review of land appraisal reports it uses when making offers to purchase land.

While land acquisition is not a frequent activity for the GTH, we agree that we need to implement a process that will ensure greater due diligence is applied.

Since the Provincial Auditor's report in June, the GTH has worked diligently to develop a significant initiatives policy to control the process for land acquisitions and other significant initiatives. This draft policy provides structure to ensure appropriate due diligence is conducted, requires the development of business cases for all initiatives, including land purchases greater than \$25,000. This policy further outlines specific approval requirements and templates. Specific requirements are also outlined in the policy once the business case has been approved, related to due diligence, assessment of market value, negotiation of a fair purchase price, and obtaining final approval of the purchase.

This new draft policy requires a land appraisal to assess market value prior to purchase. The policy also sets out a checklist as an appendix that is required to be completed by the land agent. This is designed to assess the appraisal and its assumptions to ensure it is appropriate for the intended use. Once this checklist has been completed and signed off by the land agent, it will also be reviewed and certified by the GTH project leader.

A draft of this policy was reviewed by the GTH board of directors on October 18, 2016, and this policy was also provided at the office of the Provincial Auditor for their review to ensure that it adequately addressed their recommendations. We greatly appreciated their feedback and we have incorporated those suggestions into our policy. This revised policy will be presented to our board of directors next week during our regularly scheduled board meeting.

In summary, we anticipate the two recommendations contained in the Provincial Auditor's report will be approved by our board of directors and implemented this year.

I would be remiss if I didn't also add that the GTH has considered carefully the comments of the auditor in other areas and implemented a change to our board governance model. The minister responsible has taken an immediate action and removed himself as Chair and from the board, and a new Chair has been recruited. We welcome the addition of Doug Moen as Chair and believe his extensive leadership and experience will help evolve our strategic governance. Additionally, we're in the process of adding four new board members. The diverse business experience and skills of these individuals, in addition to our current long-standing board members, is a welcome addition to our board table and will bring our board to a full complement.

I would also like to add that I'm incredibly proud of the GTH team and our accomplishments in a relatively short period of

time. Many do not know we have a very small team of 11 and they work very hard at working on behalf of the GTH in the province.

We are committed to our mandate and are assisting Saskatchewan producers in accessing supply chains for their products, helping drive economic development in the province, and providing world-class infrastructure that adds efficiency and effectiveness to those supply chains. I know I speak for my team and our board of directors when I say we look very much forward to again turning our full focus and attention on positioning the GTH for growth.

That concludes my formal presentation. I'd be happy to answer any questions from the committee members relating to the Provincial Auditor's report and her recommendations. Thank you.

**The Chair:** — Thank you. Thank you, Mr. Richards. I'd like to open up the floor for questions. Ms. Sproule.

**Ms. Sproule:** — Good morning, Mr. Richards, Madam Chair, committee members, and Madam Auditor and her staff. It's indeed important to be able to raise some questions today about the auditor's report. Very first off, I'm just wondering, Madam Auditor, if we could get a hard copy of the comments you made this morning. Is that something the Clerk could provide?

**Ms. Ferguson:** — I know that I don't really follow my speaking notes that well, so I would go with *Hansard*. Sorry.

**Ms. Sproule:** — Okay. Sometimes it takes a while for *Hansard* to get it out, that's all. All right.

Mr. Richards, just want to thank you very much for that overview. I've been following the GTH's progress, and I'm very impressed with the clients and the tenants that you've managed to secure. And indeed with 11 staff, I agree you've accomplished a great deal, and I want to send my kudos to your staff for the good work and the hard work that they're doing.

Of course we're here today to talk about some of the questions that came out of the one particular aspect of your history, and they're hard questions. And this is in no way to suggest that we don't appreciate at all the work that you and your staff are doing. So we just know that we have to ask these questions and get some answers if we can.

A recent release from an FOI [freedom of information] shows that Laurie Pushor on behalf . . . He was acting for the chief . . . or the president of the GTH, sorry, the Minister responsible for GTH. Anyways it shows that he forwarded an email to the Premier and his chief of staff in November 2013 outlining the negotiation of the land with Anthony Marquart. Were you informed of these conversations between Mr. Pushor and the Premier's office?

**Mr. Richards:** — No, I was not aware.

**Ms. Sproule:** — Do you know whether anyone on the board was aware of the conversations, other than the minister?

**Mr. Richards:** — I would be speculating if I said that I was

aware. I do not believe so, but I do not have first-hand knowledge of that.

**Ms. Sproule:** — Do you have any knowledge of who directed Mr. Pushor to forward that information to the Premier and his office?

**Mr. Richards:** — No, I do not.

**Ms. Sproule:** — Do you know whether the Premier or his staff responded, and who it was shared with?

**Mr. Richards:** — No, unfortunately I do not know anything of a response.

**Ms. Sproule:** — That's all right, don't . . . We'll just keep going through these. And I'm pretty sure you haven't had some of this information provided, but I want to get it just on the record. Is the Premier usually looped in on GTH business decisions at this point in time?

**Mr. Richards:** — I know we provide a monthly update of our progress and activities with clients, but in terms of business decisions, I would say I'm not familiar with that, no.

