

Over the past five years the Department has requested a total of \$25.3 million for maintenance funding and it has received \$23.4 million. Also over this period the Department has requested a total of \$55.0 million for capital alterations and improvements and has received only \$21.9 million. As a result, the required work is not being performed and therefore the condition of the Government buildings is deteriorating.

The Department's database of buildings is not complete in that the age of the building is not always indicated. As a result, it is not possible to calculate the overall average age of the buildings.

The Department does not use a risk based system to identify and prioritize its maintenance work. Instead, each of the four Regional Directors sets the priorities for the allocation of the maintenance funding within their Region. As a result, there is no Province-wide risk or priority basis for what work is performed with the funding provided.

Although the Department has started to assess the condition of Government buildings, the process is far from complete. As a result, the Department does not have the information necessary for a comprehensive plan to address the nature, amount and timing of future capital expenditures.

Government has a number of significant vacant buildings, e.g. the old Janeway, the Grace General, and the Miller Centre. The Department does not have a plan to devolve Government of its vacant buildings. Government's vacant buildings have a total area of 66,500 square metres and an estimated replacement cost of \$149 million.

2.39 Hull 100

The Department of Transportation and Works is responsible for the Province's ferry operations. For the year ended 31 March 2004, the Province spent \$48.7 million on ferry operations and collected \$24.9 million in revenues. In previous years we have reported on expenditures related to the refit of Hull 100. For the year ended 31 March 2004 the refit of Hull 100 represented 8% (2003 - 5%) of the Department's ferry operations expenditures.

In May 1999, the Ahelaid (subsequently named the Hull 100 and currently named the Nonia) was purchased and delivered for \$1.2 million. The Department estimated the total cost after refit to be \$2.9 million and that the vessel would be available for service in 2001. However, after five years and \$11 million (three years and \$8 million or 276% over the original estimate), officials indicate that the vessel is now ready for service.

Chapter 3

Update on Prior Years' Report Items

This year we continued a process whereby our recommendations are monitored and the results reported within two years of the original report date. This Chapter provides the results of this monitoring process relating to the recommendations contained in 2002 and prior *Reports of the Auditor General to the House of Assembly on Reviews of Departments and Crown Agencies*.

Chapter 4

Special Reports

Newfoundland and Labrador Liquor Corporation

Section 12(1) of the *Auditor General Act* requires that we report to the House of Assembly on whether, in carrying out the work of the Office, we received all the information including reports and explanations the Auditor General required.

On 11 March 2004, we reported to the Speaker of the House of Assembly relating to the refusal of the Newfoundland and Labrador Liquor Corporation to provide information necessary for us to complete our review of the Liquor Licensing and Enforcement Program. For additional information, see item 2.20.