



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Hansard Verbatim Report

No. 5 – June 14, 2016



Legislative Assembly of Saskatchewan

Twenty-Eighth Legislature

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Mr. Fred Bradshaw, Chair
Carrot River Valley

Ms. Carla Beck, Deputy Chair
Regina Lakeview

Mr. Greg Brkich
Arm River

Mr. Terry Dennis
Canora-Pelly

Mr. Warren Kaeding
Melville-Saltcoats

Mr. Kevin Phillips
Melfort

Ms. Colleen Young
Lloydminster

[The committee met at 19:00.]

The Chair: — Well welcome members to the committee, to Crown and Central Agencies. I'm Fred Bradshaw, the Chair. We have Warren McCall substituting for Carla Beck. Greg Brkich. Hugh Nerlien is substituting for Terry Dennis. We have Warren Kaeding, Kevin Phillips, and Colleen Young.

Pursuant to rule no. 148(1) the estimates for the following ministries and agencies were deemed referred to the committee on June 9th, 2016: vote 13, Central Services; vote 195, change in advances to revolving funds; vote 175, debt redemption; vote 18, Finance; vote 12, Finance — debt servicing; vote 177, interest on gross debt — Crown enterprise share; vote 151, Municipal Financing Corporation of Saskatchewan; vote 33, Public Service Commission; vote 154, Saskatchewan Opportunities Corporation; vote 152, Saskatchewan Power Corporation; vote 153, Saskatchewan Telecommunications Holding Corporation; vote 140, Saskatchewan Water Corporation; vote 150 SaskEnergy Inc.; vote 176, sinking fund payments — government share.

**General Revenue Fund
Public Service Commission
Vote 33**

Subvote (PS01)

The Chair: — This evening the committee will be considering the estimates for the Public Service Commission. Before we begin I would like to remind the officials to introduce themselves when they speak for the purposes of Hansard. We will now begin our consideration of vote 33, Public Service Commission, central management and services, subvote (PS01).

Mr. Minister, would you please introduce your officials and make your opening comments?

Hon. Mr. McMorris: — Thank you, Mr. Chair. I'd be pleased to introduce the officials that we have with us: kind of a wide range, but I kind of thought the questioning may be wide ranging to fill two hours on this file. So to my right is Karen Aulie who is the Chair of the Public Service Commission. To my left is Marlys Tafelmeyer who is the assistant Chair. To Karen's right is Ray Deck, assistant Chair.

Seated behind us are Scott Kistner who is the executive director of employee services centre; Raman Visvanathan who is the executive director of business services; Kent Campbell, deputy minister responsible for lean; and Don Wincherauk who is the senior advisor to the deputy minister responsible for lean; and Lorraine Von Hagen who is the director of corporate services. So those are the officials, and when they are, you know, addressing the committee, I'm sure they'll introduce themselves again at least initially.

So I have some brief opening comments, if I could, Mr. Chair. As you know, the Public Service Commission ensures the Government of Saskatchewan has the workforce required to successfully deliver services needed by Saskatchewan residents. As a central agency to government, the PSC [Public Service Commission] works closely with ministries to provide strategic

support for labour relations and organizational development as well as support the foundational services.

The PSC has also embarked on a new strategic plan in 2016 that serves as the four-year road map for the Government of Saskatchewan. The plan has five strategic goals. Effective leadership will ensure the Government of Saskatchewan has the leadership required in the future to deliver on its commitments. High-performing employees and organization to ensure employees have the skills they need. Government has a reward system to keep it as a competitive employer, and the public service continues to be supported in its cultural journey and employee engagement. Inclusive workforce aimed to achieve a diverse workforce and inclusive workplaces. Health, wellness, and safety aim to create a culture of health, wellness, and safety in the public service. An engaged, high-performing PSC is internal to the PSC. The PSC are on the right track and their focus for 2016-17 is to move forward on this strategic plan.

Now moving over to lean successes. This government is committed to improve the public service for citizens by making them more efficient and productive. That's why continuous improvement is important for us. Continuous improvement is the responsibility of every public servant, and it is working. We have multiple examples of service delivery improvements and efficiencies in government operations in many ministries such as Social Services, Education, Advanced Education and, as I said, other areas.

PSC lean. The Public Service Commission also underwent a number of lean and continuous improvement projects in 2015-16. The focus has been on improving internal processes to create efficiencies. The Public Service Commission also continues to implement the PSC Client, an easy-to-use, web-based application accessible from an Internet-connected device. It was launched in early 2015 and has since added a number of features that enable employees to view and change their personal and employment information: obtaining their T4s electronically, view their vacation and sick leave balances, and view their paycheque advices online.

The last point has overall savings and efficiencies of about \$30,000 a year related to the printing and distribution of pay stubs for over 300,000 payments annually. The government employees are using it. More than half of them are now signed on to the PSC [Public Service Commission] client, and we believe that it will increase as printed pay stubs are eliminated.

Just in conclusion, as part of the 2016-17 budget address the Minister of Finance introduced the concept of transformational change initiative. Transformational change refers to a public-sector-wide exercise to ensure the sustainability of public services by delivering them in the most effective and efficient way possible. As the Government of Saskatchewan embarks on this path, the strategic advice and guidance of the Public Service Commission will be more important than ever.

I am proud of the PSC's accomplishments and confident in the work that is planned for the year upcoming. Our employees are strengthening programs and services to help achieve Saskatchewan's vision to be the best place in Canada to live, work, raise a family, and build a life. So with that, Mr. Chair, I

will turn it over for questions to the committee.

The Chair: — Well thank you, Minister. Are there any questions? Mr. McCall.

Mr. McCall: — Thank you very much, Mr. Chair, Mr. Minister, Madam Chair, officials. Welcome to estimates and good to be with you here tonight. We've certainly got a lot of questions about the important work carried out by the PSC.

And I guess the first question I'd have is sort of an overall . . . If you could help with my understanding of how transformational change works with PSC and how that builds or does not on the significant undertakings around lean over the years, the 15 per cent reduction of the public service overall which, forgive me, I thought was kind of transformational in and of itself. But how has that, how have all those undertakings led us to a place where now transformational change is needed? And then we'll get into some questions about the mechanics of how PSC is going to be interacting with that initiative.

Hon. Mr. McMorris: — So perhaps what I'll do is I'll just give kind of a general statement on, you know, the work that the PSC has been doing through lean, you know, the workforce adjustment that we have seen, as well as then just kind of what has been talked about and mentioned I guess through, you know, the comments by the Minister of Finance regarding transformational change, and what is thought of kind of just on an overall, overarching view of the public service.

First of all, I guess when you look at what's been done through the PSC . . . And I mean it started, the initiative, started not only through the PSC but also through Health, specific with the health regions looking at the service delivery and how can we better design that service delivery to become as efficient as possible, to look at the procedures and policies and processes and look at streamlining those so that the service delivery is as efficient as possible. That isn't looking at just continually adding money and adding people because just adding more money and adding more people wasn't always a solution.

And we've seen a number of initiatives, and I'll just kind of speak from my experience through touring various ministries — whether it was Agriculture and the Ministry of Agriculture here centred in Regina, or the crop insurance in Melville and some of the initiatives that they have taken on; whether it was visiting the CVA [central vehicle agency] and a number of the initiatives that they initiated to try and streamline the services. And it wasn't just kind of through the PSC; I mean, a number of school divisions, a number of health regions all had initiatives that moved forward — Ministry of Highways, for example, when I was the minister responsible.

So we're looking at policies and processes that have been in place for a long time and how can we streamline them. I just can say, for example, in the Ministry of Highways, the bridge permitting, and the change that happened there. We were seeing more and more requests for permitting, so do you increase the number of employees or do you change the processes that were in place? And just by changing the processes that were in place, we're able to meet the need and demand of an increased demand on permitting by using the same amount of staff but using them differently.

So if we want to get into kind of those issues around quality improvement and innovation, you know, we could probably spend two hours just dealing with that alone through the various ministries or third parties because they were also involved directly.

When you're talking about transformative change, that is kind of looking at all forms of government, I would say instead of . . . Some of these were absolute change and created efficiencies. I think when the Ministry of Finance is talking about transformative changes, it's looking at how we do all of business through government, even maybe a larger view as to what, how can government deliver the services that they are more efficiently. Are all the programs that are delivered by government still needed? Can we, if a program is redundant, can we kind of consolidate? Looking at all of those avenues for saving.

So I think even though that there's been a pile of work gone on, ministry specific or school division specific, I think there's even more work that needs to be done. Because I don't know if you can ever say that you know what, I think we've done enough. I think we found enough efficiencies; we're done here. That isn't the case. And I believe that's really the transformative change that the Minister of Finance is talking about.

Mr. McCall: — Thank the minister for that answer. I guess if you could for the committee's benefit, from the point that lean went government-wide, you know, up to and including being written into the ministerial mandate letters that used to be part of this government's approach to executive government and cabinet, be it 2008 or 2009, the minister's absolutely right. There has been a pile of work thrown into the whole question of lean or continuous improvement or, in the case of the overall footprint of executive government, the reduction by 15 per cent.

So I guess, moving back-to-front, could the minister state for the committee how many FTEs [full-time equivalent], how many employees were reduced in the 15 per cent reduction of the size of overall executive government?

[19:15]

Mr. Wincherauk: — So with the workforce adjustment exercise, we were given direction to approach workforce adjustment in a very thoughtful manner, and we were given four years by which we were to accomplish the reductions that we achieved. It was managed by a group of deputy ministers who met basically on a weekly basis, and ministries came and presented their plans. Again, very thoughtful: people had an opportunity to sit down and think about what they could do and what they couldn't do, and then that was brought forward to the committee. And over the course of the four years we took out, I think it was around 1,900 FTEs from the system.

One of the key things about that is that where in the past — having worked on previous exercises like this — we were never able to sustain those reductions, we basically still are running around 13 per cent reduction from the original total. And the only positions that have been added back into the system have been front-line positions. For instance when we opened the Pine Grove Correctional Facility up in Prince Albert, that was all new FTEs that were brought on, and those were all front-line.

