STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Hansard Verbatim Report

No. 18 – April 7, 2005

Legislative Assembly of Saskatchewan

Twenty-fifth Legislature

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES
2005

Mr. Graham Addley, Chair
Saskatoon Sutherland

Mr. Dan D'Autremont, Deputy Chair
Cannington

Ms. Doreen Eagles
Estevan

Mr. Andy Iwanchuk
Saskatoon Fairview

Mr. Allan Kerpan
Carrot River Valley

Mr. Warren McCall
Regina Elphinstone-Centre

Hon. Mark Wartman
Regina Qu'Appelle Valley

[The committee met at 15:00.]

The Chair: — Order. I'll call the Standing Committee on Crown and Central Agencies to order. The agenda has been distributed, as members have seen.

The first item on the agenda is the election of a Deputy Chair. I recognize Mr. Iwanchuk.

Mr. Iwanchuk: — I move that Mr. Dan D'Autremont be elected to preside as Deputy Chair of the Standing Committee on Crown and Central Agencies.

The Chair: — It has been moved by Mr. Iwanchuk that Mr. Dan D'Autremont be elected to preside as Deputy Chair of the Standing Committee on Crown and Central Agencies. Mr. Kerpan.

Mr. Kerpan: — I second the motion.

The Chair: — There's no need for a seconder. Is the committee ready for the question? Is this agreed?

Some Hon. Members: — Agreed.

The Chair: — That is carried. Welcome, Mr. D'Autremont, as the Deputy Chair. I'm sure you'll have good success in trying to fulfill the duties that your successor has already provided.

The next item is . . . I recognize Mr. Iwanchuk.

Mr. Iwanchuk: — I move:

That this committee authorize Mr. D'Autremont and Mr. Kerpan in substitution for Mr. Weekes to attend the February 28, 2005 Public Accounts Committee meeting in order to participate in a presentation by CCAF-FCVI Inc. on parliamentary oversight committees and relationships.

The Chair: — It has been moved by Mr. Iwanchuk:

That this committee authorize Mr. D'Autremont and Mr. Kerpan in substitution for Mr. Weekes to attend the February 28 Public Accounts Committee meeting in order to participate in a presentation by the CCAF-FCVI Inc. on parliamentary oversight committees and relationships.

Is this agreed?

Some Hon. Members: — Agreed.

The Chair: — That is carried.

Also members, before we continue, is that CCA 87/25, Crown Investments Corporation of Saskatchewan incorporation of Gradworks Inc., and CCA 88/25, Investment Saskatchewan loan repayment received from HARO Financial Corporation, I just would advise members that these two documents have been tabled.

Also to advise members that Mr. Elhard is chitting in for Ms. Eagles and I think that's the only substitutions for today.

General Revenue Fund
Information Technology Office
Vote 74

Subvote (IT01)

The Chair: — The next item before the committee is the consideration of estimates for Information Technology Office, which includes vote 74, Information Technology Office; vote 13, Property Management; vote 33, Public Service Commission; vote 53, Saskatchewan Property Management Corporation.

So I will recognize Mr. Thomson to introduce his officials, and if he has a statement, feel free to make it.

Hon. Mr. Thomson: — Thank you very much, Mr. Chairman. I am pleased to be joined by my officials today. Seated to my left, to your right, is Richard Murray, who is the executive director of policy and planning. On the other side of me is the deputy minister, Don Wincherauk. Seated next to him is Fred Antunes, who is the executive director, corporate and customer services. And directly behind us is Rory Norton, who is the assistant deputy minister of corporate information services.

Let me begin by saying I welcome this opportunity to meet with the committee today to discuss the estimates for the Information Technology Office. We have an opportunity with the information technology services of government to really make some fundamental changes this year and this budget reflects those opportunities.

Our direction, however, remains the same as in past years, focusing on capacity building within our sector; economically, in terms of improving citizen service, and in terms of making sure that we've got a more seamless system of dealing with government's IT [information technology] services — whether that's in terms of privacy policy or in terms of actual hardware and software deployment.

The ITO [Information Technology Office] has undertaken a number of initiatives that are going to occur throughout the next year — some of which are under way now — that will help government achieve its corporate objectives. And these certainly first and foremost amongst our priorities are growing the economy and providing future opportunities for young people.

Indeed these have been important themes for us in the provincial budget and are reflected in the priorities that we've identified within the office of information technology.

As members will know, last year we added an operations division to the ITO and regulations were passed giving the ITO a mandate to develop and move forward with the transformation initiative that supports the overall strategic IT plan for government. That's been identified as being a positive step by a number of players, and I think both parties represented in the Assembly recognize that.

The plan that is being put in place is multi-faceted. It focuses on five key areas. To quickly enumerate those, I would indicate

that they are: making IT service delivery more efficient and effective through consolidation; using technology to improve program delivery and provide services that makes government more easily accessible and responsive to citizens and businesses; to work with industry to foster a climate that encourages growth and job creation in our IT sector; to implement a more rigorous governance and accountability process to ensure our IT investments are aligned with strategic priorities; and ensuring that security of government information and protecting the privacy of personal information that's entrusted to government is held to a higher standard.

This year the ITO's budget is 4.5 million which I am very pleased to say represents a significant increase over last year's $2.6 million budget, and this will allow us to accelerate our transformation initiative.

The budget will also provide for the following initiatives to be undertaken. We will be able to embark on a government-wide agreement with Microsoft Canada which will save at least $1 million a year and see Microsoft establish the first ever permanent office here in Regina.

We will work closely with the minister's advisory council in IT that I established last year to ensure a collaborative approach with the private sector is in place to foster industry growth and to focus in particular on the areas of commercialization, capitalization, and capacity building within the sector.

We will develop a citizens service transformation strategy that will extend the advantages of the consolidated IT infrastructure, and I think is going to move us a long way towards a better system of dealing with citizens and businesses, and will make it easier to access government services.

As the members will know, we have launched the expansion of CommunityNet through CommunityNet II in which the ITO is working with SaskTel to expand high-speed wireless connections to all communities over 200 people by the year 2007. And for the first time in Canada we will have a large network to be able to provide high-speed, wireless Internet to the farm gate.

I can tell members that last night as I was speaking to the rural congress on education that there was a large amount of support for this initiative in recognition that in our centennial year this is a remarkable reinvestment in rural Saskatchewan and in our infrastructure.

We are also undertaking to expand our attempts to have a more representative workforce, and we are providing two work term programs that will introduce young people to the possibilities that IT offers, and in particular will provide opportunities for six Aboriginal students who are enrolled in post-secondary IT education programs and three students who are enrolled in the post-secondary business administration or policy related programs to work with the ITO.

This is going to be, I believe, a very good year for us as we see more of the results of the effort we've put into planning over the last two years with the ITO. And I believe that we have a number of opportunities and initiatives we'll be able to accomplish. With that I would welcome questions from members about the estimates of the department.

The Chair: — Just to double-check, did you introduce your officials?

Hon. Mr. Thomson: — I did. I can introduce them again. They're certainly worthy of it.

The Chair: — I was paying keen attention; I was just testing you.

Hon. Mr. Thomson: — Thank you.