**Ms. Sproule:** — Is his chief of staff looped in on GTH business decisions?

**Mr. Richards:** — Not that I am aware.

**Ms. Sproule:** — So at that point in time, November '13, what was the Premier's role in the GTH decision making?

**Mr. Richards:** — None that I am aware of.

**Ms. Sproule:** — Do you know or are you aware, of any of the information Mr. Pushor forwarded to the Premier and his chief of staff, do you know if any of that was forwarded to Highways ministry, MHI?

**Mr. Richards:** — I would have no knowledge of that, no.

**Ms. Sproule:** — No knowledge. So is this how this would normally work when you're the head of, the CEO [chief executive officer] of an authority like this, which you were at that time in November 2013? What are your views on how the Premier's staff knew information that you or your board had no knowledge of?

**Mr. Richards:** — Within the Act, I think it's pretty clearly identified by the auditor that that was some wide-ranging powers of the minister responsible and the Chair of the board. In addition, in September 2012, it's noted in her timeline within the audit report, that the board had asked the Chair to continue to follow up on this particular land parcel and its progress. So no, I don't believe that would be unusual from that perspective that activity was occurring.

**Ms. Sproule:** — So it wouldn't be unusual for the Premier and his staff to know of these activities before the GTH board and staff?

**Mr. Richards:** — I'm not exactly sure what communication

had transpired, so it would be difficult for me to answer that.

**Ms. Sproule:** — Now did you just say September of 2013?

**Mr. Richards:** — September of 2012.

**Ms. Sproule:** — '12, oh, okay. So that's a year before this happened.

**Mr. Richards:** — Correct.

**Ms. Sproule:** — More than just a year before this happened. Okay. I'm just going to go back in time here now. We know — and a lot of this we've taken from the auditor's key events on her timeline, so we'll be focusing on that quite a bit this morning in the time that remains — in 2009 the GTH prepared its first business plan. Who was involved in developing that plan?

**Mr. Richards:** — Not having been present, I would believe it would be a combination of the staff members that would proceed to put that together for submission to the board and ultimately treasury board.

**Ms. Sproule:** — Do you know what the process was for developing a plan? How did they go about doing that?

**Mr. Richards:** — No, not having been there, I couldn't really respond in that.

**Ms. Sproule:** — Thank you. Do you know what the CEO's involvement was at the time and what concerns he may have raised about the business plan?

**Mr. Richards:** — Unfortunately, no.

**Ms. Sproule:** — Are you aware of any concerns from senior management that were brought forward to the CEO in the process of drafting the plan?

**Mr. Richards:** — Other than what I have read for the information provided to the Provincial Auditor, no, I don't have any first-hand knowledge.

**Ms. Sproule:** — Do you know at that point whether or not there was consideration being given for free-flow access to the GTH?

**Mr. Richards:** — Again, Ms. Sproule, just refresh the time frame you're asking about, if you don't mind.

**Ms. Sproule:** — This is in the development of the July 29, March 2013 business plan, so while it was being developed.

**Mr. Richards:** — If my memory doesn't fail me, I know that commitments were made to those key clients that a free-flow access to the location would be a critical element of that. So I can presume it was a key element, but again I don't have that in front of me.

**Ms. Sproule:** — Fair enough. Do you know what lands were being considered in terms of the free-flow access at that time?

**Mr. Richards:** — No, I do not.

**Ms. Sproule:** — Do you know whether there were sort of maximum prices set into the business plan in terms of when you would walk away from a purchase of land?

**Mr. Richards:** — Not having been present for that, I don't believe I could say that there was a framework placed into that particular business plan, no.

**Ms. Sproule:** — Okay, thank you. Do you know whether the business plan took into consideration how Highways would participate in ensuring that GTH had free-flow access?

**Mr. Richards:** — No, I do not.

**Ms. Sproule:** — Do you know whether . . . Have you seen a copy of the 2009-2013 business plan? Is that something you have available?

**Mr. Richards:** — I have seen a copy. Matter of fact, I may have one here . . .

**Ms. Sproule:** — Would you be willing to share that copy with the committee? Is that something you can share with the committee and table it?

**Mr. Richards:** — I believe we could. We will consult on that but I can't see any . . .

**Ms. Sproule:** — Certainly if you want to take time to consult, we could just leave it as a take-away if . . .

**Mr. Richards:** — Is there any particular item of it that you wish to address today? Or can we table it?

**Ms. Sproule:** — I think generally, no. If you could provide us with a copy of the business plan after the meeting, that would be very helpful. Thank you.

Do you know, in terms of the subject lands here, the east parcels, do you know if there were any flags raised in that business plan at the time regarding that land?

**Mr. Richards:** — I have no recollection at this point in time, based on that plan, of any flags being raised, no.

**Ms. Sproule:** — Do you know if any officials from the Ministry of the Economy were involved in any meetings, any preparation, anything related to the development of the business plan? Were ministry officials from Economy or Highways involved?

[08:30]

**Mr. Richards:** — I have no knowledge of that. Sorry.

**The Chair:** — One moment. Mr. Richards, are you interested in tabling the business plan today or you needed to consult first? Because we can table it today or it can be distributed at a later time and then tabled. I'm just wondering what you're looking at doing.