And our accumulative savings throughout the exercise totalled about \$195 million.

Mr. McCall: — I thank Mr. Wincherauk for that answer. Alongside that, is there any sort of accounting for work that would have been, or any sort of system for reckoning with work that then in turn would have been contracted out or provided to . . . what had been provided in executive government by the civil service, then in turn being provided by third parties or consultants? Is there any sort of ongoing reckoning for that aspect of the consequences of reducing executive government by 15 per cent?

Mr. Wincherauk: — When we approached the exercise, we started by looking at what government's current vacancy rate was. And because we were running at around 8 per cent, which is rather high for an organization, we believed that we could take it out by basically managing vacant positions. And I think throughout the course of the exercise, I think we only had about 100 layoffs out of the 1,900 FTEs that occurred, which is something that I think if you were to look at other jurisdictions, they would have had significant layoffs. We managed to manage that.

Where there would have been some . . . Again, we asked ministries to think about what their core businesses were, and they would go back and do that review. And then some of those things, if they could be provided by outside of government, that actually took place. I don't think the number was significant.

Mr. McCall: — But both not significant and not tracked, I guess. There's no sort of means by which the Public Service Commission accounts for the way that work that has been contracted out is reckoned with.

Or if I could ask the question in a different way, in terms of the thoughtful way in which the question of workforce adjustment was approached, it would . . . In your answer it presumes a certain identification of work that no longer needed to be conducted by executive government and, as such, there wasn't an impact on front-line services in the main. So is that borne out in terms of then subsequent need to engage third parties or to provide alternate service delivery throughout the years? And if you could also state the year in which the workforce adjustment began.

And I guess this all goes towards the fact that these kind of endeavours . . . As per the minister's opening comments, there's been a pile of work done on this front already. So I guess I'm trying to gain a better understanding of what's different about transformative change going forward.

Mr. Wincherauk: — Again, yes. The initiative was started in '10-11. And again, I just want to hit on some of the core principles that we used. One is that we were to protect core government services. We were to use attrition and vacancy, manage and minimize layoffs, and find innovative ways to perform functions more effectively, and to engage the civil service in what we were doing. And in no way did we impact student hiring. So those are sort of the guiding principles that we were given when we started the initiative. And I would think if you were to . . . One would probably have to ask each ministry whether or not they'll, you know, outsource some of

their FTEs or some of their work.

Mr. McCall: — I guess, how is the figure of 15 per cent arrived at?

Mr. Wincherauk: — How we arrived at the 15 per cent was by doing that assessment of the number of vacant positions that were in the system. Then that was analyzed and it was concluded that maybe the 15 was slightly above, but it was a bit of a stretch target for us, you know. But there was analysis done on whether or not we could do that and what impact that would have on the system. And again, it fits with the whole idea that it was a very thoughtful process.

Mr. McCall: — But 8 per cent was identified as sort of the carrying rate for vacancies, and then another 7 per cent, I guess. What went into the 7 per cent?

Mr. Wincherauk: — I think when you run that out over the four years, that allows you to achieve that target.

Mr. McCall: — I guess — and this will sort of tag into the government's approach to lean as well — but in terms of how this relates to transformative change, I guess the Saskatchewan public service more or less has always had a pretty strong commitment to the most efficient and effective delivery of public services. So we've been through a round of workforce adjustments that saw the 15 per cent reduction for the executive government's FTE complement. Then subsequent or sort of parallel, we got into lean government wide.

So I guess, in terms of the work that was done around lean, is there any sort of characterization that can be provided in terms of dollars spent on developing lean capacity, both in terms of outright engagement of consulting services and the straightforward expenditure that entails, as well as the significant commitment of professional development time in the workplace and time off work towards the development of that lean capacity in-house throughout executive government, and indeed throughout other third parties as well that work with government as per school divisions or the post-secondary education sector, certainly health.

This has been going on for a significant time, and I'm just looking to see what has been accomplished by that, what's been put out in terms of expenditure, and what the benefit has been in terms of developing that capacity.

Hon. Mr. McMorris: — So I'll start and just kind of describe the journey, the lean journey, Saskatchewan's lean journey and the timelines of when it got started and kind of where we've got to today. Because there are certainly steps along the way where . . . It was first initially started in the Five Hills Health Region as a pilot project back in 2006, by a former government obviously, in 2006. At that time, you know, there was savings seen through Five Hills; as a pilot project it was looked at as, you know, a worthwhile initiative to continue to move forward on.

So in 2008 the Ministry of Health started a number of pilot projects, again seeing successes. They're not easy, but seeing successes and again efficiencies that were found. In 2009 we adopted the initiative to follow through on all health regions

and health authorities as well as the Ministry of Health to continue to look at their policies and more of the processes.

In 2008-09 some of the ministries adopted lean philosophy, looking again at what they were doing within their ministry. 2010, we offered it up to all ministries throughout executive government. Again, you know, in some ministries there was perhaps maybe more uptake. Some ministries moved on it quicker than others, but it was offered through the help of some consultants into all ministries in 2010.

2012-13 saw that a select number of school divisions and post-secondary institutions then followed through. 2014-15 saw all school divisions then moving on different lean initiatives throughout their school division. Having toured a number of those school divisions — both urban and rural, both public and separate — very interesting initiatives moving forward to where we are now with building capacity within, kind of the various areas — whether it's some school divisions, whether it's health, whether it's ministries, whether it's also through the PSC — into more self-sufficiency so that a number of the workshops and lean initiatives can be conducted because of capacity built from within over the number of years on this lean journey.

With that, I'll maybe turn it over to Don to talk a little bit more about how many events and the more detailed aspects of that journey.

Mr. Wincherauk: — Okay, I'll talk about some of our results, and then Kent will talk a little bit about what we're doing for '16-17, and how we've achieved some self-sufficiency there.

So since we started this project, and this would include the Department of Health and the health regions, we've had over 2,200 improvement events. We've trained over 5,000 employees in our ministries and in Advanced Ed and the education sector. We've invested about \$50 million in this, and our savings and cost avoidance now are at about \$175 million. We've had productivity gains of 425 FTEs, and we have over about 150 improvement stories.

I think the most important things that we've noticed about the initiative is that we have achieved some significant cost savings. We have enhanced our productivity within the system. But even more importantly, what we've done is seen some significant service enhancement within our ministries, the health sector and education, that are specifically targeted at the citizens and the stakeholders.

[19:30]

Mr. Campbell: — Thanks, Don. Kent Campbell, deputy minister responsible for lean. So just to build on what the minister and Don said, we're sort of, with executive government as a whole now, we're really in a position where we're by and large self-sufficient. And so we've set up a training program called lean improvement leader training, and we're providing lean leaders in each ministry essentially training for each other. Whereas before we probably would have had to rely on consultants, we now have enough of a base within the system that we can provide our own training.

And the training isn't really, you know, lecture style. It's really

on-the-ground, practical, solving problems in the ministries. So we can certainly track when we had external consultants. As executive government, we spent — I think it was — \$5.5 million on external consultants. We're no longer doing that. We are allowing ministries to hire consultants on particular projects if it's a very complex project or they need some additional assistance. But by and large, we're now doing that internally through internal resources.

But we're sort of getting to the point now where, you know, when people come into work each day, I want them to be able to think about, you know, not just the work that has to be done but also, how do I improve the workplace? How do I make life better for the customer? How do I make life better for the citizen? How do I improve the workplace for myself and co-workers? And so that's when you're actually, you know, mapping out processes and trying to improve things. That's in part also the training that leads to real results.

So it's a little difficult to sort of separate out exactly what is, you know, the training versus what is actually helping to improve processes.

Hon. Mr. McMorris: — If I could just add to it too. It's really always easy to get the hard number of what it costs and what has been spent on consultants, whether it's through the health regions or through the public service or through the executive government. And you can work out what some of the savings are, and we have a number here that can certainly easily be backed up on maybe hard dollar savings. It's so much of the intangible. First is cost avoidance, but it's also better service delivery. And so what is the savings on that?

You know, if a person is accessing a service — a citizen or a customer that I would call them — if the customer is accessing a service . . . The University of Saskatchewan, the first day when students would come and they'd line up around the block at the bookstore and how they changed that. And they changed the way they delivered service that first day and how much work they got done prior to students getting there that first day. It wasn't a hard dollar savings, but for students that arrived on the campus, comparing it, after a lean event and pre-lean event . . . that isn't a hard dollar savings. But the savings on customer service, if the university looked at students as their customers, was huge in time. You can't put a dollar value on that.

And so many of the initiatives and the events, it's tough to put a dollar value on it, but there definitely is, you know . . . It's easy to put the dollar value on the consultant, how much it costs to go through that event. It's really tough to put a dollar value on the improved service delivery from a customer's perspective. And that's really the story that often gets lost, I think, any time we talk about the lean initiative because what I found, it's extremely hard to get anybody to, other than perhaps ourselves that have experienced it, it's really hard to get any media or opposition to come and look at what has actually been done and see the benefit from a customer's perspective. Most people will look at it purely from a hard dollar value of what it had cost for the consultant and how much can you prove to me that you saved in dollar savings. And you don't look at the, people tend not to look at the issue, the intangible of the benefit to the customer that is receiving those services.

Mr. McCall: — Well thanks to the minister for that, but if he'll indulge me, I'm going to carry on with trying to get a little better picture on the dollars and cents that have been involved this far. In terms of the \$50 million that Mr. Wincherauk had referenced, what does that \$50 million expenditure consist of and over what period?

Mr. Wincherauk: — Yes, that would be over the lifecycle of the project. The vast majority of that would be the John Black contract with the Ministry of Health. Executive government, our expenditure, I think was around \$5.5 million.

Mr. McCall: — The John Black contract, what was the final total on that? And then if you could, I believe it was PricewaterhouseCoopers or Westmark that had rolled into PricewaterhouseCoopers, but if you could characterize that for the committee as well.

Mr. Wincherauk: — Yes. For the Black one, the final number there would rest with the Ministry of Health. And for PricewaterhouseCoopers or Westmark, which it originally was, was \$5.4 million.