The Chair: — Just to clarify, the four votes that I read out, though, was to advise the committee that the committee has received an order of the Assembly dated April 4 to consider these estimates. And now we're dealing with the first one which is Information Technology which is vote 74 found on page 93 of the Estimates book. So I will open the floor to questions. And I recognize Mr. Elhard.

Mr. Elhard: — Thank you, Mr. Chairman. I appreciate the opportunity to begin this session of estimates on the Information Technology Office as a result of figures provided to the legislature as part of the budget introduced in the House a couple of weeks ago.

I understand and I think I forewarned the minister and his officials that I'm going to be given some latitude here to ask questions on the strength of a layman's knowledge because I have no pretence to any expertise in the area of information technology. So if I ask for a clearer explanation, it's not that I think you're being oblique. It's just that I — and probably many of the people who are watching this and going to read *Hansard* transcripts at any given time in the future — I might be in the same position when it comes to understanding what's being said. So if you'll forgive me my layman's language requirements, I would appreciate that today.

In the introduction of this particular section in the budget, it says that:

> The mandate of the Office is to provide information technology services, [and to] lead information technology and service delivery transformation in addition to coordinating and implementing an integrated approach to information technology, information management and data security throughout all government departments.

If we may take a few minutes just going through that introduction sort of item by item, clause by clause, and give us an understanding if you would please, what it is that this office does in relationship to the provision of information technology services.

Can you tell us what that includes and how broad a mandate that is?

Hon. Mr. Thomson: — Mr. Chairman, the office does provide a number of what are probably best stated as coordinating functions within the government. Each department has of course its own IT capacity.

Over the last year we have moved to operationalize within and house within the ITO, an operations division, where individual departments are contracting with the ITO to provide the IT service delivery. In most cases that is a hardware and software deployment initiative and is largely around that, although we do facilitate other departments in terms of offering direct online services to citizens and businesses.

Mr. Elhard: — If I recall correctly I was part of the committee when estimates for ITO were being undertaken last year. There were questions about certain departments being brought under the umbrella of the ITO. Can you indicate for us which departments are now customers, if I can use that language, of the ITO? And which departments specifically have the ITO deliver their services for them?

Mr. Wincherauk: — When the operations unit moved over from the Department of Highways, we were providing service to Highways, the ITO, and the Department of Agriculture, and the Grain Car Corporation. Since then we have added the . . . industry and relations have been added to the portfolio. In January we added Government Relations which includes First Nations, CYR [Culture, Youth and Recreation], and Government Relations. And with the creation of the new Department of Rural Development, I think it's called, we are providing services to them.

We are also . . . keep working on due diligence, what we call due diligence, which is an in-depth review of some of the other government departments, those being the Department of Finance, the Environment, Learning, to see whether or not there's a fit with what we are currently supplying to the other departments.

Mr. Elhard: — So when you indicate that you provide service to those departments, can I assume from that that they do not have their own IT specialists or employees, that that service is provided entirely by the ITO office for those specific departments?

Mr. Wincherauk: — Those departments, for instance the Government Relations, before they joined our organization, they had their own IT shop. Their IT shop has been amalgamated into our IT shop and so we now provide complete service to them. What we've established behind us is a governance process so each department that is under our umbrella has what we call an information technology management committee that sort of oversees the needs and the desires of where that department wants to go. And then we supply them what they need.

Mr. Elhard: — When you describe the relationship as you just did, when departments depend on the ITO for their information capabilities, do they pay your department a fee for that service? Is there a charge associated with that?

Mr. Wincherauk: — No. Currently what we do, we leave all the money behind in the department, and then we simply build in what the cost is and then that money flows through in that way. And what we do is we establish service level agreements with each one of the departments. And this is something that the Provincial Auditor has insisted that government departments put in place. And I can let . . . maybe Rory would like to talk a little bit more about those service level agreements if you'd like us to get into that, because they're very detailed and we try to benchmark them against what would be going on in the private sector.

Mr. Elhard: — I think that would be a good idea actually if . . . I can't hear him when my microphone's on.

Mr. Norton: — The method . . . oh, go ahead.

Mr. Elhard: — I'm having a hard time hearing when both microphones are on here so . . .

Mr. Norton: — We do provide all services accompanied to what we call these partner departments on a cost-recovery basis. The governance, the decision making on what gets done by IT, the business case evaluation — how it fits into their strategy — is carried out by their information technology management committee. We are the delivery arm delivering any piece . . . [inaudible] . . . Internal if we do it ourselves, or if it's contracted out to a vendor outside, we manage that process for our partner departments again on a cost-recovery basis.

Mr. Elhard: — So if I was to use an analogy of sorts, your expertise or what you bring to this agreement is sort of the technical oversight as well as the management capability.

Mr. Norton: — That's exactly right. They leverage our skills and knowledge and abilities around IT and IT delivery, as well as again get some risk evaluation from us on the particular technologies they are moving forward with, as well as evaluate potentially the business value and help in that case. Actually they build the case, but we will assist in that to help them understand the value that potentially it will add and the efficiencies it will add.

Mr. Elhard: — Have you run into a situation where some of the requirements by the various departments would be beyond your capability and if so, how do you manage those kinds situations or requests.

Mr. Norton: — Again beyond our capability of internal resources that we currently have, again that's why we depend extensively on the vendor market as well to bring that expertise, management expertise as well in certain areas — process expertise as well as some technical expertise. If we don't have it ourselves, we readily go out and get that again from the market.

Mr. Elhard: — Well if that's contracted by a private sector or a private vendor, then is that cost of that consultation and capability passed through to the department as part of your costing to them?

Mr. Norton: — Exactly. So we would . . . Any costs related to say an application — be it vendor or be it our salaries or be it hardware or those things — are directly charged back to the department.

Mr. Elhard: — So when I see an increase in costs for personnel or administration or those types of activities that are within the ITO budget, that does not reflect at all the cost of outside consultants or those types of initiatives; that's something that's entirely related to in-house activities. Is that

right?

Mr. Norton: — So again, departments would reflect the costs related to those vendors. So each department still has their IT, their budget that would be associated with IT and IT purchases. Their costs would reflect those vendors that they're going to use throughout the year.

Our costs in the ITO would represent ourselves procuring that service be it the IT services, hardware, software, or consulting as well as there's some additional amount that has been again added recently that is about the transformation.

And again, given there's some consolidation and all . . . Again consolidation will bring about a bunch of savings but at first there's an initial investment that needs to come in to build the infrastructure that will be able to transform the entire government; again rather than building pieces up front and then rebuilding it again farther out.

Mr. Wincherauk: — For instance my salary and the salary of my senior executive team, we do not bill that out to government departments, that is within the IT budget that you see in the estimates.

Mr. Elhard: — I guess the question was related to the increase that I see in the budgetary estimates where there is an added cost for central services and an added cost for well, executive management, but you've just answered that question.

But some of those kinds of costs have gone up. And we've seen a significant cost in information technology transformation. Those costs do not . . . Those increases do not reflect the cost of outside consulting. I assume from what you've said that that cost would be flowed through and would be charged to the individual departments.

Mr. Wincherauk: — And part of that increase, I think it's around $750,000 in there, is to assist in the transformation exercise, so that if there are some departments that don't have the resources to bring up some of their software or computers to where they should be, we can assist them in that.