**Mr. Richards:** — I would like to seek some advice if at all possible on the tabling of that particular document.

**The Chair:** — Fair enough, for sure. Just wanted to check.

**Mr. Richards:** — Thank you.

**The Chair:** — Yes. Sorry to interrupt.

**Ms. Sproule:** — That's fine, Madam Chair. Thank you for that clarification.

I'm just going to turn right now to your 2009-2010 annual report, and I do have a few questions that flow from there. On page 8 of that report . . . And I'm sure you won't have it handy but if you do, that's great. If not, I will read this out. It says . . . So this was about the time that the board of directors was just getting established, and there's a good description of who the board is here. I've just got to find the right reference. So page 8, it says:

The Authority is governed by a competency-based, seven-member Board of Directors made up of nationally recognized business leaders. The Board will provide ongoing strategic advice on the Authority's strategic direction, business plan and project development.

And indeed the board is a very impressive board and I'm sure a great pleasure to work with as you go along. This is a very impressive board of directors. In terms of the strategic advice that they're providing, when they first came in and were appointed, what was their advice on that business plan?

**Mr. Richards:** — Unfortunately I cannot add anything further to that as I was not there.

**Ms. Sproule:** — Okay, thank you. Do you know if there's any documentation where they did a review and provided strategic advice on the existing business plan? Or were there any meetings where that was discussed?

**Mr. Richards:** — No, I don't have first-hand knowledge of that but we could certainly look in our records for that particular interaction.

**Ms. Sproule:** — Yes, we'd be very interested in sort of the board's take on that original business plan. And I guess further to that, do you have any indication what they thought about the need for the GTH to own the south and east parcels at that time? And were there any discussions between them and the CEO of the time?

**Mr. Richards:** — Again I can only presume there was, but we will have to review the record.

**Ms. Sproule:** — Right. And I just want to apologize. I understand you don't have a lot of these questions, and we are seeking to have an opportunity to really question the former CEO. So we may need at some point to request that because we understand this is very difficult for you.

On page 15 of that particular annual report, there's an interesting reference there to cash receipts from a land development fee, and that was \$5.5 million. Further on in the auditor's notes it says that GTHA [Global Transportation Hub Authority] "received this fee pursuant to an agreement with an

external party." So do you know who that external party is and what the fee was paid for?

**Mr. Richards:** — No, I do not. I could certainly review our records for that.

**Ms. Sproule:** — Yes, I would be very interested in knowing exactly what that land development fee was for at that time. This was the end of 2010 or during the year 2009-2010. It was by and large the most, really the only source of cash for the GTH at that time, other than some money coming from the General Revenue Fund or taxpayers for \$700,000. So if you could provide the committee with a description of what that fee was for and who it was paid to. So you have no record of what the CEO would have used that money for at the time, then?

**Mr. Richards:** — I'm certain that records exist but I do not have that here today, no.

**Ms. Sproule:** — Okay. So whatever records you can provide to the committee in relation to that would be greatly appreciated.

**Mr. Richards:** — Again, can I just make sure I review the timeline that you're seeking?

**Ms. Sproule:** — Yes. This is in the fiscal year 2009-2010 and it's \$5.525 million.

**Mr. Doke:** — Madam Chair.

**The Chair:** — Yes, Mr. Doke.

**Mr. Doke:** — Just to make a statement here, we're dealing here today with the recommendations that are before us from the auditor. And I can appreciate the latitude taken by the opposition but I think we're getting a little off track here.

**Ms. Sproule:** — Madam Chair.

**The Chair:** — Yes, Ms. Sproule.

**Ms. Sproule:** — With due respect, Mr. Doke, I think this is essentially the nub of the issue that we need to get to, and these questions are very important for the taxpayers, for the public, for the record. And I think we need to flesh out some of the decisions that were made in the processes. I really appreciate the work that the auditor did in this case but, as she indicated, it was a process audit. And I believe it's the role of us as the committee to do our work now and this is an important part of the work, Madam Chair.

**The Chair:** — And this is in fact a scrutiny committee and I'll allow the questions to continue.

**Ms. Sproule:** — Thank you, Madam Chair. I'm going to move on now to the '10-11 report, some of the indications or statements that were made then by the CEO. One of the ones I find particularly relevant to this discussion is that the CEO stated that the land assembly was completed. So at the end of . . . I want to make sure I have the right year here. 2010-11? Yes. At the end of March 2011, the CEO said that the completion of the land assembly for the GTH was one of the key accomplishments for that year. So at that point in time, do



you know whether the business plan had even indicated that it was important for the GTH to acquire these parcels?

**Mr. Richards:** — No, I'm not aware if there was a statement in that particular business plan, without reviewing.

**Ms. Sproule:** — So at the time, the CEO of the time was saying that the land footprint was complete. Do you know if he was referring to all of the land the GTH was needing to acquire? Why would he have made that kind of statement?

**Mr. Richards:** — I'm sorry, Madam Sproule, but I cannot answer that particular question because I am not sure the reference.

**Ms. Sproule:** — So we know that at the end of 2011, it was the statement by the CEO, signed off by the minister at the time which was the minister of Highways and Infrastructure, and he said that the land assembly was complete. So I guess we'll just . . . If you have any further information that you can share regarding that statement and why, at that time, the GTH viewed its land assembly as being complete, if there is any records you can go back to and refer to, that would be appreciated.

It's further referred to on page 8. I'll just give you the quote: "In 2010-2011, the Authority completed assembly of land for the GTH site." So I guess in relation to the additional 204 acres, why was that necessary? Again there's reference to that 5.5 million. You have undertaken to provide us with that.