Mr. McCall: — And that's what constitutes the \$50 million?

Mr. Wincherauk: — That's correct.

Mr. McCall: — Okay. In terms of the work hours that were rolled into lean exercises, I think you'd mentioned 2,000-plus improvement exercises. What was the work-hour complement involved there or the time off to participate in these exercises? It's certainly tracked for other measures of professional development, so it should be a number that the government has both in terms of the work-hours devoted to this by employees and if there's some kind of cost figure attached, what that might represent.

Mr. Campbell: — Well I can answer that. So if you look at the events that Don referenced earlier, the events can be anywhere from short, partial-day events to events that take up to four or five days. But those aren't training events. Those are actually events where you get together and solve a problem.

So I'll use an example back from when I was at Ministry of Economy and we had an issue with issuing of horizontal permits for oil well drilling, and we were experiencing a fairly significant backlog. And so what we did for that event was we got, you know, six or seven people who were involved directly in that program. We had some people from some additional branches. They had a short training session for a partial that first morning. And they spent the rest of the week sort of mapping out the way the current process works and mapping out what the future state process works, coming up with a series of recommendations that were then presented to senior management later in the week. So that was sort of a . . . I think it was about a four-day project. But the results were extraordinary. We were able to not only eliminate the backlog but reduce turnaround times for the oil industry while keeping the same environmental standards in place.

So I wouldn't want it to get in a situation where we're measuring the four or five days that those people spent improving the processes as training and development. You

know maybe the first couple of hours of that was in terms of how do you sort of map out a process. But the rest of it was all about how do we improve the business, right? How do we actually improve the business for our clients and for our citizens? So to me that's part of the work. So when it comes to mapping out events like that, we haven't differentiated the portion that's training versus the actual improvement of the process because it all sort of integrates into one, and the result at the end of the day was the improved process.

Mr. McCall: — So let me see if I got this straight. The work is the training. The training is the work, no need to quantify how many hours go into it.

Mr. Campbell: — So as an example . . . and Don will have the numbers on this. But we've trained about — is it about 5,000, Don? — in terms of people with one-day foundational training. So that's sort of the . . . So 5,000 employees in the public service over the time period we're talking about have been trained, one-day lean foundational training. I would characterize the rest of it as actually solving problems in the workplace. So you could quantify what is the time that, you know, one day, 5,000 employees over that period of time, and you could, I mean, you could come up with a financial estimate around that. But the rest I would characterize as actually working towards solving problems.

Mr. McCall: — Could you, for the benefit of the committee and myself, hazard a guess in terms of what 5,000 employees at one day a piece, what the ballpark for that expenditure might consist of?

Hon. Mr. McMorris: — You know, we could certainly work on that. What I would say, though, is that that hasn't been the tradition on any other training programs. We don't factor in, if a person is away on professional development, what it costs to fill that position or anything else. That has never been factored in. We went through this the last time, a year ago, through PSC estimates, and we ended up at the same spot. It was never factored in on previous training pre-lean. It isn't necessarily factored in. I mean you could talk about the man, the person hours I should say, and extrapolate that as far as a cost so much per hour and come up with a number. But you'd have to do it with every professional development, which isn't done for every other professional development course that individuals are attending.

Mr. McCall: — Well the officials offered up an estimate as to what that might amount to, so I would appreciate that being provided to the committee. And then secondly, in terms of professional development overall, is the minister telling the committee that there's no tracking of hours that are put into professional development throughout executive government?

Hon. Mr. McMorris: — You know, there may be tracking depending on the ministry, but there's no cost put on it. You know, you're wanting to try and get a hard number, a hard cost number, and if we do that — we'll certainly do that; we can work towards that — but we need to also work towards that on any other professional development that government has undertaken.

Mr. McCall: — I guess, well, it begs the question: does the

Public Service Commission have an idea of what are the person hours put into, work hours put into executive development or professional development throughout the given year or perhaps the year projected, in question?

Ms. Aulie: — Karen Aulie, Chair, Public Service Commission. So traditionally the way that we were able to track expenditure on learning was by just tracking the amount, the expenditure paid to outside vendors.

We are currently in the process of developing an internal system where we will track our learning events. People will register for their learning events. We're able to ensure that they record that they've completed those learning events, and that will give us the ability to start producing more metrics on the number of hours, the completion rates. And then of course knowing which employees are partaking in those activities would allow us to come up with a cost. That system has just been fully deployed through ministries, and we're just starting to use it for our learning events.

The other thing to keep in mind, though, is that a lot of this learning is done on the job. It's sort of not like going to a course for the day. It may be working alongside someone and in the event of, in the examples given around lean, lots of the learning is in the problem-solving process. So we don't always set that up as a course, and we don't always sort of, you know, send people off and track the hours they've spent in that course because it's really learning on the job and learning through experiences. So sometimes that is a bit more difficult to capture, but we are making progress in starting to capture actual course hours for learning in the government.

Mr. McCall: — Well thank you for that answer. I guess in terms of . . . while we're on the subject of lean, I believe the PricewaterhouseCoopers contract came to an end in 2015. Is that in fact the case?

Mr. Wincherauk: — Yes, the contract ended. I think it was June 30th of 2015.

Mr. McCall: — In terms of . . . one of the officials had identified the potential for going to external consultants for particularly complex sort of situations where lean would be deemed of benefit. Could the minister or officials describe for the committee what those kinds of situations might be and what sort of dollars have been allocated towards that, and if there's expertise that is in mind, in terms of carrying on with PricewaterhouseCoopers or other consultancies?

[19:45]

Hon. Mr. McMorris: — I'll take a crack at it. So as Don Wincherauk had mentioned, the contract had ended. There are still lean events going on through ministries. We haven't had any requests for the use of any consultants moving forward, not to say that that may not happen in the future through executive government.

School divisions are still, you know, going through lean events and looking at how to streamline some of their processes. But as far as executive government, since the contract has ended, we haven't contracted any. We've had enough capacity to deal with

the events within, internally rather than calling on any external contracts.

Mr. McCall: — So just for the record, there's nobody on retainer. There's no sort of preferred relationship with vendors.

Mr. Wincherauk: — That is correct.

Mr. McCall: — Okay. I often shake my head no to the microphone as well, so that's, you know . . . I hear you.

Just to get an update for the committee, certainly there's a deputy minister for lean. If you could, please characterize for the committee the amount of time that you spend on lean. If memory serves, you've got a fairly lean relationship to the lean deputy minister role, and then, you know, other duties that you perform for government, and then what the lean complement looks like within the Public Service Commission.

Mr. Campbell: — So I spend probably, I would estimate, about 20 per cent of my time or maybe one day a week dedicated to lean activities. And the rest, a good four of those five days or perhaps a little bit more to my responsibilities as deputy minister of Intergovernmental Affairs. The actions that I take are really more on the governance side. So we have a committee of deputy ministers who look at the lean plans that the various ministries develop through the support of Don Wincherauk and his group. So we call for ministries to develop plans. We get updates on their undertakings. We review progress, and we also look at initiatives that would be not, you know, formally considered lean, but those that are really focused on improving customer service.

So as an example, one of the things that we've been looking at over the past year is encouraging ministries to establish service standards for various services where they have a citizen-facing component. So it's really that whole lean, continuous improvement, citizen-centred focus, so it's more of a corporate role and more of a governance role, is the way I would describe it.

Mr. McCall: — Thank you for that. And again you referenced Mr. Wincherauk's role in this, and if you could just characterize for the committee what the complement is within the PSC?

Mr. Wincherauk: — There are six FTEs in the group, and we have a budget of \$890,000 for salary. We have 750,000 to support improvement in the public service and about \$68,000 in operating dollars, codes 2 to 9.

Mr. McCall: — Thank you for that. I guess this would be a good place to sort of try and, if you could, illuminate for me and the committee how the work of the PSC and the work of lean, the workforce adjustment initiative, how that all rolls into transformational change. How does that work? Is this a continuation of the work undertaken, and again for which there have been a great number of hours and efforts put towards, not to mention dollars. How does this all relate to transformational change?

Hon. Mr. McMorris: — So I guess what I would say is it's all complementary. What we have been doing starting in 2006 — and certainly more intensely recently through the Ministry of

Health or Education or any of the third parties as well — is look at processes and how can we improve those processes. How can we become more efficient? How can we go through workforce adjustment and still not affect citizen-facing initiatives and hopefully improving on those initiatives?

So you know, that is the work that has been done, kind of area or event specific. That kind of rolls into, you know, what the ministry has been looking at, what the Minister of Finance has been looking at, even a larger view as to whether we even need to be delivering those services. What services is core to government? What services may not be core to government? That would be looked at as more as a transformational change. Lean initiatives or events are how do you change the processes and become more efficient in what we deliver. I think transformational change looks more at what are we delivering and do we need to continue to deliver it.

Mr. McCall: — So I guess what are the parameters, what are the benchmarks. The minister stated that this is a complementary endeavour. From the Public Service Commission's perspective are there any perceived benchmarks or targets, as per the 15 per cent reduction in the FTE complement for executive government? Is there anything like that, as this work is undertaken by executive government?

And again I would concur. There has been literally years of this kind of work going on, and again building on a tradition of a public service that has always had a pretty good name for the efficient, effective delivery of public service. So if the minister or officials could answer, what are the targets? What are the benchmarks? How is this in fact transformational change, which of course begs something very different for all that work that has gone on to date.

Hon. Mr. McMorris: — So you know, I know the member is trying to delve into more of kind of the exact meaning and exact targets and that type of thing of the term “transformational change.” There are none. It's not like workforce adjustment where that really was looked at as how can we continue to deliver the services and reduce the size of government. And it was certainly a political direction at that time of 15 per cent adjustment, and it came from, you know, Premier and cabinet.

This is also, but not with necessarily targets but challenging the ministries to come up with ideas that can produce savings, change the ways we deliver services, change maybe the service delivery that we do have, whether we need to continue to deliver that service. It isn't necessarily each ministry has to come up with so many, but what we're doing is challenging each and every ministry to then bring these forward. It will go to a committee that will then vet those, have a look at those, and see which ones can move forward, probably go to cabinet for more of, you know, more of a discussion, and then back to the ministries for a work plan on perhaps implementation if that's what we so choose. So it's really right now the very, very early stages of looking at, you know, all of the services delivered as to whether we need to deliver them, how can we deliver those services differently as we move forward.