Mr. Norton: — But there will be some vendor dollars coming out of that transformation money as well. You know project managers during a huge project will . . . [inaudible] . . . so again some of that will be coming out of those particular areas as well, human resource money, things like that.

Mr. Elhard: — You know if this was the construction industry I might have an easier time understanding it, but project management is an important part of what it is you're offering to the rest of government.

You indicated that you've had some additional government departments come onside, that you've taken over virtually all of their IT requirements and needs. What about the departments that haven't come onside? What's the delay? What's the obstacle to having this fully serviced department meet the needs of all government departments?

Hon. Mr. Thomson: — It's our intention to have government departments, with the possible exception of Health, fully

migrated in within the next budget year. So in the '06-07 budget year to move to a full migration of those.

The issue that has largely been holding back has simply been one of capacity. We need to sequence the migration in to make sure that we are able to deal with it within the human resources and the fiscal resources that we have, but primarily the human resources. There's a fair amount of time that's required by the officials within ITO as we build in the standards in the service agreements. That's been primarily what has been . . . what prevents us from saying everybody's in right now. So we've been doing it instead department by department.

Mr. Elhard: — So what you're telling me, Mr. Minister, is that the limitation is not resistance by any departments, it's capabilities and manpowers within the IT Office.

Hon. Mr. Thomson: — That's correct.

Mr. Elhard: — Okay. When I look at the estimates for this year, I see that there are increases in the FTE — full-time equivalent — staff complement for the office. There's an increase of 10 FTEs. Can you identify for us where those increases come and what capabilities those individuals will bring to your office?

Mr. Antunes: — Yes. Five of the FTEs are actually transfers from other departments. So there's three resources that have transferred from the Department of Highways and Transportation and two resources that have transferred from Industry and Resources when they came over on the partnership.

There's an FTE that's added as a financial manager, so when the ITO in past years didn't have its own financial services they procured that service from other departments. So now, you know, with the costing models and things like that that we're doing we feel we need to have our own resources to be able to manage that effectively. So there's a resource for that.

There's also a communications resource to help us with some of the issues around our transformation, and then the other FTEs are associated with the work term program.

Mr. Elhard: — Has it been your experience that when you see those transfers from the IT capability and the individual departments coming to this particular office that there is an attendant reduction in FTEs in those departments from which they came?

Hon. Mr. Thomson: — Yes, that is the way it should work, that as those positions migrate into the ITO that there should be a corresponding reduction in the former host department. I can't speak specifically as to how that would work within those other budgets. That may be something you want to address with the departments as they migrate in. But in these specific cases we take not only the individual but the FTE budget that goes with it.

Mr. Elhard: — Okay. Good.

Mr. Antunes: — In fact if you look in the restatement schedule that lists the transfers from . . . Because the FTE counts were

restated for the last fiscal year so it lists the transfers from the different departments so the FTEs have been moved across.

Mr. Wincherauk: — And that would be at, I think, the very end of the blue book, the Estimates.

Mr. Elhard: — I guess I have some questions again that I'd like you to deal with in as common or plain language as possible. What exactly is this department, are you gentlemen trying to achieve? What is the government's objective in terms of bringing all of these information technology capabilities under one office? Now somebody alluded to, you know, the savings that would occur. Is that the only compelling reason for doing this, or are there other specific areas that we need to know about?

Hon. Mr. Thomson: — There are probably three key areas that we are attempting to deal with through the transformation initiative. First of all, there's an efficiency exercise that we believe that by amalgamating or consolidating the IT operations divisions into one area that there is an opportunity for us to reduce redundancy that has built up within departments.

Second of all, this provides us with an opportunity to put in a new set of standards across government in terms of IT hardware, software, and in terms of the opportunity for us to expand within government, I would argue a level up, the quality of the service that we provide in terms of helpdesk and other IT services to the mainstream civil service.

The third issue that we are attempting to deal with is one of service transformation. And that is maybe a bit of a buzzword but that is largely aimed at how do we get a better IT presence — Internet-based presence, web-based presence, whatever we want to call that — for citizen services.

Right now we have a fairly good regime in terms of being able to deal with business tax filing online. A lot of the financial services are able to be dealt with that way. But there's still a huge amount of opportunity for us to provide better service to citizens. And I would use an example from my other Department of Learning where I think at some point we should be able to — through consolidation, through transformation — be able to go directly online, fill in your student loan forms and know that's been processed electronically as opposed to the paper-based systems we use today.

Those are the three main objectives. I would add to the efficiency issue that it is not necessarily just efficiency in terms of FTE reductions across government, but there's an opportunity for us to deal with the redundancy built into a lot of the third party contracts that are out there. We have a large number of small, sole-source contracts that are let every year and are essentially dealing with legacy systems.

So this allows us to modernize, to make more efficient, and I hope provide a better service, not only to the ordinary citizen, but to the public service itself.

Mr. Elhard: — Mr. Minister, can I ask . . . You just used the reference there, the term legacy system. To what are you referring when you use that language?

Hon. Mr. Thomson: — There are generally systems that were specifically built for one or two purposes that are often fairly old and have now simply become entrenched in terms of part of the business operations of a department. We have an opportunity, as you'd imagine with the amount of change that you see within the IT world, particularly in software, to move to more general applications across government. And there are a number of departments that have a large number of legacy systems. Environment comes to mind as having a large number. Learning has a large number.

There are big opportunities for us to start to develop more common systems as opposed to having every department having gone out and bought its own, its own system. So this is really a standardization exercise as much as anything.

Mr. Elhard: — Are legacy systems in existence now a big obstacle, in your estimation?

Hon. Mr. Thomson: — I wouldn't argue that they're a big obstacle. They are certainly, I would suggest, both an issue in terms of our efficiency — that we can improve our efficiency by moving away from the legacy systems — and I would argue we can also save costs.

One of the things we found as identified with the Microsoft project, that we have a big opportunity here to reduce our cost as we consolidate our buying power, using essentially an economies-of-scale argument. And while I know that that's an old concept, it does still work. And that's largely what we've been able to do as we move away from legacy systems and move to a standardization.

Mr. Wincherauk: — And the legacy systems are one of the reasons why we have the intensive due diligence process, so we can make sure how those systems will work on our platform and how they all fit together.

Mr. Elhard: — You mentioned the efficiency or the effectiveness that would be realized by bringing a lot of government services to the Internet. Can you maybe give us an example of a jurisdiction that has done this successfully? You know, I'm familiar with some efforts in this regard in some areas, and I think they've had mixed results from time to time. But are you using some other jurisdiction as sort of a model or a template that you'd like to duplicate here?

Hon. Mr. Thomson: — We have looked at a number of different jurisdictions and every province has a slightly different configuration. I spent some time meeting with New Brunswick, looking at their Service New Brunswick model a few . . . it must be a year and a half ago now. They have an interesting approach in terms of having a single-window approach to IT operations.

The difficulty with migrating that kind of approach to Saskatchewan is it still requires citizens to line up at a central government office. This hasn't been our approach in terms of how we handle everything from licence plates through to whatever else government services are there. We have a very distributed system. So it's hard to migrate that in.