Just moving forward now . . . Oh yes, back to '10-11. The CEO of the time said, "Continued coordination and facilitation of critical public infrastructure to ensure and put into service a sustainable and well-functioning GTH." So at that point in time, according to the annual reports, the land assembly was complete but one of the main accomplishments he identified was coordination and facilitation of critical public infrastructure. Do you think at that time he was referring to the MHI's acquisition of the east parcels for the free-flow access?

**Mr. Richards:** — I am not certain. I don't believe so because there was a major capital works program conceived and under way in terms of underground work and roadways, but I can't speak totally in terms of that particular comment.

**Ms. Sproule:** — At that time what would his expectations do you think have been as . . . He was also the DM [deputy minister] of Highways. What do you think his expectations would have been for Highways to work collaboratively with the GTH to ensure that there was . . . well collaborations and smooth functioning between the two? Are you aware of any discussions he may have had with Highways or any viewpoints that he may have left on the record regarding that relationship?

**Mr. Richards:** — No, I'm not aware.

**Ms. Sproule:** — Would you have access to any of his notes or opinions or directions to the board?

**Mr. Richards:** — We can certainly review the volume of information that was provided to the Provincial Auditor in that regard, but also any other documents along that line.

**Ms. Sproule:** — Have you ever had any discussions with Mr. Law regarding the GTH and the Highways relationship?

**Mr. Richards:** — Myself personally?

**Ms. Sproule:** — Yes.

**Mr. Richards:** — I have not.

**Ms. Sproule:** — Have you had any discussions with Mr. Dekker when you took over from him in his transitional role?

**Mr. Richards:** — I certainly had a transition with Mr. Dekker as he, you know, was exiting the position and I was assuming the role.

**Ms. Sproule:** — Okay, thank you. I'm just going to move back to the timeline again for a little bit. In November of 2011, the timeline that is in the auditor's report, so we're still on page 14, the GTH board now is developing a detailed financial plan. So that was in November of 2011. Now this is where we see the south and east parcels being I guess listed as acquisitions or desired acquisitions at that point in time. Who was involved in developing that detailed financial plan?

**Mr. Richards:** — Without first-hand knowledge, I would presume that would be a management responsibility for presentation to the board.

**Ms. Sproule:** — So who would be the managers that did that work? Do you know?

**Mr. Richards:** — I do not know.

**Ms. Sproule:** — Is that something that you could provide, find and provide for the committee? Thanks. Do you know what process that would have used to develop this financial plan?

**Mr. Richards:** — Unfortunately I do not.

**Ms. Sproule:** — Are you aware of any concerns from senior management, recommendations from senior management, key items that were flagged by senior management that were brought to Mr. Law while they were drafting this financial plan?

**Mr. Richards:** — No, I do not.

**Ms. Sproule:** — All right, thank you. Would it be possible for this committee to obtain a copy of that 2012-2013 detailed financial plan? Is that something you could share with the committee?

**Mr. Richards:** — I will certainly consult on our ability to provide that. Thank you.

**Ms. Sproule:** — Perfect. Thank you. In terms of the role of the board at that time, we know that they were highly professional, highly skilled, continue to be. They've been described by the former CEO as professional industry-related board of directors of nationally recognized business leaders. Certainly when we think of Mr. Schmidt, that's certainly the calibre I believe that you have advising your board or you right now.

Do you know whether they were playing, what role they were playing at the time that the financial plan was developed in '12-13? Were they providing advice to the senior management?

**Mr. Richards:** — Again without reviewing the record, I would presume that it is very, very similar to today where there is board and management interaction at our regular board meetings and strategic planning sessions planned as part of that normal process. So I can presume that happened but I would have to check the record for . . .

**Ms. Sproule:** — Is that something you could do is check the record and see whether there were any directions from the board or questions coming from the board at the time that financial plan was provided? We know they approved it in 2011, but anything prior to that in terms of questions, concerns, redraft, edits, anything to that extent that's available.

**Mr. Richards:** — For clarity, make sure, you began speaking of the 2012-13 detailed financial plan, but you're seeking information from 2011 or . . .

[08:45]

**Ms. Sproule:** — Everything, anything you can provide leading up to the approval of that financial plan by the board in November of 2011. So the detailed financial plan, I assume for . . . It was called the '12-13 detailed financial plan but it was approved in November of 2011. So it would have been the go-forward financial plan. And this, I think, is the first time we see the GTH identifying the need to acquire these parcels in the information that's in the auditor's report. I think at that point in time there was an estimate of \$2.2 million being the appropriate purchase price. So in '12-13, the appropriate purchase price was 2.2 million. Was that seen as reasonable by your predecessor as a reasonable price or was it seen as too low or too high? And were there any comments made by the board of directors at the time in terms of that purchase price, 2.2 million?

**Mr. Richards:** — Again I would have to review whether there was any comments from the board. I believe this information has been clearly identified within the auditor's report; however, we can try to find if there's additional backup information.

**Ms. Sproule:** — Thank you. Do you know what the plan was in terms of that detailed financial plan about who or how the land would be acquired and who was involved in those discussions?

**Mr. Richards:** — Other than the information provided to the Provincial Auditor and their review, I do not.

**Ms. Sproule:** — Do you know what was provided to the Provincial Auditor?

**Mr. Richards:** — All of the information that we had relative to the particular business plans, strategic plans, and any information on the south and east parcels as per the mandate of their audit.