So it really is, you know, a call to the ministries through their deputy ministers to look at that. I would say that — just kind of from what I'm hearing through the early stages — lots of really,

really good ideas are coming forward. We'll see how those play out. Some may follow through. Some will probably drop to the side. They may be worked on, you know, over the next year or two. But it is, I guess, challenging the public service to look at what we are doing and how we're doing it and how can we do it better or do we even need to do it.

Mr. McCall: — I thank the minister for that. Again in terms of how I understand the functioning of executive government in Saskatchewan and its different agencies, certainly there's a budget process every year. There's the pretty painstaking work that treasury board goes through. And what I'm trying to understand is how this is different from that work that has been part and parcel of what any government should be doing, which is seeking continuous improvement, seeking the efficient, effective delivery of public service, and again which has been the tradition in Saskatchewan.

So I guess the further understanding I'm trying to gain is that . . . The workforce adjustment that was proclaimed as transformative . . . The way that lean was deployed throughout government and then into different third parties, that was certainly proclaimed as transformative. So in terms of where the exercise is going from here, how does this operate alongside . . . I guess, who's on the committee? Is it going to be meeting sort of weekly or monthly or what's the timeline? Is the immediate term looking at the next budget for delivering on these ideas being reported out from the various ministries?

In terms of the work of the ministries themselves, how that's not part and parcel of the ongoing treasury board process and the budget process and the work that goes into performance plans and the annual reports and the old performance management branch in Finance, which has been renamed of course and which you've got officials that are very familiar with that work . . . I guess I'm trying to understand. What's the process, and what's transformative about transformative change?

[20:00]

Hon. Mr. McMorris: — So, you know, I'll take a shot at it. I think, you know, perhaps the member is looking for some sort of secret answer or whatever. And you know, I would say that there probably, there isn't necessarily, like, one specific secret answer that you're trying — at least I don't have it — that you're trying to get out of . . . I don't know. But when you identified transformational change — that workforce adjustment was transformational change, or lean initiatives are transformational change — I think we're looking kind of differently at what transformational change is.

I don't believe we ever identified as workforce adjustment as transformational change. It was an exercise done internally that we needed to reduce the size of footprint of government. And you know, it was done very methodically. We got to the target that was set. You know, we've bounced a little bit from that, but for the most part, it's been sustained. Again lean initiatives are area specific, process specific. I don't necessarily call those transformational change. I think when we talk about transformational change . . . and what government is looking at from a political lens is, you know, challenging all ministries to look at again the services that they offer and how can they be

done differently, even if we need to do them.

I mean the Premier has mused publicly . . . First of all, I guess you had also asked kind of what's the process. There is a subcommittee of cabinet. That has been made public, that it's the Minister of Finance, myself as the Deputy Premier, and the Minister of Justice, that we'll be looking at ideas. So we've challenged executive government to come up with ideas, larger ideas that can work.

I was going to say that the Premier has mused, you know, transformational change would be looking at . . . We have 12 health regions. Is that the proper complement of health regions? Maybe it is. Maybe it isn't. But we need to look at that. They haven't been . . . I mean 12 health regions came into effect in about '98, '97, and really, has that been looked at since?

You know, there's a lot that's changed regarding, you know, whether it's even just pure communication. Do we need to look at that? Absolutely. That's why the Minister of Finance has said everything is kind of on the table. What can we do that would make more sense, for example, in health care, whether it's in the governance side of it, whether it's health regions, 12 health regions, or should that be three, or should it be one, or should it be six. We need to look at those.

This really all kind of leads up to . . . Some of these ideas will come forward that can probably be enacted on quicker than others. Some will take time. Some may take a few years to see any sort of major change because it is major change. It's transformational change as opposed to what we've been doing within ministries on processes, for example, or what we've done with workforce adjustment. It really, you know, it all kind of leads towards larger change, but it isn't what we . . . You know, we've never — I don't believe we've ever — coined the phrase workforce adjustment is transformational change or lean initiatives as transformational change. When you hear the Premier muse about, are 12 health regions the right number, that's major change. We would look at that as more as transformational change.

So ministries have been challenged to look at those big things, those initiatives. They will come to a subcommittee of cabinet, which I've already identified, which has been identified publicly before. We'll be working on this. This isn't a one-meeting or a two-meeting process. This would be an ongoing process leading through the next budget cycle. And depending on the change and how large, it could be leading through two or three budget cycles. That's what we're describing more as transformational change.

If you're looking for one specific area or item, I mean, the Premier's mused on health care. But we're asking all ministries to look at those big changes that we haven't looked at, in some cases, for a very long time.

Mr. McCall: — Can the minister identify for the committee when the decision was taken to strike the subcommittee of cabinet? Is there an order in council that supports that committee being established, or can the minister tell us a bit about the genesis of the transformational change agenda with the government?

Hon. Mr. McMorris: — So I would think kind of . . . You use the term the genesis of this. You know what? Really I think it stems from the fiscal position that we find ourselves in as a government, as a province. We've been very clear that running a deficit is not acceptable. And for some jurisdictions that say, you know, running a deficit and we'll be out within eight years or ten years . . . is not acceptable for us. And so, you know, it is a process that sometimes could be driven out of the fiscal situation of the province.

We put together a budget this year that is showing a greater than 400 million — \$435 million, I believe — deficit which is unacceptable. We need to work hard to move to balance. Some of that is on the revenue side which we tend not to control much of, whether it's oil prices. I guess you can, you know, you can adjust your revenue a little bit through taxation but, you know, we've been pretty clear on that front.

So some of it is on the revenue side, but a lot of it that we can work to control is on the expense side of government. And that's where, you know, the initiative and charge is really coming from. What can we control that's on the expense side? How do you do that? You look at what we're offering as far as a government. A lot of the services and, you know, again not to just pick on health, but it's been a decade or more, a couple of decades since we've looked at the structure of the way we're delivering health care in the province. And that's just health care. There's many, many others, so I really think it's time to look at that.

There was really no order in council that I know of. I mean, I guess it made sense. The Premier tapped three of us on the shoulder, more or less. And I mean I can understand the makeup of the Minister of Finance for sure, myself I guess as PSC and Deputy Premier, and the Minister of Justice to kind of be the first vetting process, I guess. That's maybe not the best term, but to look at what is coming in. I mean there will be ideas coming in, you know, I think a large amount of ideas coming in from the public service as we've challenged them through the deputy ministers, coming in. And we, as a first look at it as a subcommittee I guess, not through order in council but just appointed by Premier — which, you know, a lot of the subcommittees are just appointed by Premier — are to look at those ideas and initiatives that are coming forward, to vet them, to say, you know, these can be done. We need more work on these immediately. More work can be done later on some of these.

We'll be taking, you know, the ones that we can function fairly quickly on, I would think, to cabinet. And by meaning fairly quickly, that may mean a year from now or whatever as more work is done on them. But that's kind of the process I think that's envisioned and, as far as I know, the process that these ideas will come in to the subcommittee. We'll say some of them need to be worked on further. Some can go towards cabinet and see what we think as cabinet as far as, do we want to continue to work on these and further vet them through the cabinet process?

Mr. McCall: — Can the minister identify for the committee the date at which the shoulder tapping took place for the establishment of the subcommittee?

Hon. Mr. McMorris: — You know, I don't know. It was, you know, a discussion that happened. It's been a discussion that's happened through cabinet finalization. The budget speech talked about transformational change. You know, we were musing within cabinet. I don't believe that there was any specific date. I certainly don't remember it. I mean it's been work-in-progress since the development of budget, since budget finalization on through budget day.

Mr. McCall: — Surely to goodness something as monumental as transformational change being seized upon by the cabinet has got to be some kind of red-letter day in the life of the cabinet. The minister can't remember the dates at which the committee was established.

Hon. Mr. McMorris: — You know, again I don't know maybe what the magic is to the date and, you know, as far as some red-letter day . . . You know, this is work that's been done, worked on through budget finalization, that we need to move towards, challenging ministries, really since the budget, when the message went out to, you know, through the budget speech and to the rest of government. They started working on it — for sure the ministries had been — and those ideas were coming forward.

I guess I could kind of go back to see when the Premier mused about it publicly. I don't know if that's really all that important. Maybe it is to you, and we'll certainly try and find when the Premier mused about it publicly. But it's a process that, you know, has evolved to where we are today.

Mr. McCall: — Well I guess why the date is important is we're trying to gain an understanding of, you know, where transformational change and this big think about how government works and asking all the important questions, how that didn't occur to the government party before the election, during the election, and that suddenly it comes down the mountain after the election as the grand cause, let alone being separate and apart from the ordinary sort of budget process of government and the kind of questions that that work usually entails.

So has the committee met yet?

[20:15]

Hon. Mr. McMorris: — What committee?

Mr. McCall: — The transformational change committee, or is there a different name for it?

Hon. Mr. McMorris: — Do you mean the three ministers that are going to look at vetting the initiatives that come forward?

Mr. McCall: — Yes.

Hon. Mr. McMorris: — No, we haven't. I mean we've talked informally, but we haven't. Those ideas are coming in, and I would say that within the next week or so, we'll have a better idea of what's been brought in, and we will be going over those ideas. Do we have a specific meeting date? I'd have to go through my calendar. I think it might be next week. I'm not exactly sure, but we'll be looking at it as we move forward.

Mr. McCall: — So when did the call go out to the ministries to provide transformative ideas?

Hon. Mr. McMorris: — I mean as far as the budget speech, it was announced in the budget speech. I would honestly say that's about, you know . . . I mean, we talked about it through budget finalization, but that's an internal process. Through the budget speech, that's when it was announced.

Mr. McCall: — So in terms of how this was related to executive government and the deputy ministers and, you know, putting the call forth for proposals for transformative change ideas, that was delivered through the budget speech? Is that what the minister is saying?