When we take a look at what Ontario's done with the kiosk

system, I think there is some opportunity there for us to learn from that. But what we are trying to figure out is not so much how the portal system would work in terms of being able to deal with online application, because in fact we have some fairly decent experience in Saskatchewan on that. But it is really a bigger question about how it is we migrate that over top of the systems we already have in place in our tradition here in the province.

I would add one other thing to that and that is the fact that we are primarily focusing at this point in terms of back office operations. How do we make sure the government systems are able to receive that kind of an input?

So I would use as an example, the migration that's been going on for some four years now on Midas [Multi-Informational Database Application System], which is the government finance project where instead of every department having its own financial system, we have moved over to one common system for government. And that has provided us with a common platform to work from in terms of everything from, I guess, payroll through to expense claim processing.

Those have been useful things for us to do in terms of efficiency within government. As we think forward several years, I mean I think what we would like to get to — and no government has yet gotten to that point — is for the citizen be able to deal with at their own work station or their own computer, home computer, the ability to go online and buy the fishing licence and to be able to pick up their licence plate stickers, and to be able to file their income taxes, and to able to access a number of other things that you would normally do through a paper-based system. Those are pieces we're working on.

Within government, the big objective would be to completely automate from the employee back through everything from attendance forms, which are still largely paper based, to expense claims, and then allow to build in over top of that the overlays for obviously audit function and the rest of it.

It's a huge thing if you think about the government as a corporate entity. If you think about this as a $7.2 billion corporate entity with some 15 or 12,000 employees, just in government proper, you can imagine how large that exercise is — when you think across 17 different departments, not including Crowns, not including the health sector, not including the learning sector. So what we are really dealing with at the transformation stage today is a consolidation initiative to just really set the foundation. And that's the initiative we're working on.

How it works itself forward is something that we're trying to deal with in a way that reflects the way that the Saskatchewan people like to do business with the government. And I think we are still trying to . . . We would resist the approach that provinces like New Brunswick have taken around Service New Brunswick that requires them to go back to a central government office, but instead are trying to look at something that deals more with the tradition we have established over the last 25, 30 years, which is largely a distributed approach to accessing government service.

I hope that that at least outlines some of what our thinking is. There's a lot of good examples across the country, but there's no one place that I would say, this is who we should emulate. We still need, I think, to really sort through in terms of what our citizens want and how we deal with it.

Mr. Elhard: — Well, Mr. Minister, could you indicate for me, you know, what specifically you have in mind for the Saskatchewan model. Because it would seem to me that one of the advantageous elements of this information technology exercise is to try and make it as simple and maybe a single-windowed approach as possible. If I understand you, that's not necessarily the way you want to go. It's several windows as a possibility. Why do you think that might be better?

Hon. Mr. Thomson: — Well one of the reasons we prefer what is often referred to as a no-wrong-door approach is the multi-channel approach allows citizens to deal with government in a way that they're comfortable with.

Certainly we want to move forward with a good, solid broad-based portal that allows citizens as they go on to gov.sk.ca to then be able to access government services. But we still want to make sure that there's other access out there. We don't want to get to the point where you can only use that as the only way to get your driver's licence because many people still want to deal with their individual broker and buy other services.

It's a case of us providing a choice to citizens. One of the things we have not yet done is fully develop the web potential, so most of government services are still either based by going into a government office, going into a third party office of some variety, to obtain that service. We have an opportunity to build that out.

I often use the analogy of banking. If you think about how citizens like to do their banking, there are a number of ways. I like to use Internet banking. My mother prefers to use telephone banking. My grandmother still goes to the branch. And what we want to be able to do is provide each of those types of citizens that ability to find a way that they're most comfortable with dealing with government services.

We still believe that what we need to build out is an approach that for those who want to use that Internet- based approach, that they can go to the single portal and be able to get that access. And that's what we've got to go through and deal with.

Mr. Elhard: — Either argument makes sense. I guess I didn't understand what you meant by the, sort of the multiple approaches to government services. I assumed that you were talking about, you know, IT capabilities that had a multiplicity of different ways of achieving that government contact. And I, just in passing, must be about the same age as your grandmother by the example you gave. I still prefer to go directly to the bank. It must be the human contact I like, I'm not sure.

The approach you're taking and what you're trying to achieve I think you would probably describe as uniquely Saskatchewan. Is there an advantage financially or from an efficiency standpoint to be trying to establish our own unique approach in

this regard? Because you know we're not that far from seeing a whole new generation, you know, coming into the workforce, and another generation leaving the workforce. I mean, times are changing, people are adapting to new technology rather rapidly.

Maybe by expending the energy to provide all these multiple ways is not the most effective for the long run. Have you weighed the consequences of putting all this effort and energy into developing something that's completely unique to address the current and immediate Saskatchewan experience, as opposed to the realities that we might face five and ten years away; which incidentally passes quite quickly?

Hon. Mr. Thomson: — I'm going to ask Richard Murray to make a few comments on this, but let me offer this observation. We have largely tried to focus our IT transformation on making sure government has its business in order. The efficiency that will come is primarily around the standardization of government service. That will mean some reduction in different channels that governments, public servants may be able to use. I would be quite happy to see us pull back the ability for civil servants to be able to decide whether it's by paper or by web that they file their expenses. We will need as an organization to at some point put some discipline into that.

The approach that we have with citizens is a more flexible one, because there is not the command and control structure there, and we want to make sure the citizens are comfortable in terms of the access they have to it. I don't know in terms of the efficiency; at some point there will need to be a contact with the main government systems.

So part of what we've been trying to do is to modernize, to deal with the legacy systems, to streamline and find efficiency by consolidation, and to improve our overall government service through a levelling up on everything from helpdesk on through.

Richard deals a lot more with our citizen transformation services and maybe I can ask him to comment on this.

Mr. Murray: — Yes. Further to the always eloquent words of my minister, we're just wrapping up phase 1 of our citizens service transformation initiative. And in fact we've had a number of folks that actually helped to develop the Service New Brunswick initiative come to town here. We did an RFP [request for proposal] process and awarded a contract to get that assistance. And in fact it's been a surprising bit of to and fro as they find that Saskatchewan is quite unique and is quite different from what they're doing in New Brunswick. And so we have very much been shuffling our strategy to try and suit it and customize it for Saskatchewan citizens.

I guess there's really three components to the development of these improved services. The first would be, without getting too technical, what we call a channel framework. So we look at the telephone, we look at counter services, we look at the Internet. And indeed many people do prefer the telephone, they do prefer face-to-face visits. And that might be for reasons of trust or security or privacy or it might just be preference, and we've seen numbers that indicate that this is true worldwide. And so we do need to develop a channel framework that says, well these services are best suited to telephone, these services will be best suited for 5 years, or 10 years, or 15 years so there's a

timeline associated with it.

There's also a component that will assess what the citizens' needs are. So there's a survey component that actually goes out and talks to the various kinds of citizens that we've got, whether it's students, a business owner, Aboriginal, to determine what their unique needs are and then we plan to roll out the strategy very soon to address those needs and match them on those channels.

And then the third piece would be the IT infrastructure changes that we've talked about here at some length, the government's ability to be able to quickly deliver the information needed to provide those services. And so I think that's the long and short of where we're going with this and how and why.