**Ms. Sproule:** — Is that something you can provide the committee?

**Mr. Richards:** — I would have to consult, seek advice on that

particular level of information.

**Ms. Sproule:** — Do you know whether Ministry of Economy officials were involved in those discussions at that time?

**Mr. Richards:** — Unfortunately, I do not.

**Ms. Sproule:** — Madam Chair, we're having . . . Obviously Mr. Richards doesn't have access to a lot of that information, so at this point I think I'd like to re-introduce a motion that we raised earlier. And that would be:

That this committee requests the deputy minister of Economy, Mr. Laurie Pushor; the former CEO of the Global Transportation Hub, Mr. John Law; and the former interim CEO of the Global Transportation Hub, Mr. Dekker, appear before the committee as witnesses at a meeting of the Public Accounts Committee held prior to November 30th, 2016.

**The Chair:** — I believe it'll be in order as it was last time, but we'll just double check. Thank you, Ms. Sproule. Just in consultation with the Clerk here, that that motion is not in order because the committee has already agreed to disagree with that motion. Ms. Sproule.

**Ms. Sproule:** — With all respect, Madam Chair, I believe that, given the fact that Mr. Richards is unable to answer the questions that are being put to him, that there is new information in relation to this motion and it becomes actually more compelling now because of his inability to answer the questions that the committee is putting.

**The Chair:** — Okay. We'll just take a brief recess here to confer, a five-minute recess. Sorry, we'll just take a five-minute recess.

[The committee recessed for a period of time.]

[09:00]

**The Chair:** — Welcome back everyone to Public Accounts. Just to recap, that last motion was not in order because on November 8th the committee had dealt with it before. But I understand Ms. Sproule has another motion.

**Ms. Sproule:** — Thank you, Madam Chair. We'll take another swing at this, and this is the motion that we'd like to move:

That this committee rescind the following motion from the November 8th meeting:

That this committee request the deputy minister of Economy, Mr. Laurie Pushor; the former CEO of the Global Transportation Hub, Mr. John Law; the former interim CEO of the Global Transportation Hub, Mr. Chris Dekker; and the current CEO of the Global Transportation, Mr. Bryan Richards, appear before the committee as witnesses at a meeting or meetings of the Public Accounts Committee held prior to November 30th, 2016.

And the second part of my motion is this:

Further, that this committee requests the deputy minister of Economy, Mr. Laurie Pushor; the former CEO of the Global Transportation Hub, Mr. John Law; and the former interim CEO of the Global Transportation Hub, Mr. Chris Dekker, appear before the committee as witnesses, [I'm going to say] either individually or together, at a meeting of the Public Accounts Committee held prior to November 30th, 2016.

**The Chair:** — Okay. We'll just take a look at that and make sure it's in order. We'll just take a moment to see if it's in order. The motion, I believe, is in order. Ms. Sproule has moved:

That the committee rescind the following motion from the November 8th meeting:

That this committee request the deputy minister of Economy, Mr. Laurie Pushor; the former CEO of the Global Transportation Hub, Mr. John Law; the former interim CEO of the Global Transportation Hub, Mr. Chris Dekker; and the current CEO of the Global Transportation Hub, Mr. Bryan Richards, appear before the committee as witnesses at a meeting or meetings of the Public Accounts Committee held prior to November 30th, 2016.

And further, that this committee requests the deputy minister of Economy, Mr. Laurie Pushor; the former CEO of the Global Transportation Hub, Mr. John Law; and the former interim CEO of the Global Transportation Hub, Mr. Chris Dekker, appear before the committee as witnesses, either individually or together, at a meeting or meetings of the Public Accounts Committee held prior to November 30th, 2016.

I would like to open up the floor for debate. Ms. Sarauer.

**Ms. Sarauer:** — Thank you. So just to clarify, from what I understand, the motion that Ms. Sproule originally tabled was ruled out of order because it was a motion that had been already considered by this committee and voted down by the members other than Ms. Sproule at the, I believe it was the November 8th meeting. The only way we can have the opportunity to have these individuals or have this motion reconsidered again is if the original motion on November 8th is rescinded and that would be at the vote, unanimous support of the entire committee.

I've had the opportunity to now sit here for about just over an hour and hear Mr. Richards, who's been doing a very good job answering the questions that he has knowledge of. And unfortunately there's a lot of questions around these transactions that Mr. Richards wasn't at the GTH at the time, and I recognize that, and I thank him for the answers that he's been able to provide.

But as I said, it's quite clear that there's a lot of questions that stem out of the auditor's report that it's our duty as PAC [Public Accounts Committee] committee members to delve into which Mr. Richards does not have knowledge of. Therefore . . . I don't know about the members on the other side, but I would like to hear answers. If the members opposite are getting frustrated, as I am, with not being able to have answers, then this is our

opportunity to reconsider the motion that was made on November 8th, and have individuals who do have actual personal knowledge of the transactions and the questions that we're asking, as we're entitled to ask and should be asking as PAC committee members.

**The Chair:** — Mr. Doke.

**Mr. Doke:** — Thank you, Madam Chair. I guess we're going to do an end-around here by the looks of it, and we definitely will not be supporting this motion. I think it should be noted, over and over again it's been said that the auditor has interviewed these people that the names have been put forward by the opposition, and we do not believe that there's any further need to question these people.