Hon. Mr. McMorris: — So, you know, again I would say that in the budget speech . . . I mean it was mentioned by the Minister of Finance. Having said that, right after, we're you know, asking through the deputy ministers and the ministries then to look at what could possibly be put forward as far as transformative change. The Premier had mused, you know, this is an example, such as health regions, so what can come forward . . . And that work is being done right now . . . really initiated, I guess, internally of cabinet through the budget finalization process but externally through the ministries, budget and post-budget.

Mr. McCall: — Can the minister describe for the committee or can the minister describe whether or not there will be any consultants or commissioners or czars that will be part of this process going forward?

Hon. Mr. McMorris: — So it was kind of an interesting question, and I'll try and answer it as best I can. I think it was, are there consultants or czars going to be hired to go through this process? The budget was read two weeks ago. The ministries are working. We've challenged the ministries, obviously through the deputy ministers, to come up with ideas that will be vetted through a subcommittee who I've identified, then go on to cabinet. There'll be more work done into the future on these ideas.

Some may take quite a while. Some may not take quite as long. Some will be larger. Some will be smaller. Will there be extra work that needs to be done? On some cases, probably, absolutely. These will not be knee-jerk decisions or reactions. This is going to be a thought-out process that we will move on through, you know, through a process in a methodical way to ensure that the best delivery of service can be made in a sustainable manner into the future. You know, and as I said, some of the changes will be larger and may need more than the capacity that is within the ministry right now. They may. I don't know. We don't know what all the ideas are, coming forward.

First we have to look at what the ideas are, coming forward. Then we'll determine what is needed to see whether these ideas make sense, and "make sense" is probably not the right term. I shouldn't say "make sense." Whether we want to move on certain ideas, if we do want to move on certain ideas, what type of a business plan needs to be put together? Can we do that internally? Sometimes we may be able to. There may be times where we need to do more public consultation for example. Should that be a ministry? Probably not. Will we look at

somebody to lead an initiative like that? And we see that through a number of ideas, you know, and I can go back to the education piece where a former government hired Ray Boughen to do a whole lot of public hearing and then never moved on any of the initiatives virtually.

I can think of when I was the minister of Health and we had the Patient First Review done by Tony Dagnone. Now I'm not saying that is the same form that this is going to take place, but those are initiatives, you know. And what it changed in health care was going from the longest wait-list to the shortest wait-list, but that was all driven through Tony Dagnone and putting patients first. Dan Perrins had done a review of education funding.

So you know, first we've got to look at what ideas are coming forward. Then we'll look at what we need to do to do a better business case as to whether they should continue forward. If they will continue forward, then we need to look at how do we implement and what is the best way of implementing those changes, not done just through a knee-jerk reaction because some of these changes could be very large. Do it in an orderly manner, may need some expertise depending on the size of the idea that comes forward.

But first we need those ideas to come forward. That was the whole initiative through the Minister of Finance that is now being worked on through the ministries throughout government.

Mr. McCall: — So at present, there are no plans other than work that Mr. Perrins has done around education financing to engage the services of someone who would serve as a commissioner or an external consultant to government or a czar as, you know, possibly one way to put it? There's no plans at present to engage a third party in that kind of fashion to do the broader sort of work that you've identified as in the examples of Mr. Dagnone or Mr. Boughen or even Mr. Fyke, to cite another example?

Hon. Mr. McMorris: — So you know, again ministries are working on these ideas right now. I'm not going to say that perhaps a particular ministry hasn't already . . . I don't know because they haven't come to our committee. I don't know what every ministry has been working on. That is work that's progressing, and we'll certainly look at that into the future.

Having said that, has a ministry looked at, you know, using someone, an outside person from the ministry, to look at the delivery, for example, in health regions? I can't say that the Ministry of Health hasn't. I don't know if they have. That will be coming forward to the committee. As I said, this was announced two weeks ago at the budget. Work is being done through the ministries. Those ideas will come to the subcommittee. Work will be done and looked at whether we need to further use outside sources. That is the work that is being done right now.

Mr. McCall: — Is there some intention or is there any intention on the part of this government to provide updates to the people of Saskatchewan and the folks whose lives have been put into a significant amount of . . . their livelihoods, the work they do, the way it's organized, the kind of question that that's been put into by this . . . if in fact everything is on the table which has

been stated in some places, other places maybe not as emphatically. But if everything is on the table and there . . . That's a lot. And certainly there's a lot of questions that folks will have about what this means for the services they count on or the services that they perform.

In terms of how this will be communicated to the public, the work of the committee, how will that be undertaken?

Hon. Mr. McMorris: — So I guess really the base of the question is how will public be informed of what's going on. Probably no different than any other initiative government has undertaken, any other study the government . . . if it's a study that government has undertaken, you know, the internal work.

And I hate to keep repeating myself, but the budget was two weeks ago. The internal work is being done. Ideas are being generated, some bigger than others. The ideas are being generated. They'll go to the subcommittee, be vetted there through cabinet. If it's an initiative that we want to move forward on, and it's a big initiative that is going to take external work and consultation, that will be announced like the form of any other initiative that has been undertaken by government. Whether it's, you know, again . . . and I can remember in Patient First Review or — and I'm just kind of, what I would know best — the Patient First Review or the liquor consultation. I mean that was a process that we talked about, decided to move forward. There was in that case a public consultation by the Internet for example. But every one is a little different.

I mean, I don't know whether you're trying to get the details of an initiative that is just being developed right now. It's a little tough; I can't answer those questions. All I can answer is that the initiatives are being thought out right now and will come to the subcommittee. We'll look at them, go to cabinet. If it's work that still needs to be done, more work, that will be done through public. That will be done through an announcement, pretty similar to a lot of other initiatives that have been undertaken in the province for decades.

You seem to be looking for some sort of silver bullet or answer, and it's probably no different than a lot of other initiatives, but we're asking all of government to look at it as opposed to one specific thing. For us it was, most recently it was the retailing of alcohol.

[20:30]

Mr. McCall: — In terms of the way that this process will intersect with the work of treasury board and the normal budgetary process of government, how does that work?

Hon. Mr. McMorris: — So I believe, you know, it will link into the processes that have been in place, are in place, and have served the province very, very well. You know, if it's got some financial implications — treasury board. And it goes through treasury board just like, you know, most every other decision that has financial implications. If there are some legal implications, the Minister of Justice is there. If it has some public service — which, you know, that's where it's being generated from, challenged — I guess that's my role as the Minister for the Public Service Commission.

Those would be the three members that are on the initial committee. It's not some separate process that bypasses any of the other committees. We have a legislation and regs committee. We have a treasury board. It won't bypass those; I don't believe. We'll see when these ideas come forward, and work will be done, and then it will follow through with the normal decision-making process that has been in place for our government since we formed government.

Mr. McCall: — So in terms of the parameters of what the committee is going to be looking at, it's been stated everything is on the table. Can the minister, you know, confirm or deny that those are the parameters, or are there some things that are off the table in terms of the searching journey that this committee is going on?

Hon. Mr. McMorris: — So the budget was read two weeks ago. The ministries have been challenged to look at what ideas they can come up with, again some larger, some smaller. I don't recall of anything that, you know, that has been signalled, this can't be looked at or that. We're asking the public service. As those ideas come forward, I'm sure a lot of them will be vetted at that time saying no, not now; maybe more work done on it. But we're just simply asking the civil service, what ideas can you come up with to better deliver services?

You know, a number of questions were asked that were in the budget speech as far as, you know, a better way and a lower cost to the taxpayer. You know, we're challenging the civil service to come forward with those ideas through the deputy ministers. That work is being done. Is the service needed at all? Can it be combined? Should it be the role of government on that service? All of these questions are being asked. We're looking forward to those ideas coming forward. I don't believe there's been anything that said no, we can't look at that or we can't look at this. We will have that decision-making process as those ideas come forward through a vetting process, subcommittee to cabinet.

Mr. McCall: — Thank you, Minister. The minister is also the Minister Responsible for the Crown Investments Corporation. So is the minister telling the committee that "everything's on the table" as regards the Crown sector?

Hon. Mr. McMorris: — Do you want to just repeat that question please?

Mr. McCall: — Sure thing. The minister is also the Minister Responsible for the Crown Investments Corporation. That's outside of the parameters of what we're looking at here tonight, but certainly if everything is on the table and if the minister is at the table as Deputy Premier and Minister Responsible for the Public Service Commission, am I to conclude from everything being on the table that the Crown sector is going to be looked at through this lens as well?

Hon. Mr. McMorris: — You know, that's an interesting question. I mean, I would say that we've really kind of focused on, again through the Minister of Finance, focused on executive government. That's not to say that we haven't challenged Crowns in the past to look at efficiencies and a better delivery model. But this really is really focused on executive government through the ministries.

I'm sure the Crowns have heard, and if ideas come forward, we're certainly going to look at them. I guess that's maybe the point of everything's on the table. But we've really been focusing on executive government at this point. As Minister Responsible for CIC [Crown Investments Corporation of Saskatchewan], you know, we challenge the Crowns on a regular basis, you know, to look at their expenses and their revenues and how can they maximize those. I think that is a process that's ongoing.

But this process — that we've been talking about tonight and as the Minister Responsible for the PSC — is more driven towards executive government.

Mr. McCall: — I thank the minister for that clarification. In terms of the way that the work of this committee of cabinet will be staffed, certainly the work in Finance through treasury board . . . we've got a lot of hard-working treasury board analysts out there making sure that the numbers are crunched and that the analysis is completed, and then the way that that is provided into the system to make sure that things like the business plans that were referenced earlier are well fleshed out. Again to ensure that the work is being given its due for something as lofty as transformative change, how is this going to be staffed up? Are there secondments that are going to be going forward from the Public Service Commission? Is it out of the Ministry of Finance in total?

How does this work get supported? Or is it out of the cabinet planning unit? It's not anything other than a straightforward question.