Mr. Elhard: — You alluded to the fact that when you put out the request for proposals New Brunswick ended up winning that and came to Saskatchewan to consult. What kind of unique differences did they draw in the Saskatchewan experience that they didn't have in New Brunswick?

Mr. Murray: — Sorry. Maybe I'll clarify a point there. The contract was actually awarded to CGI Regina but CGI New Brunswick happens to . . . CGI also did the service in the New Brunswick initiative and some of the folks in New Brunswick have been brought in to work on the initiative.

Mr. Elhard: — Okay.

Mr. Murray: — We're a wider place with a bigger sky, they keep telling us, and colder winters, but also citizens spread across a much wider area than what they see out there so whereas a New Brunswick citizen might very easily hop in the car and drive to a local Service New Brunswick centre, perhaps not so likely here in Saskatchewan. That was one big difference that compelled us to look at, in particular, telephone and Internet channels more closely than they might have there.

Hon. Mr. Thomson: — If I might just add to that. One of the things that I think is worth noting here is that other places are learning from Saskatchewan also. New Brunswick has just recently announced that they will undertake a rural broadband build-out and will use SaskTel and the Government of Saskatchewan's CommunityNet model as the example for that. And that is something that I think we need to . . . [inaudible] . . . to remind people also is that we are not following in many cases but in fact are leading on the IT file. And it is something that this government in particular is particularly proud of in terms of providing the actual, or the capability for citizens to connect in electronically.

Mr. Elhard: — I had a number of other questions that dealt specifically with the budget, but you raised something in your introductory remarks, Mr. Minister, that I want to ask you about right now. Can you give us a fairly descriptive understanding of the agreement, the Microsoft agreement that you referred to?

Hon. Mr. Thomson: — What I'll do is have one of the officials just run through that agreement.

Mr. Norton: — What the Microsoft agreement is, is we already are fairly ingrained with the Microsoft technologies across

government. We have not always focused on a collective purchasing of those licences or products from Microsoft. This recent arrangement we have allows us to get the lowest, deepest discount that Microsoft allows any companies anywhere, and it's typically based on a size of the base that will be rolling out the Microsoft products, or per desktop. Even though we did not qualify for the number of desktops, we've been able to negotiate the lowest price possible with Microsoft.

As well with that, that agreement which will bring savings on just straight licensing costs and also on our ability to standardize the infrastructure and roll out the transformation project, it also provides for an individual to be moving to Regina, setting up an office in Regina with Microsoft, that will also help us with some of the architectural issues, and building that new transformed infrastructure that will bring the efficiencies and service delivery that we're trying to bring to the citizens.

Mr. Elhard: — So correct me if I'm wrong, but there is a hardware and a software component to this arrangement.

Mr. Norton: — Software. Microsoft is predominantly software although there is a consulting piece to it as well.

Mr. Elhard: — All right. And so if you run into difficulties using their software in this rollout that you've described this afternoon, Microsoft has somebody on site to help deal with those kind of difficulties or just advise you in . . . Is their help going to be physical help or is it going to be intellectual help?

Mr. Norton: — Yes it is more intellectual help at the higher level, more about how we architect — use their technologies to deliver an efficient and effective framework again within their technologies.

As we move forward we need to blueprint how we are going to build this thing. With them being a partner in some of that they can have conduits directly into Microsoft, conduits across other consultants who work for other provincial governments across Canada as well as, again, their counterparts in the States. As well, that again many of these are placed in state offices again that provide that look at how government is doing things and will bring some of that expertise as well.

Hon. Mr. Thomson: — If I might just offer two additional comments. One that it is not an exclusivity. There's not an exclusivity to this. We do use primarily Microsoft technology, but not exclusively Microsoft technology.

And second of all, this has largely been accomplished because of consolidation. This was not something that we were previously able to access as each individual department dealt with Microsoft. So by moving with the consolidation initiative we were able to take advantage of this and I think it is one of the true benefits.

I'm often pushed by my colleagues and indeed on both sides of the House, to point to where the savings are. To be able to say that consolidation is providing a tangible $1 million saving as a result of this is significant, beyond all the additional benefits that we'll get with the intellectual help in the capacity building we'll have within our system.

So that's in a nutshell really why we have embarked on this and one of the opportunities that became available because of the ITO consolidation.

Mr. Norton: — In addition, by us leveraging executive government's power around purchasing and that, this is also . . . they have also granted the rights to this lowest pricing level to all municipalities as well as all Crowns or any government type organizations. For the municipalities and the Crowns it's going to amount to about a 52 per cent reduction in their software licensing costs as well.

And as well we went out and got a third party opinion on this deal from Forrester, which is an IT . . . a firm that does IT planning and consulting. And again their report came back that this is the best negotiated deal they've seen anywhere for a jurisdiction our size achieving.

Mr. Elhard: — Was there realistically any alternatives? Who else would've provided you that kind of capability? Who else is in the league to provide that kind of capability?

Mr. Norton: — Microsoft isn't our sole product. In fact we use other products — Oracle who would be considered a competitor to them; again a number of other Java type products that aren't Microsoft. So we use different technologies. This is one of the technologies we have, but not the sole one. So again, every time a project is evaluated, the technology is assessed to see if it's proper and adds business value and delivers what we want. So this is not an exclusivity to Microsoft at all.

Mr. Elhard: — Has the ITO ever considered the possibility of using Linux operating system capability?

Hon. Mr. Thomson: — Yes. I think it's fair to say that the answer to that is, yes. Although for the most part what we're dealing with is the . . . if you think about the normal services that you would use even on your own constituency computers, there's likely a Microsoft operating system in place. You're using Microsoft email. What we largely have with Microsoft is just a better licensing agreement, and so that's primarily what we focused on. Other systems throughout government — the financial systems of government — don't run on a Microsoft platform and I don't . . . this agreement wouldn't contemplate that, moving over to that. So it's a combination of things.

Mr. Elhard: — When you're describing this deal with Microsoft as advantageous for the ITO, is it because of its familiarity, its commonality, you know, its general acceptance by and large in the marketplace and in government offices, or is it once again sort of the intellectual capacity of the Microsoft? Or is it a combination of those?

Hon. Mr. Thomson: — I would argue that first and foremost this provides a $1 million cost saving to taxpayers. That was our single biggest objective, was to reduce our licensing cost and we have achieved that through the consolidation. This is a tangible benefit to taxpayers.

The secondary benefit of us being able to go through this economy-of-scales exercise has been the added value that Microsoft has offered to bring with this. And part of that is a change that I would argue that I've seen in Microsoft's

philosophy on how they do business with organizations over the last couple of years, where they are interested in thinking more about how they can assist in terms of value-added and streamlining of service.

Mr. Elhard: — I don't recall if this particular question was addressed earlier, but was the provision of this capability, this service that Microsoft has been granted, was that open to a public tender process or a competitive bid process?

Hon. Mr. Thomson: — What we have . . . sorry, go ahead if you want it. What I was going to say, what we are primarily dealing with is a consolidation of our current licences that we have in place, and so this is largely what we deal with. It's not a new build-out as much as it is a consolidation exercise. So it's a renewal of licences that we go through every, I don't know how many years, I forget.

Mr. Elhard: — Is there some possibility or probability of this agreement working to the advantage of other local IT providers? Is there some capability built into this agreement that will enhance their provision of services?