As we've seen with Mr. Richards, who's answered his questions very good this morning, and the same as the Provincial Auditor did on November 8th, all the questions that were posed to the Provincial Auditor were answered. We will not be supporting the motion, and we believe that the Provincial Auditor has done her due diligence in questioning these people.

**The Chair:** — Thank you, Mr. Doke. Is there any further discussion on this motion? Mr. Michelson.

**Mr. Michelson:** — I would just like to add that the process of the Public Accounts is to discuss the auditor's report, and I think that's what we have done. We'd be setting a precedent by changing that format. I think the auditor's done a good report, has answered all the questions and, you know, the questions that are coming forward this morning are really not even part of the auditor's actual report. And I think, if we want to go to a further investigation which the auditor indicated that there was no need to go . . . she didn't find any evidence that we should have to go any further than that. But if there is to be an investigation, it should be up to the RCMP [Royal Canadian Mounted Police] or the legal . . . to do this. That's not our position here, so you can understand why we will not support the motion.

**The Chair:** — Ms. Sarauer.

**Ms. Sarauer:** — Thank you, and I thank the members for their comments. I do want to read into the record an excerpt from the procedures manual from PAC that states:

The Saskatchewan Legislative Assembly created the Standing Committee on Public Accounts to operate as a scrutiny committee to scrutinize the fiscal management, administration and stewardship of public assets by the Government of Saskatchewan.

Now since I have been a member of PAC, and I understand that that's only . . . it hasn't been a year, but I do have members on our side who have informed me that for quite a while the mandate of the PAC has been to look at reports of the auditors. And in no way has that ever been considered, nor should it ever be considered, a question of the hard work that the auditor does. That's simply the function of PAC. And usually accompanying the auditor at PAC meetings are officials relevant to the questions that we're asking.

In this particular instance that would include Mr. Richards, but also several other people who are the individuals that we were trying to get at this PAC meeting, as is the usual standard practice for this committee.

**The Chair:** — Mr. Doke.

**Mr. Doke:** — Madam Chair, just once again I would say that in past PAC meetings, anybody that the Provincial Auditor has interviewed in her audits we don't usually have here. We may have third parties where a school division or a health region or something will come in, whatever, but it's abnormal, I think, to be doing it this way. So once again I would say that the Provincial Auditor has interviewed these people, and I do not believe that lay politicians, so to speak, can handle that any better than the Provincial Auditor already has.

**The Chair:** — Thank you, Mr. Doke. Just to clarify, you and I have served on PAC for some time together, as I've had the opportunity to work with two of your colleagues. But just to clarify, in my time here as the PAC Chair, the deputy minister for the organization, whether it's Creative Saskatchewan and Parks, Culture and Sport or the school boards — and obviously when you're looking at the school boards you have the school boards here — but the deputy minister of Education, or if it's been the University of Regina, the deputy minister responsible for that particular body has always been here.

So just to clarify, our past practice in the time that I've been here, the deputy minister as well as the officials for the organization have always been here as witnesses, just to clarify.

**Mr. Doke:** — Yes, and I would also say, I would also say, Madam Chair, that the motion made at the last meeting was to have the officials from the GTH and the DM from Highways. So that's been covered.

**The Chair:** — Just to clarify, Mr. Doke, the GTH, the minister responsible is the Minister for the Economy, for the GTH. That is in the body. Mr. Harrison is the Minister Responsible for the GTH and Mr. Pushor is the deputy minister responsible for the Economy which is responsible for GTH. So just some clarification there. Is there any further debate? Any further questions?

**Mr. Doke:** — Madam Chair, something just for clarity, but I would say that the deputy ministers that have been here before have just been here to report on the recommendations.

**The Chair:** — They've been there . . . We had a Public Accounts meeting in September where we looked at Creative Saskatchewan, and the deputy minister responsible for Parks, Culture and Sport sat in the chair opposite me, and was on the record as well. So just to clarify that past practice has the . . . If we have a third party that comes before PAC, the deputy minister responsible for that third party is usually in attendance as a witness as well. And usually it is the third party that answers the questions, but the deputy minister responsible for that organization, in my time as Chair of Public Accounts, has always sat at the other end of the table.

**Mr. Doke:** — Okay and just, just . . .

**Ms. Chartier:** — But . . . Go ahead. Sorry, Mr. Doke.

**Mr. Doke:** — No, that's fine. And as I said earlier, I would like to address the auditor's opening remarks. We can do that after we deal with this.

**The Chair:** — Is there any further debate on the motion before us? Mr. Hart.

**Mr. Hart:** — Yes, Madam Chair, if we're going to be addressing the auditor's opening remarks, I would prefer we do that before we vote on this motion.

**The Chair:** — Fair enough. Okay. Mr. Doke, if you believe that it's relevant to the motion. Mr. Doke.

**Mr. Doke:** — Thank you, Madam Chair. First of all I would like to thank the Provincial Auditor for clarity on positions said in her media statement. There's been, from the opposition and from others who have suggested that your office should do a forensic audit. Do you feel that's necessary? This is just on the auditor's opening remarks.