Hon. Mr. McMorris: — What I would say is that the announcement was made about two weeks ago in the budget, and work is being done. We'll see the ideas that come forward. We have cabinet planning that will certainly be doing their work, and I know they're directly involved in this as well. There's the treasury board process with analysts. You're familiar with that. I mean, you were a minister that came forward with ideas. You should know how that process works. That will work the same way. That process is there. But initially it comes in through, you know, through the ministry's cabinet planning, and then as I said, the three ministers, we need to see what ideas are coming forward.

It would be far too early to try and describe the exact process until we see what the ideas are like. You know, you'd asked whether there's going to be any use of external consultants. I can't answer that right now because we don't know what the ideas . . . We're seeing those ideas come forward. Some may not need a whole lot of horsepower. We can do it internally. Some may need more.

I mean there's obviously treasury board, as you talked about, with the analysts that are there. We have cabinet planning branch that supports us in our work. That will continue to be the process. There's the legislation and regs committee that's already in place. That will continue to support the process as we move forward.

Mr. McCall: — So I guess what I'm trying to get is a clear picture of what the transformative change agenda looks like here. And the minister's not providing a lot of clarity, a lot of

substance to what that is, except for everything's on the table except for the Crown sector, but the word should go forth to them. This is different from lean. It's different from workforce adjustment except that, again, everything's on the table. Maybe there'll be consultants, maybe not.

As a minister of the Crown, are you comfortable giving answers like that about something that's been proclaimed as so fundamental to the government's agenda going forward?

[20:45]

Hon. Mr. McMorris: — So there's some preamble, and the final question was, as a minister, am I happy with my answers? Yes, I'm happy with my answers. I've answered the questions as best as I possibly could on the early stages of a process that has just been undertaken.

I don't think it's probably any different than any other process that a government, when they start on an idea or asking for ideas, that they don't have the exact destination and every checkstop along the way. That isn't . . . I mean, you should know that as a former minister. When you go to do a review of post-secondary education, which I believe you did, did you exactly know where you're going to end up? Because if you did, then why did you go through a process? Quite frankly, that's where we're at right now. We're challenging the ministries to come up with ideas that we'll look at and then determine what needs to go forward and how we take those ideas forward.

You're trying to again tie workforce adjustment and lean. They're connected, but they're not the same thing. Workforce adjustment wasn't, you know, what I would call transformative change. It didn't look at health regions, for example, didn't look at a number of other initiatives. So you know, although it is change in government, I think it's a different ball game.

So we've asked and we've challenged the ministries to come up with ideas. We'll take those ideas. Some will take more work. Some may drop off the table. Some we're not interested in. But we're asking ministries to come up with those ideas, and then we'll carry them forward and determine what is the process to see whether they're a change that we want to make. It will be a methodical process that will be worked out, you know, as the ideas come forward.

But I can't say that every idea is going to be exactly the same and the process will be exactly the same because we don't know what those ideas are. They're coming forward from the ministries right now. And I think that, through most processes that I've been through, as I think about it, you know, you go through a . . . You challenge what ideas can come forward, and then you determine whether you want to make that a reality, whether you want to see that through or whether you don't. And if you do, what are the processes to bring that? Is there in some cases more public consultation, maybe less consultation depending on the process? So you're asking me to answer questions that are kind of out there, quite frankly, because we're still early in the process.

Mr. McCall: — Well in terms of, you know, the minister references the review undertaken on accessibility and

affordability for post-secondary education that did not have a predetermined outcome in mind. But what it did have was a solid consultation base, and what it did do is work with the sector. And then the final report, after a mid-term report was issued, that informed what the then government took to the people of Saskatchewan to say, what do you think of this and is it worthy of your support?

What's different about what the minister's describing is that this has somehow occurred to the government within weeks after the election in which no one heard a darn thing about transformational change. They heard a lot about keeping Saskatchewan strong and steady as it goes. But in terms of a transformational change agenda, that was nowhere in the discourse. That was not put to the people of Saskatchewan.

So the minister will forgive me if I'm trying to understand what the transformational change agenda looks like in some particular sense. Because the very subject of this transformational change agenda, transformation in and of itself implies significant change, not just sort of year in and year out. It implies significant change. And there are people out through the sector, working very hard to provide public service, that look to exercises like the budget and the accountability exercises like this committee on estimates for some certainty about what is to come, just as they look to election campaigns for people to be forthright with what their platform is.

So it's not too much to ask of the minister if there are some details that can be provided about this. The questions have been asked, and what the minister's come forward with is kind of shocking in terms of the lack of detail even around things as basic as process or what the parameters will be.

So to ask the question in a different way, if I'm a citizen out there in the province looking at the way that the questions have been asked and the answers have been provided here tonight, what sort of certainty or confidence can I take about the so-called transformational change agenda going forward?

Hon. Mr. McMorris: — Obviously the member is a little sore about the last provincial election; it's more about trying to fight the last provincial election than trying to get answers here. There is a process that we'll be going through that will look at change on the way we deliver service. That is what's expected of our government because we said right from the outset that we are not accepting being in a deficit position. We will look at those ideas that come forward and ideas that make sense for better delivery of service, major service, whether it's health regions we'll certainly look at. The people knew very well that the Premier was very clear that running a deficit is absolutely unacceptable. Never heard it from your party. All we heard was promises.

A little bitter from your side; you only have 10 members. Sixty-two per cent of the people in this province voted for a Premier that stood up and said deficit budgeting is not okay. We're going to do everything in our power to get to balance next fiscal year. How we're going to do that is we're going to look at everything that government does. That was very evident in the budget. That's what we're doing as a government. We're challenging the public service to come up with ideas that can look at how we can deliver service better and work towards a

balanced budget. That's what the people expect of our government, and that's what we're going to deliver as a government.

I understand you being bitter and frustrated after the last provincial election. Who wouldn't be on that side, especially after all the promises that were made? Our government has been responsible. I think the people, quite frankly, knew what they were getting after eight and a half years of government. That's why there was 62 per cent support for the initiatives that we had. What did we promise during the campaign? We didn't make a whole bunch of lavish promises like the members opposite. We promised to get towards a balanced budget as soon as we possibly could — not six years down the road, not eight years down the road, not 10 years down the road.

People in the province expect us to be responsible with their tax dollar. That's what we're going to be doing. We're going to be looking at all the services that we deliver as a government and how can we do them more efficiently. Are the services that we are delivering worthwhile services as far as, do we need to continue? Can we do them better? We need to evaluate each and every one of those.

That's why we've challenged — through the Public Service Commission, through the ministries, through the deputy ministers — to look at those programs and what can we do to deliver them better, if they're a service that we don't need to deliver, if it's a . . .

You know, it's interesting because I've mentioned a couple of times about health regions, and that's the one that kind of comes forward. I would hope that you would support any changes that we would even think about there because that's something that your party campaigned on. You campaigned on less administration within the health regions. That's something that we need to look at. And how do you do that? You go and you ask the ministries for those ideas. Not just on the Ministry of Health, but a number of ministries across government because it isn't one ministry that's going to bring the budget into balance. It's going to be all of government that will bring those expenses down so that we run a balanced budget as soon as we possibly can. The Premier has been very clear that we need to do this by the next fiscal year. That's why the call and the challenge has gone out to the ministries. That's why there weren't a ton of promises.

The opposition — your party knew, had a very good idea of what the fiscal situation of the province was — still continued to make promise after promise after promise. And I can just sense the frustration coming from the member opposite because you're still sitting on opposition side with not a very strong opposition.

We are going to do our work as the government, as a newly elected government that is facing fiscal challenges in the province. We're going to work to make sure that we get to a balanced budget as soon as possible. But we're not going to do it by raising taxes, which I know would be a foreign concept to the member opposite because they raised taxes 21 times in the 16 years that they were in government. That's not our initiative. We are going to look at the things that we control, which are expenses. We're going to work towards driving those expenses

down. How we do that is through the support of the civil service. How we do that is in a methodical way. That's what we're doing.

There is a subcommittee set up that will look at those initiatives as they come forward. They'll go to cabinet. If some need further consultation with the general public, we'll certainly look at that at the time. This is the early stages. Those ideas are being generated through the public service. They will come forward to a subcommittee. There are processes in place. Whether it's cabinet planning, whether it's treasury board, whether it's legislation and regs, it will go through those processes.

The public expect us to do this, I have no doubt in my mind, because we were very clear with the electorate that running a deficit budget is not what we want to do. And I think the public were very clear. I heard that on the doorstep, absolutely, that we need to look at our expenses. Yes, oil prices are down. We hope that turns around, but hoping that oil prices turn around does not balance the budget. Looking at services that we deliver and how we deliver them and how we can better deliver them is what will help get to a balanced budget.

That's why we charged the public service. That's why the work is being done. The work will be reported out as we move forward with initiatives that will go forward. There's no use reporting a bunch of initiatives that may come through the public service that we say, no we're not going to move on that right now. We need to vet those. But until we know what those ideas are, we can't run out and say, no we're not going to do this, or yes we're going to do this.

That's what's going on right now. You're frustrated because I don't have all the answers. Of course I don't have all the answers because we've just challenged the public service to come forward with those ideas. Then we'll follow through with possible solutions, with possible changes. Some may be larger. Some may be smaller. Some will take time. It may not be a one-year solution. It may be a multi-year solution to move towards transformative change. It's not a knee-jerk reaction like has been done in other provinces. We've seen it done in other provinces. Either they've gone through a knee-jerk reaction or they've just admitted that they cannot balance a budget for eight years.

That isn't the process of this government. The process of this government will be methodical. It is challenging the ministries to come up with ideas, looking forward to those ideas coming forward. It's only been two weeks. Great ideas, I think, will be coming forward. We as a government will then operate as we do when other ideas come forward through a treasury board process, through a cabinet planning process, through a legislation and regs committee process and moving forward with those changes that we feel as a government, a duly elected government with 62 per cent of the vote, strong support because of the track record that we've had over the last eight and a half years.

We'll see what those ideas . . . that come forward, and we'll let you know as soon as we possibly can as they go through the process. But there's a process to go through. That's what we're doing, and I think you'll see great ideas because, you know, I have great confidence in the public service to look at how we

can better deliver service, how we can more efficiently deliver service, how we can make transformative change that will set the province up as a unique province in Canada, running a balanced budget after coming through a very tough time with low energy prices. With that, Mr. Chair, I'll turn it over to you. I see our time's up.