Hon. Mr. Thomson: — I think the answer is yes. Certainly Fred has outlined the benefit to municipalities that they are able to buy into this. I think that's a very big benefit to local government if you think about them being able to participate in a government licensing provision. That's a potential cost saving for them.

From the private sector perspective there are significant advantages to this. For example, the contract we currently have out on our email services is a Microsoft-based email exchange program run by a private sector company called TMC. This provides us with, you know, some continuity. What we don't want to get into is a point where every time we change the contracts that we need to change the technology that goes with it.

So Microsoft is certainly a large corporation. It has a fairly ubiquitous approach to service delivery. That means very few computers that don't have some kind of an approach to that and citizens and employees are comfortable using that. That doesn't mean that it's going to be exclusively so, and we still will need specialty applications and indeed many of the applications, core applications within government will run on other platforms and through other systems. It's not our intention to move over entirely to a, what they call a dot-Net platform or a Microsoft platform.

Mr. Elhard: — Part of your earlier comments, Mr. Minister, talked about the relationship between the IT Office and SaskTel's high-speed Internet provision. Would you elaborate on that for us?

Hon. Mr. Thomson: — I'm going to ask Richard Murray to do that as he's our CommunityNet guy.

Mr. Murray: — We've had a good, long-working relationship with SaskTel. The ITO was involved in the creation of the original CommunityNet that provided high-speed Internet connections and a data network to provincial schools, libraries, hospitals, and government offices. This new expansion,

CommunityNet phase 2 will see the rollout of the world's largest contiguous broadband network. And I'm starting to get into technical terms, but basically unmatched high-speed Internet through wireless technology that will stretch across a very large part of the province.

The first six communities and six towers were announced on April 1. We expect to see towers installed in 18 locations I think this year, and by the end of 2007 there will be wireless high-speed Internet in a minimum of 70 communities in the province. I suspect the number will be larger than that. This CommunityNet II initiative uses homegrown technology that was developed by a company called VCom in Saskatoon. And we're quite proud of that achievement as well.

And so I guess in summation high-speed wireless Internet is available today in six communities and surrounding areas.

Mr. Elhard: — Can you explain for me more specifically though the nature of the relationship? SaskTel has the technical communications capability. What role did the IT office play in that rollout?

Mr. Murray: — Our office is involved in development of the policy side. Our office is involved in negotiations with the federal government seeking funding to help us to roll out the initiatives. Our office works closely with the Department of Learning and the school divisions and the health districts in the province to assess their needs and determine where these initiatives should go.

For example, a current priority is Aboriginal schools in the province. Under CommunityNet we're provided with satellite technologies because that was all we could provide at the time. And now we are evaluating and assessing converting those satellite technologies to new, higher speed, wireless technologies.

Our office is sort of involved from the public good perspective, if you will, serving the learning sector, the health sector, and the executive government sector with these new technologies. SaskTel is the service provider.

Hon. Mr. Thomson: — If I might just add, there's one other additional relationship there, and that pertains to CRTC [Canadian Radio-television and Telecommunications Commission] regulation.

The CRTC regulations require that SaskTel offer services on a commercial viability basis. Any non-commercially viable subsidization needs to come through the provincial treasury. That was largely how we used the initial wired broadband build-out, particularly the rural and truly remote communities; that we believe that we are able to do the entire CommunityNet II project on a commercial viability basis. And so there should not be a need for provincial treasury subsidy.

That's important for us to state, not only because we're appearing publicly before a committee of the legislature, but so that we understand that SaskTel's commitment here is significant and is able to be undertaken within the terms established by CRTC.

At some point as a committee it would be . . . I would certainly appreciate . . . Maybe I will just provide you with some information on the difficulties we are having with CRTC around their arcane regulations that really do inhibit our ability to provide high-quality service to rural areas. It appears that the folks in Ottawa don't quite get it, once you move out of the 905/416 belts as to how it is that rural citizens also need access to high-speed Internet. And that's something that we have continued to fight the CRTC on. It is . . . there's a real risk around it, especially as it pertains to VOIP [voice over Internet protocol] deployment, and something that we need to be very conscious of.

So Richard's unit deals largely with the policy and planning pieces. That ties into CommunityNet, it ties into how we're looking at VOIP, and looks at how we work with SaskTel. I would say that the relationship between SaskTel is a good one and a co-operative one, but they are definitely two distinct operations. And I think that that serves the taxpayers and the customers particularly well.

The Chair: — Thank you, members. It is now past 4 p.m. when the agreed upon time to adjourn this. I would require a motion by a member that this committee adjourn consideration of the estimates for the Information Technology Office. Moved by Minister Mr. Wartman. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. And I just wanted to thank Minister Thomson and his officials for being here today.

Hon. Mr. Thomson: — Mr. Chairman, I too would like to . . .

The Chair: — Did you want to make a statement?

Hon. Mr. Thomson: — If I too might take the opportunity to thank the officials and the members for their support and indulgence.

I, several days ago, had been asked in the Assembly to provide the — I think by the member for Cannington, Souris-Cannington — to provide the privacy framework that the government operates on. And I would like to provide that to this committee at this time if I can just provide the document and table it here.

The Chair: — Thank you. Mr. Elhard.

Mr. Elhard: — Yes, just before we let the minister and his officials go, I'd like to thank them for indulging me personally in trying to keep the language as simple as possible. I've learned a lot here today and I hope that our next encounter, I'll enjoy just as much. There's so much about this particular area that is unfamiliar to me, but I think unfamiliar to many people in this province. And we appreciate your taking the time to explain this stuff as detailed as you have.

Hon. Mr. Thomson: — Thank you.

The Chair: — Thank you. We will now move to the consideration of estimates for the Department of Property Management and the assessments are found on page 115

through 119 of the Estimates book. And I noticed that Mr. Huyghebaert is filling in for Ms. Eagles.

General Revenue Fund
Property Management
Vote 13

Subvote (PM01)

The Chair: — Thank you members. The next item on the agenda is consideration of estimates for Property Management Corporation, and also consideration of supplementary estimates for Property Management Corporation, so we can deal with this concurrently.

And I would recognize the minister and welcome her to the committee and if she could introduce her officials and then proceed in a brief statement if she chooses.

Hon. Ms. Higgins: — Thank you very much, Mr. Chair. I would like to introduce to you and to the members of the committee the officials from Saskatchewan Property Management who are with me here today. To my left, is Ms. Deb McDonald, the deputy minister of SPM [Saskatchewan Property Management]. On my right, is Mr. Garth Rusconi, the assistant deputy minister of accommodation, and on my far left is Ms. Debbie Koshman, the assistant deputy minister of corporate support services.

Sitting behind us at the table, we have Mr. Donald Koop, the assistant deputy minister of commercial services. We have Mr. Phil Lambert, the assistant deputy minister and CEO [chief executive officer] of information technology, and Shelley Reddekopp, manager of financial services.

Mr. Chair, I'd like to thank them for coming before the committee today to assist me in answering questions the committee may have regarding the first ever estimates for the Department of Property Management. And before we begin, I would like to assure members of the committee that although the organizational structure has changed, the mandate of Saskatchewan Property Management remains the same.