**The Chair:** — We're in middle of debate here, sorry.

**Mr. Doke:** — Okay, well that's what I asked earlier, so . . .

**The Chair:** — Yes, I didn't realize you had questions for the auditor. I thought you wanted to address . . .

**Mr. Doke:** — Okay. Well if we can deal with the motion, then . . .

**The Chair:** — Okay. Sorry, I thought you had some comments in particular.

**Mr. Doke:** — No.

**The Chair:** — Okay. Seeing any further . . . Mr. Hart.

**Mr. Hart:** — Madam Chair, this is a significant motion dealing with this topic here. There seems to be a lot of discussion on this. I would suggest that . . . In fact what I'd like to do, Madam Chair, is adjourn debate on this, on the discussions we're having here today.

[09:15]

**The Chair:** — Mr. Hart has moved to adjourn debate. Are you adjourning debate on the motion?

**Mr. Hart:** — Yes, I'm adjourning debate on the motion.

**The Chair:** — All right. We need to have a vote on . . . Mr. Hart has moved that we adjourn debate on the motion by Ms. Sproule. Is that agreed?

**An Hon. Member:** — Agreed.

**The Chair:** — Agreed. All right. Mr. Doke, you have some . . . So that carried, pardon me.

**Ms. Sproule:** — Can we vote on the motion? I'd like to call the

question on the motion. Let's just move on this motion.

**The Chair:** — Mr. Hart had already moved to adjourn.

**Ms. Sproule:** — We've adjourned the debate, but now we can vote on it.

**The Chair:** — No, no.

**Ms. Sproule:** — Well then I want to reintroduce that motion. I want a vote on the record, these members turning down the opportunity to ask questions of the people that were responsible for this scandal in the first place. We need that opportunity.

**The Chair:** — Fair enough. Fair enough.

**Ms. Sproule:** — [Inaudible] . . . Plus Mr. Merriman is not a sitting member of the committee so I would suggest he not make comments on the side.

**The Chair:** — Thank you, Ms. Sproule. So that motion carried. And Mr. Hart, or Mr. Doke had questions for the auditor. I'll let Mr. Doke ask his questions, and I know, Ms. Sproule, you've got something . . .

**Ms. Sproule:** — We're running out of time and I have many questions still for Mr. Richards. He can ask separately after I'm done.

**The Chair:** — I have agreed to let Mr. Doke ask a question here.

**Mr. Doke:** — Thank you, Madam Chair. As I said earlier, I thank you for your clarification on your opening statements, and that's good. So as the official opposition and others have asked a forensic audit, do you think that that's necessary?

**Ms. Ferguson:** — Our office hasn't been asked to do a forensic audit, you know, but if our office was asked to do a forensic audit, I think we would probably pause on that at this point in time, because we understand that there is a police investigation under way and the scope of the investigation does include the activities related to GTH's acquisition of land from the private sector. And so our office would pause in terms of doing that, in that it might . . . It would result in a duplication of use of public resources to do that work.

**Mr. Doke:** — Thank you. And I guess that asks or answers the second part of my question if in fact . . . I believe the opposition has forwarded that to the RCMP. So if the RCMP are conducting an investigation, of your opinion then you wouldn't be doing a forensic audit at the same time?

**Ms. Ferguson:** — Yes, that is what I was trying to express.

**Mr. Doke:** — Okay. Thank you.

**The Chair:** — Ms. Sproule.

**Ms. Sproule:** — I'd like to continue questioning then for Mr. Richards. I apologize for the delay, Mr. Richards, and obviously we only have 10 minutes left now.

What's really disturbing here is that we weren't even able to vote on the motion, Madam Chair, which shows a huge reluctance on the part of this government to be on the record saying they're not in favour of transparency and accountability. And I feel that that is very, very disturbing, and a very disturbing move as far as us being able to get to the bottom of this.

Clearly the auditor has done her job. She did a process audit. She made it clear all the time. There are thousands of questions that come out of what was stated in the audit, and that is the normal process for a Public Accounts Committee as a scrutiny committee. So this is very frustrating, very disappointing, disappointing to see the House Leader come in and instruct these members. As we know, they're supposed to be independently thinking. So this is a very problematic situation. I just want that on the record. Now Mr. Edwards . . .

**The Chair:** — Richards.

**Ms. Sproule:** — Richards, sorry. Thank you. This is very frustrating. But I think what we have to do now is move to the time when you actually were the CEO. I'm skipping ahead. We had several dozens more questions for you in relation to events leading up to your arrival as the CEO, but let's go back now then to August of 2013 and onward, and particularly page 30 and 31 of the auditor's report.

First of all, we find out on page 29 that the minister himself took it upon himself to designate a special adviser or senior adviser to take over the purchase process for the GTH lands. Again this is being characterized as a communication problem, but I think clearly it goes much beyond failure on communications, because we know the Ministry of Highways was doing their own work to purchase the land at the same time. Were you aware at any point after you arrived in August 2013 that the Ministry of Highways was in fact moving forward to acquire those lands?

**Mr. Richards:** — No I was not.

**Ms. Sproule:** — In terms of government oversight, in 2012 the government established a Standing Committee on the Global Transportation Hub. In 2012 that was the minister, Hon. Bill Boyd; also Laura Ross was the Vice-Chair; Don McMorris as the minister of Highways was on that standing committee, as was Lyle Stewart, Minister of Agriculture. Does that standing committee . . . Was it in place in August of 2013 when you took over?

**Mr. Richards:** — My understanding is that it was in place.

**Ms. Sproule:** — It was in place? So we had a standing committee of the cabinet with your minister as well as the minister of Highways, and you're telling me that at no time you were advised by the minister of Highways that they were in the process of acquiring those lands?