[21:00]

The Chair: — Thank you, members. Our allotted time has now arrived, so I would like to recess for a matter of about . . . I want to thank the minister for his comments. I want to thank Mr. McCall for all of his comments and questions. And now what we'll do is, we'll recess for our next one, probably about five minutes or so.

[The committee recessed for a period of time.]

**General Revenue Fund
Central Services
Vote 13**

Subvote (CS01)

The Chair: — Well we welcome the committee back, and this committee will now be considering the estimates for the Ministry of Central Services. Before we begin, I'd like to remind the officials to introduce themselves when they speak for the purposes of Hansard.

We will now begin our consideration of vote 13, Central Services, central management and services, subvote (CS01). Madam Minister, please introduce your officials and make your opening comments.

Hon. Ms. Campeau: — Thank you, Mr. Chair. Good evening, I am pleased to be here to share with you the 2015-16 year highlights for the Ministry of Central Services. I am also pleased to share our ministry's plan for this year based on the 2016-17 budget.

I am joined tonight by officials from a number of areas within my ministry. They are here to assist with any questions about the ministry's business relating to their specific areas of expertise. Let me introduce Richard Murray. He's the deputy minister of Central Services; Greg Lusk, who is the executive director of the commercial services division; Bonnie Schmidt, chief information officer of the information technology division; Troy Smith, executive director of corporate services; Rick Baylak, director of financial services; Vinay Chandramohan, executive director of the office of the chief information officer; and Rebecca Sengmany, director of financial services.

The ministry provides a variety of services that enable all other provincial government ministries and agencies to serve citizens, businesses, and other stakeholders. The services offered by the ministry include the management of the facilities used in government, the project management and delivery function of the government, the delivery of information technology services, vehicle and air transportation services, procurement of required goods and services, corporate planning and risk management, management of government records,

telecommunications, and mail services.

The ministry has demonstrated its commitment to providing top quality service to its clients in executive government in the past fiscal year. Through efficient and responsible allocation of our resources and budget, the 2015-16 fiscal year had a number of exciting highlights, and I'd like to share some of these with you.

Last year the ministry carried out some of the final steps of a project to restore and preserve Saskatchewan's iconic Legislative Building dome. The dome of the building is not only a highly recognizable landmark for the people of Saskatchewan, but it also represents the history of democracy in the province. This project was undertaken to address damage due to age and deterioration of the structure and to prevent future damage from water. It included the repair and replacement of several components including deteriorated masonry, grouting, copper roofing and facade, as well as the replacement of the water management system with one that is more effective.

The dome is now fitted with new copper roofing and has taken on a dramatically more shiny appearance. As the structure oxidizes, it will return to its original colour. The historic Saskatchewan Legislative Building, with its newly restored dome, can now continue to serve the province of Saskatchewan and its future generations as the seat of our legislature.

In addition to the dome restoration project, progress was made on another major capital project in 2015-16. Construction officially began on a new integrated mental health and corrections facility to replace the existing Saskatchewan Hospital in North Battleford. The new provincial psychiatric facility will be owned by the Ministry of Central Services and operated by the Prairie North Regional Health Authority. It will have 188 beds, replacing the current 156-bed rehabilitation hospital, and a 96-room secure unit for male and female offenders living with mental health issues.

Central Services carried out the preconstruction and site prep that preceded the start of the construction of the facility. The construction of the new Saskatchewan Hospital in North Battleford is an important project that will enable government to provide improved mental health services in Saskatchewan.

In addition to the work on major capital projects undertaken last year, the ministry invested in other government buildings and projects including the completed restoration of the Moose Jaw Court House. This project addressed damage to the ceiling, flooring, judge's dais, juror box, and gallery after the ceiling of the second floor courtroom gave way. Restoration of this historic facility was completed last year, and the court has since resumed at the Moose Jaw Court House.

This was not the only courthouse project that wrapped up this last fiscal year. The new addition and restoration of the Saskatoon Court of Queen's Bench Court House was completed as well. The ministry carried out these building improvements at the Saskatoon Court of Queen's Bench Court House to better serve the programming needs of the Ministry of Justice and in turn the citizens of Saskatchewan who are served by our justice system.

In addition to these major building projects, the ministry received its first gold designation under the leadership in energy and environmental design rating system for one of its facilities. This certification was given for the ministry-owned Tamarack Building at the Prince Albert Pine Grove women's correctional facility. This recognizes our efforts to improve the efficiency of our operations.

Another major highlight of this past year was the work carried out to establish a framework and governance model for making better investments in information technology solutions. These mechanisms will allow government to get better value from our investments by increasing collaboration among all government ministries and examining common solutions. They will also help government to better support our portfolio of applications and technologies as we move forward, by allowing for more careful prioritization of IT [information technology] solutions. It will also help us better position ourselves to provide the top-quality support for the solutions we offer.

A major milestone of the IT division was the start of development on a new enterprise client relationship management platform to be used by a number of government ministries.

This technology, which allows for the use of a client-facing portal, will give government a robust tool for managing the customer service requests and transactions with citizens.

[21:15]

Progress continued on a number of other IT initiatives under way, including the Ministry of Justice's criminal justice information management system to combine four systems into one modern system, the Ministry of Environment's results-based regulation program for supporting environmental regulation, and the Ministry of Finance's revenue administration modernization project for management of tax revenue.

A number of IT initiatives also went live in the 2015-16 year and are performing as planned: the Ministry of Economy's process renewal and infrastructure management enhancements program to modernize the ministry's oil and gas business processes and systems, and the Ministry of Social Services' Linkin program which is critical to government's commitment to child welfare transformation.

Another success from last year was the progress made on the transfer of content from government's old website to saskatchewan.ca. The saskatchewan.ca website is the responsibility of Central Services and will help government transform the service we provide to the public. By the end of 2015-16, a total of 67 per cent of content from the old government website was transferred.

Not all of the major achievements of the ministry were the results of planned projects. The ministry's central vehicle agency's . . . was to provide pool vehicles to government, took up the charge to help during the forest fire emergency in northern Saskatchewan in the summer of 2015. This team sourced and delivered 73 vehicles to the personnel fighting the wildfires, with additional vehicles on standby if the situation

was to escalate. The CVA's quick response helped the firefighting personnel carry out their work and to protect the lives and property of people in northern Saskatchewan.

Central Services also followed up on its commitment to safety last year, as outlined in our last operational plan. Safety plans were included within all projects that took place in the ministry's portfolio of owned buildings.

Looking back on 2015-16, I am pleased to see the high level of customer service the ministry was able to provide. Looking forward to the activities outlined in our operational plan, we have additional customer service opportunities to look forward to in 2016-17. We aim to keep improving the quality of service we provide to government and to the people of Saskatchewan. I believe we have laid out the right steps to sustaining that high-quality level of service with our plans for 2016-17. With that, I'd like to share them with you.

One plan area of focus in 2016-17 is the continued work on the replacement of the Saskatchewan Hospital in North Battleford. With SaskBuilds as the leader of the procurement process and Central Services as the owner of the new facility, we are providing the supports needed to carry out construction and enable government to take an innovative approach to delivering improved mental health services in Saskatchewan. The Saskatchewan Hospital will be our largest capital project undertaking this year.

Another area of focus for the ministry will be to complete the disassembly of the construction scaffolding that was used to carry out the work on the Saskatchewan Legislative Building's dome restoration and to carry out the final touches. Once complete, the view of this structure will be unobstructed and the building will remain strong into the future. Central Services will also invest in the renovation and rehabilitation of both the Saskatoon Correctional Centre living units and the Norman Vickar Building in Melfort.

In addition to construction and renovation work, the ministry is planning for enhancements to the operation of many of our existing facilities. We aim to add the major facilities in government's portfolio to the list of our buildings already certified by the Building Owners and Managers Association building environmental standards, which is the BOMA BEST program. BOMA BEST is a widely recognized certification program for the environmental performance and management of existing commercial buildings.

On the procurement front, more work will be done so that government can obtain the best value for money using an open, fair, and transparent bidding environment for Saskatchewan businesses. Government is modernizing its tendering practices with changes to section 9 of *The Public Works and Services Act* by considering factors in addition to price, allowing for the selection of construction contracts that offer more innovative solutions. The ministry will also look at options to integrate e-procurement so that bids can be submitted entirely online, and we'll explore this opportunity with our New West Partnership colleagues.

Another improvement to government's online precedents plan for 2016-17 is the development of the single Saskatchewan.ca

sign-on for citizens. This would enable citizens to access all relevant government services using a single account and password. This would also make it easier for citizens to quickly access our services and allow for more self-serve options.

In addition to a single sign-on, the ministry is planning to develop a set of common digital tools for use by multiple government ministries. A common set of tools and standards would facilitate more sharing and collaboration amongst ministries and would help ministries deliver more consistent and modern online customer services to citizens.

This year, government expects to complete work on the criminal justice information management system, CJIMS, and on the revenue administration modernization project, RAMP tax revenue management system.

All of the planned work for the fiscal year supports the core business of our ministry: to enable executive government to deliver a top-quality service to the people of Saskatchewan. While the work we do isn't always visible to the public, our contribution as a support ministry can be seen through the seamless delivery of public services to citizens. It can be seen when citizens visit any of our government facilities; when they access the information or service they need via telephone, by email, mail, online, or using their mobile device; when their business makes a bid on a government tender; and when their point of contact in a given ministry can draw on government records to provide them with the service they need; when citizens entrust us to keep their information secure; or when they are able to access the medical care they need via the air ambulance service.

I am pleased with the progress and level of work carried out by the ministry over the past year and to see the high quality of service provided to executive government. I am confident that Central Services will deliver on another year of excellent service in 2016-17 and that we will exemplify government's commitment to keeping Saskatchewan strong. I anticipate you have some questions about the ministry and our business, and at this time I am happy to address them. Thank you.

The Chair: — Well thank you, Madam Minister. Are there any questions? Mr. McCall.