SPM will continue to provide the same wide range of services to government departments and agencies that it always has: accommodations, purchasing, transportation, and mail services under the new Department of Property Management — all of these services and more will be continued to be delivered seamlessly.

What will change however is the appearance of our estimates. Estimates for the Department of Property Management will provide a greater level of clarity, thereby making it easier for the public, as well as the members of this committee, to understand how the department is operating. With that, Mr. Chair, I welcome any questions that you may have about the Department of Property Management.

The Chair: — Thank you, Minister. I recognize Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Mr. Chair, and welcome to your minister and your officials. The first item of business I'd

like to deal with, Madam Minister, and you have a copy of this letter — it was addressed to you — and it deals with Bernice Desjarlais from Echo Valley. And just to bring you up to speed on this if you don't remember the letter — she had sent, forwarded it obviously to myself — and it deals with her work at Echo Valley when she was working for SPMC [Saskatchewan Property Management Corporation]. And she worked there at the centre from 1998 until closing of the centre in 1992. And around . . . in her letter, around the year 2000, they were told that they would be getting pay equity from 1998 forward.

According to her letter they didn't hear anything more about it, and it did happen in 2004. However Ms. — I think it's Desjarlais — Desjarlais, she had retired in October 2002 because she had reached the magical age of 65. And although she didn't want to retire at that point she was forced into retirement.

When she inquired about this amount of money, this pay equity from her years of work from 1988, or whenever this was going to come into effect in 1998 — from 1998 to 2002 — she was told to call SGEU [Saskatchewan Government and General Employees' Union] and SPMC.

And then according to her she was turned down for the pay equity for the period of 1998 to 2002 when she retired, because she had already retired. Well obviously she hadn't from 1998 to 2002. And she says it's a fair bit of money. Again she reiterates that she did not retire by choice and she didn't take early retirement.

And what she is looking for is pay equity for the years that she worked when they first started the pay equity from 1998 until she retired in 2002. And the letter was addressed to you, Madam Minister, and I can sure give you a copy if you don't remember it offhand but I can give you a copy. And I'd like to know what the resolution is to this particular lady's issue.

Hon. Ms. Higgins: — Thank you very much for the question. Pay equity in the JJE [joint job evaluation] has been a fair topic over the last number of days. While there has been almost 60,000 employees within the public sector that have worked through this process and gone through the issues with pay equity and JJE, the joint job evaluation, it has been a long and difficult process which has been worked through with the employees and the unions that represent them.

The process is that what you do is a survey to start off with to do an assessment of your own job. There is committees that will go through these surveys and categorize jobs. It is a long process. Now how the final outcomes are paid out is decisions that are discussed and worked on with both parties. And while I will say to you that there is appeal processes throughout the JJE no matter whom is involved in the discussions or with which unit the discussions are being held, it's kind of a format within the process.

I'm reluctant and will not, actually, comment on an individual's case. As you stated, the letter has been sent to me on behalf of Ms. Desjarlais and we are preparing a response for her and with the particular information on her case so I'm not going to comment on her personal circumstance. But I will assure you

that we will be responding shortly in a written letter to her.

Mr. Huyghebaert: — Thank you, Madam Minister. It's been a month already. There's a couple of questions that I would ask of you. Is the time frame on the response to this lady would be one question. And the other question that I would ask and it must fall under your purview is, was pay equity granted back to 1998 as stated?

Hon. Ms. Higgins: — Yes, we do. Your first question, yes, we do have a time frame. One of the things that I have expressed as minister ever since I have been appointed is that our responses to inquiries are timely and that the turnaround is as short as possible. We do have kind of a ballpark figure that we keep in mind and that we strive to maintain.

But it also depends on the age of the information that we are responding to and what files have to be gone through to address the concerns that are expressed to us in any written form or email form or over the phone. So that has to be taken into consideration too. But will we do it? We will strive to do this as timely as possible to give Ms. Desjarlais an adequate and proper response.

To go to your second question about pay equity and the JJE process, in any of the agreements that I'm aware of, once a person has retired they are retired from the process also. And it's just addressing employees that are currently within the system that the funding is paid to and the assessment is done on it.

Mr. Huyghebaert: — Well I'd like to go back to the timely response. I mean that's kind of a cop-out phrase, timely response, because it's all relative. In this case it's been a month and I would ask again if you have a time frame that you can tell me. Is it one week, two weeks, another month, or however long before she will receive an answer from you?

Hon. Ms. Higgins: — Without a doubt it will be within 10 days.

Mr. Huyghebaert: — Ten days?

And I think it would be prudent to revisit the letter when . . . And I guess I'm a little bit hung up on, after reading this, if you say that they've retired. So if you can wait until somebody retires before you make a settlement with them, then is it gone from the books? Is it gone? Do they not get any pay for the period of time that they were actually employed to where the pay equity was granted back?

And that's what the inference is in this letter, that this lady had worked from 1998 to 2002, which if the pay was granted is equity back to that. Would there not be or is there no consideration for the pay for that individual during that time frame that she actually worked although she was retired before the pay equity was actually settled or allowed or granted?

Hon. Ms. Higgins: — The process is — and the process is negotiated with the unions that represent the employees — that when the pay equity is paid out and the joint job evaluation is complete, it is paid out to employees that are currently on staff. And that is part of the agreement that is signed by both parties

that are currently on staff.

Mr. Huyghebaert: — So I find it interesting. In this letter, and just to refresh you on the letter, she had retired but when it came to voting, she was still called in to vote. So although she was disregarded in one aspect of it, she was called in when it came to voting again. And I think this is where, was she really released or was she . . . I mean had she retired or . . . And I think there's some questions there that need to be asked and answered to this lady.

Hon. Ms. Higgins: — No. Thank you very much for raising it and we will respond, like I said, within the 10 days.

Mr. Huyghebaert: — Thank you, Madam Minister. I'd like to now, in the little time that we have, talk about my annual questions about aircraft. And I guess some of you may not have the answers, but I would definitely like responses in a timely manner, if I may. And you may answer them today if you can, but if not I would appreciate some answers.

I'd like to know first off how many aircraft are registered to the government, and what the aircraft are and the types.

Hon. Ms. Higgins: — I know . . . Now I have to protest here. It isn't an annual excursion because I think you missed us last year. So this is getting to be a biennial event. But what I will do, I will turn it over to Donald, who will give you the more technical answers.

Mr. Koop: — In answer to your question, there are six aircraft in total: three with what we refer to as the executive air service based here in Regina, and that includes a King Air 350, a King Air 200, and a Cheyenne aircraft. In Saskatoon we have the air ambulance operations. There's three aircraft there. There's two King Air 200s and one Cheyenne.

Mr. Huyghebaert: — Well I thank you for that. Now one of the King Air 200s was purchased through third party two years or three years ago, and now with the reorganization, if you wish, of SPMC, like we're in . . . some reorganization has been done. Could you update me on the status of the King Air 200 that was bought by third party. And I may have some follow-up questions on that.

Hon. Ms. Higgins: — It wasn't purchased, it was leased.

Mr. Huyghebaert: — Leased by . . .

Hon. Ms. Higgins: — The King Air 200 is leased.

Mr. Huyghebaert: — But leased by the government?

Hon. Ms. Higgins: — Yes.