**Mr. Richards:** — I personally was not.

**Ms. Sproule:** — Do you have any thoughts in terms of why that wasn't shared with you by your minister and your CEO? I mean, the chairperson of the board?

**Mr. Richards:** — No I do not.

**Ms. Sproule:** — Any speculation?

**Mr. Richards:** — It would be unfair of me to speculate.

**Ms. Sproule:** — Do you think it's unusual that a minister sitting on a standing committee for your very organization who was sitting there with the minister of Highways, whose officials were actively acquiring this land . . . This was not a nondescript piece of land. It was already well known. So what happened in terms of recommendations from the standing committee to your authority? Do you get anything from the standing committee, and did you get anything in 2013 from them?

**Mr. Richards:** — I had no interaction with the standing committee.

**Ms. Sproule:** — Have you ever had any interaction with the standing committee since you took over?

**Mr. Richards:** — Other than through the Chair of the board at that time, Hon. Bill Boyd, no.

**Ms. Sproule:** — And what, through the minister, what interactions did you have?

**Mr. Richards:** — Other than regular Chair or CEO activities, and regular updates to the minister responsible, that would be the, you know, ongoing extent of our communication.

**Ms. Sproule:** — And obviously we will be able, as a committee, to speak to the deputy minister of Highways — that's still outstanding business for this committee — so at that point we'll be able to ask him whether he in fact knew that your organization was actively pursuing. It seems to be, rather than a communications problem, would you agree that it's actually a complete and total breakdown of communications within the cabinet?

**Mr. Richards:** — I believe that the auditor has reviewed that very carefully and commented in a report about the challenges of that particular time and the communication.

**Ms. Sproule:** — I don't believe the auditor commented on the role of the standing committee, these four members of the government, because it wasn't part of her process audit. So she wouldn't have commented on that. I'm just wondering, in your view in terms of organizations, is that something that would be important, is when you have a standing committee of government members and they are supposedly meeting and reporting to your chairperson, would it not raise serious concerns that that committee is not taking the advice being given?

**Mr. Richards:** — Ms. Sproule, I really can't comment on that standing committee because my interactions were with the Chair of that committee and the Chair of my board and minister responsible. So there could have been meetings. I really cannot respond in that regard.

**Ms. Sproule:** — On page 29 of the auditor's report, she indicates that "neither the GTH nor the . . . Senior Advisor . . .

kept documentation of key aspects of the negotiations." Can you let the committee know why you didn't keep documentation?

**Mr. Richards:** — Make sure I understand the question, because the activities were being undertaken by the senior adviser, and I think I've already clarified that I was unaware that those activities were going on. So I'm not sure what documents I could have retained.

**Ms. Sproule:** — The auditor's report says GTH, for which you were the CEO, so that's why I'm asking. So you had absolutely no knowledge that your Chair and the senior adviser were going ahead with the purchase?

**Mr. Richards:** — I had no knowledge, no.

**Ms. Sproule:** — So the first you heard of it then would be on December 19th? No, I'm sorry. I believe in, earlier in December . . . 2nd, you were given notes at a meeting. Is that the first time you were aware of the purchase?

**Mr. Richards:** — I was made aware on December 2nd, I believe, that there would be a discussion on the December 3rd board meeting agenda. That would have been the absolute first I was aware of it. I really heard the majority of the information on the December 3rd board meeting.

**Ms. Sproule:** — Thank you. The auditor indicated that neither the meeting materials nor the discussions disclosed who was leading negotiations or specifically who was buying the land. Was that of concern to you or the board members at the time you received those materials? Was there a discussion about that?

**Mr. Richards:** — I do not recall a specific discussion along that line of questioning per se. We received the information, and there was much discussion about it. The strategic value of that land had been known for many years and discussed, you know, in my understanding of the record.

You spoke earlier of my transition with Mr. Dekker, and that was one of the critical elements of our discussion, of the free-flow access to the GTH and the commitments that had been made to our clients and the strategic value of that land for a number of reasons.

Many members of this committee may be aware that in parcels of land, the westernmost road allowances, the road allowance that goes with that parcel of land . . . So in our particular evolution and the development and assembly of the land, our only north-south access was actually on the west boundary road which was at the very west portion of our piece of land. That particular parcel of land to our east would include the Condie Road road allowance, which was strategically very critical to ensure north-south access at our very east point in addition to the ability to expand with the free-flow access of the bypass and the interchange. So it was without question that those discussions were put into play repeatedly from the very early transition with Mr. Dekker and on through discussions with the board and our particular management officials.

**Ms. Sproule:** — Thank you. Madam Chair, I see we're about

out of time, so I just want to make some concluding remarks.

**The Chair:** — Do you have any further questions?

**Ms. Sproule:** — I have thousands of questions, Madam Chair.

**The Chair:** — Okay. Seeing as we are at 9:29 and our time of adjournment is 9:30, we'll need a motion here shortly to adjourn. But I want to point out to people who are interested, the video archive, we've confirmed, the video archive of this will be up in about half an hour from now, and *Hansard* will be up later tonight.

But, Ms. Sproule, we are almost at time of adjournment. Actually we've reached time of adjournment. Could I have a motion to adjourn?

**Mr. Michelson:** — So moved.

**The Chair:** — Mr. Michelson. Is that agreed?

**Some Hon. Members:** — Agreed.

[The committee adjourned at 09:30.]