Mr. Huyghebaert: — Purchased by a government agency. Is that correct?

Mr. Koop: — Well we're leasing that aircraft from a leasing company.

Mr. Huyghebaert: — The leasing company is a government-owned subsidiary of a Crown corporation.

Mr. Koop: — I believe the aircraft is leased from Cajon Leasing. C-a-j-o-n, Cajon. I'm not aware of any, sort of, organizational linkages beyond that.

Mr. Huyghebaert: — Okay. It was my understanding that that was a subsidiary of one of the Crown corporations' subsidiaries, if you wish, and that put it at arm's length that purchased that. And I'd like to know if that's the case, or if this is a private leasing firm, or is it actually a firm that actually belongs at some arm's length to the Crown corporation.

Hon. Ms. Higgins: — We don't have the details with us now other than the leasing company that we access the plane through. I know this was a topic of discussion when the lease was first done. That was a number of years ago, a few years ago. We will get the information for you and get it to you as soon as possible.

Mr. Huyghebaert: — And you may have this in your notes there. What is the cost per year of leasing the aircraft?

Hon. Ms. Higgins: — It's $250,000 a year.

Mr. Huyghebaert: — And does that include spares, maintenance? Is that dry lease?

Mr. Koop: — I'm not sure if I properly understand what you mean by dry lease, but we would be responsible for maintenance of the aircraft.

Mr. Huyghebaert: — Such as all maintenance like if an engine went.

Mr. Koop: — Yes, yes.

Mr. Huyghebaert: — Okay. This Cajon Leasing company is . . . do you have any paperwork on the company itself, like who is the company? What is the company? Do you have anything that you can give me as far as the status, the background of this company? Can you include that if you're getting some information for me on the company?

Hon. Ms. Higgins: — Yes. That's not a problem. We'll forward it with the other information.

Mr. Huyghebaert: — Okay. And when this aircraft was leased, it was leased under the auspices — so we were told two years ago or three years ago — that it was leased to replace one of the aging aircraft. And I'm wondering what the disposition of the aircraft that it replaced; has it been disposed of, sold, or what the status of it is?

Mr. Koop: — The Cheyenne aircraft was disposed of. We sold the airframe. We sold off some of the parts for the aircraft through public sale.

Mr. Huyghebaert: — Yes, I just want to . . . just to go back to clarify about the Cajon Leasing. I'm trying to establish if there's a relationship here between this company and was there any loans given from CIC [Crown Investments Corporation of Saskatchewan] to this company to purchase the airplane? Is there a paper trail of a connection between this company and who this company actually works for?

What I'm trying to get at is, is this a private industry? Is this a private leasing company that I can go lease an airplane from? Or the connection to . . . in my notes I had it was bought from a growth fund and a growth fund belonged to CIC. And this is what I would like to find out is where the connection is of how this airplane was purchased, arm's-length supposedly, but is it arm's-length and that's what I would really like to know.

Hon. Ms. Higgins: — Okay. We'll get you what information we can and . . .

Mr. Huyghebaert: — I'd like to also come back to the cost per mile that we see as a result of exec air or these six airplanes and a breakdown of cost per mile. And the reason that I would like to ask for the breakdown is when I look at cost per mile . . . I mean, we can play with numbers on cost per mile — some people can play with numbers — but if I'm driving the airplane and I have to pay hangarage, if I have to pay tax on fuel, if I have to pay power and gas for hangarage, that all has to be included in cost per mile.

And so what I would request from your department is a breakdown of cost per mile. Because one of the questions when I asked before on this was, well we don't pay for hangarage because we own the building. Well that's unfair. If you're trying to . . . if there's a private company that wishes to lease to the government and it's an unfair comparison of cost per mile where you can play with the figures and say, well we don't have to pay tax, we don't have to pay hangarage, so therefore we can fly this airplane a lot cheaper than through another private corporation, where in fact it isn't, because the hangarage isn't free. If it is, I'm going to start a company and want to put my airplanes in government hangars if it's not going to cost anything. Of course, I know you won't let that happen.

So I would really like to see a breakdown, but an actual breakdown. And also are wages included in a cost per mile operation when you figure out cost per mile? So I would kind of like a whole breakdown of what you evaluate as a cost per mile of flying the executive aircraft.

Hon. Ms. Higgins: — Thank you very much for your question. What we will do is take it under advisement and we will get you a breakdown. You're accurate in that there is . . . I mean we can look at the numbers and the fact is is that the government does own the hangars. It is an investment made by the taxpayers of this province.

Does it save us costs in some areas? Of course it does. And you can look at comparisons to private industry and leasing and you can get into the costs of standby fees and that can drastically change the numbers in that area also.

But we can . . . We'll take it under advisement and we will give you an answer and a breakdown.

Mr. Huyghebaert: — And I guess one more . . .

Hon. Ms. Higgins: — Just a bit of clarification. We own the hangar in Regina but we do not own the hangar that is in Saskatoon where exec air and air ambulance are based.

Mr. Huyghebaert: — And another aspect of when cost per mile is figured, just, if you're going to do some numbers on this for me, is other departments. Are other departments involved in any subsidies towards the cost per mile?

Hon. Ms. Higgins: — Okay. That can be . . . We'll take that into consideration also.

Oh, and for the last question, the end of it, the answer is a definite no. If you lease a plane we will not allow you to park it in a government hangar. Because if you asked and then the member sitting beside you, when he wanted to park his plane too, it would be unfair.

Mr. Huyghebaert: — Yes, yes, well that's what makes the numbers somewhat skewed when you use comparisons. And this is why I bring it up, because we can say we own the airplanes, taxpayers own the airplanes, so it doesn't cost us anything for the airplane. Well in fact it does because there is dealt a cost to all of the operations. Whether it's utilities, square footage of hangar space, taxes, these all have to be realistically filtered in when you look at cost per mile or else you've really skewed the numbers.

And what I would like to see is very accurate numbers about comparison of what per mile costs are for government aircraft, exec air, vis-à-vis what private industry would charge per mile costs and have a fair comparison.

But that's why I bring all of these other issues into play, like insurance and the others that I mentioned, because we can skew the numbers by saying we own the hangar but in fact even if a company owns a hangar, it still has had to pay for that. We say, well taxpayers paid for it so it doesn't cost us anything. Well that's not accurate.

And so, that's why I want to get a comparison of realistic costs. I want a cost per mile basis that I can compare to private industry, private companies that actually lease aircraft, vis-à-vis what our executive fleet costs.

Hon. Ms. Higgins: — Okay.

The Chair: — This concludes the consideration of this. We would need a motion that this committee adjourn consideration of the estimates for the Department of Property Management.

Moved by Mr. Wartman. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That is carried. I'd like to thank the minister and her officials for being here today and I look forward to seeing you again. Mr. Huyghebaert.

Mr. Huyghebaert: — Yes. I'd like to thank officials too for the answers and thank you for your candid responses. And I look forward to your written answers to some of these very difficult questions.

Hon. Ms. Higgins: — Thank you very much and we'll get back to you as soon as we can and I appreciate the questions.

The Chair: — I would entertain a motion to adjourn. Moved by

Mr. D'Autremont. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That is carried. This committee stands adjourned.

[The committee adjourned at 16:32.]