Mr. McCall: — Thanks very much, Mr. Chairman. Madam Minister, officials, welcome to committee. Welcome for the consideration of this year's estimates for the 2016-17 budget for Central Services. I guess the first question right off the top, might as well start there. In terms of the dome, I guess, could the minister characterize for the committee whether or not this project has been on time and on budget and what are the timelines going forward in terms of the scaffolding being removed?

Hon. Ms. Campeau: — Work is substantially complete. We had the unveiling a few weeks ago, and the final removal of all the scaffolding and finishing touches are expected to be complete this summer. Time was taken to learn what the issues are, to identify the source of water leaks, and to determine the right way to properly fix them and identify the correct skills as required. Issues were connected to the age and deterioration of the building. The restoration costs were a total of \$21 million,

and they're on time.

Mr. McCall: — So in terms of the timeline that was initially identified, it's on time, and in terms of the expenditure of \$21 million, it's on budget.

Mr. Murray: — Richard Murray, deputy minister of Central Services. Substantially on time, but perhaps off budget from our original estimate of 15 million.

These heritage buildings are a challenge for sure, and this building was no different. Our original estimate was . . . We were compelled to increase funding. The dome had shifted clockwise a couple of degrees, which was not known when the original design was done.

The dome proper is a 100-year-old concrete dome covered in a 100-year-old wooden frame and then a copper covering laid over top of that. And so until the old copper was peeled off and then the wooden frame was peeled off, we discovered the sorry state of the concrete underneath. It was concaved in and had rotated, as I say, which required us to kind of go back to the drawing board in terms of a new design for the wooden frame. This is kind of critical stuff because it's got to fit very tightly. Tolerances are very, very limited on it. And so while there was a quote of roughly 15-point-some million dollars, I think, a couple years back, we ultimately landed at \$21 million everything done.

Mr. McCall: — Certainly having the privilege to work in this building I, you know, recognize the complexity of the task at hand. But I guess, if you could break down for the committee the difference between the \$15 million estimate — and I appreciate there are some things you didn't know until you get under the dome and how that presents — but going from \$15 million to \$21 million is obviously a significant leap in the total expenditure. So could the minister or officials break that down a bit for the committee?

Mr. Murray: — I'm not sure if I could provide a complete breakdown here tonight. I'm not sure I have all of that information handy, but we can certainly provide it.

I know that there were challenges related to the state of the concrete, the redesign that had to be done to cover the concrete and which required a subsequent alteration to the copper plans. The Tyndall stone itself once . . . Now we did what we call test cores prior to the project beginning where holes are drilled into the Tyndall stone, and what's behind the Tyndall stone is what matters. But of course you can't do it on every Tyndall stone block and, as you can imagine, there are many, many hundreds of giant Tyndall stone blocks.

So the masonry experts did their work, discovered fairly substantial damage, much more than expected behind the Tyndall stone. And much more Tyndall stone had to be replaced than was anticipated, and so the bulk of the difference is made up with that.

You know, it's not as easy as a new building construction because it is a 100-year-old building, and you just don't know what you're going to find. I'm nonetheless pleased that we managed the cost as tightly as possible and that, you know,

we've managed to get there at a \$21 million cost, which I think is still reasonable considering the substantial amount of work that was done on the building.

And we had multi-100-pound chunks of rock falling off the building, so there was no doubt that work had to be done — extremely important. But yes, I'm going to characterize that the project team ran into some significant challenges along the way.

Mr. McCall: — Thank you for that. I guess if from here if we could work our way through the subvotes, and again certainly various of these points will have been touched on by the minister's introductory comments and the rendering of the highlights. So if you could bear with me in terms of anything that's redundant, I'd appreciate that, but working through the subvotes themselves often helps to bring a fuller sort of picture as to what's all been undertaken in a given ministry.

And I guess I am also remiss in terms of just something we discussed last year and years previous in committee with Central Services. Am I correct in understanding that you haven't got a single acting senior management position here tonight? Is that correct? . . . [inaudible interjection] . . . That's good. Certainly we'd had the discussion previously in terms of you need that kind of stability in your senior management team. And glad to see that's been addressed, and congratulations to those who are no longer acting but just, you know, doing it.

With the subvote (CS01), in terms of the overall expenditure, there's not a lot of change there, but in terms of that work, is there anything that stands out as particularly different last year to this?

[21:30]

Hon. Ms. Campeau: — For subvote (CS01) there's a slight increase for salary for minister, a statutory salary, which is the same across all of the ministries; the salary increase of 11,000 in executive management; and 78,000 in central services.

Mr. McCall: — Is that a function of the normal increments attached to the different contracts and collective bargaining agreements?

Hon. Ms. Campeau: — It's normal standard increases.

Mr. McCall: — Yes. Moving on to property management (CS02), operations and maintenance of property, again a marginal increase there. Any other sort of changes being anticipated for the year to come?

Hon. Ms. Campeau: — So for (CS02) there's a net increase of 3.296 million in operations and maintenance of property due to an increase of 4.377 million for new and expanded buildings, a transfer of 467,000 from program delivery and client services for salary adjustments, an increase of 45,000 for operations and maintenance of property's portion of the (CS01) allocation increase, and a recoverable salary increase of 305,000, and a decrease of 1.898 million in amortization for buildings that are no longer amortizable.

So with that decrease of 265,000 in program delivery and client services due to a transfer of 467,000 to operations and

maintenance of property to better align salary costs, and an increase of 9,000 for program deliveries portion of the (CS01) allocation increase and a recoverable salary increase of 193,000.

Mr. McCall: — Thank you for that, Madam Minister. In terms of the operation and maintenance, obviously that's a significant part of the activity of Central Services. And again we need look no further than the great work those folks do here in this building in terms of keeping it looking good and working hard.

For the year to come — this is in the normal course of action — but is there any anticipation in terms of what's going to happen with the operations and maintenance folks as regards the transformational change agenda? I know there's been consideration in years previous in terms of alternate service delivery and concluding this function of Central Services. Is that something that's being contemplated under the call that has gone forth for ideas from line ministries such as Central Services in terms of suggestions around what might round out the transformational change agenda?

Hon. Ms. Campeau: — Transformational change . . . [inaudible] . . . the budget speech just a couple of weeks ago. Ideas are being generated. We'll always look for efficiencies. We're quite a big ministry. We're assessing opportunities across all our business lines, and we'll continue to do so over the coming months. So things that we would look at would be CVA, information technology, telecommunications, property management, just to name a few, so looking at those in terms of looking for efficiencies and ways to do, you know, things better.

Also work is ongoing right now. Ideas are being generated, and right now they're just ideas. It's just discussion. In terms of anything that we had put forward, because it's just a discussion we're not at liberty to say, you know. It's part of the considerations and deliberations of the cabinet committee right now. And work continues on further initiatives until . . . We're waiting for further direction.

And some, you know, of course will require consultations, either public or staff consultations or customer consultations, stakeholder consultations. You and I are both familiar with, you know, process of consultations. It does take time. So right now, anything specific, I couldn't give you a definite answer on that.

Mr. McCall: — I guess it is important to sort of understand what the parameters are for what's being ruled in and what's being ruled out. Again you've got a significant number of people that do a very good job for the people of Saskatchewan, that I think can look to the transformational change agenda that was announced in the budget and wonder what that means for their continued employment or whether contracting out . . . For example, the cleaning, maintenance service that Central Services provides throughout executive government and across the province — is that something being contemplated in this process going forward, the holus-bolus contracting out of those services?

Hon. Ms. Campeau: — We're in such an early stage, you know, things that we're looking at is in asking, you know, what services did we deliver? Can we deliver more efficiently? Can we do them better? We're collecting and considering our

options. There is more to come. The discussions are just beginning. We will be having ongoing discussions. And we submitted them to the cabinet committee, a variety of program, you know, ideas.

Mr. McCall: — So there has been a submission made on the part of Central Services to the cabinet committee on transformational change?

Hon. Ms. Campeau: — And they're just ideas. Yes.

Mr. McCall: — Okay. I guess moving on through the expenditure, could the minister or officials describe what happens under program delivery and client services, again under the subvote (CS02), and the relatively marginal reduction in expenditure there?

Hon. Ms. Campeau: — That was the last three items we had discussed before transformational change. Do you want me to go over them again?

Mr. McCall: — Okay. If that's everything that's entailed in terms of what is for consideration under transformational change, fair enough.

We can move on to the next subvote which is of course transportation and other services. And I guess I'd make a request of the minister and officials off the top. I was in attendance at a recent meeting of SUMA [Saskatchewan Urban Municipalities Association] where the minister made answer to a question about the use of government vehicles. The minister had referenced a study that had been done on the cost-effectiveness of using central vehicle authority vehicles versus paying out mileage or other means of getting the transportation needs sorted out. I thought that was a very interesting point, a very interesting answer. Is there a way that the minister can provide that report to members of the committee?

Hon. Ms. Campeau: — So this report and research predates myself and the deputy. Basically an analysis was carried out to determine whether efficiencies and cost savings could be achieved by paying employees mileage to use their personal vehicles for business use rather than CVA vehicles. And the analysis showed that CVA is a more cost-effective option with a 20 to 30 per cent savings.

Government vehicles travel nearly 81 million kilometres per year. Of this, nearly 42 million kilometres are driven by passenger vehicles, and I do have to note that travel by trucks was excluded from the analysis.

Mr. McCall: — Travel by trucks, if you could expand a bit on what might be entailed there.

Hon. Ms. Campeau: — Like snowplows.

Mr. McCall: — Okay, perfect. All right, is there any way that that analysis could be provided to the committee?

Hon. Ms. Campeau: — We're going to have to do a little bit of digging, but we'll look into it for sure.

Mr. McCall: — Okay. Don't worry about getting the snowplow out, but I'd appreciate that.

In terms of the CVA overall, does the minister or her officials have any comment on the state of the fleet, how many vehicles and what the, sort of, renewal requirements are in the years to come, anything that the minister or her officials would care to provide in that regard?

[21:45]

Mr. Lusk: — Greg Lusk, executive director, commercial services. So right now the fleet is about 3,700 vehicles, a mix of about 50 per cent trucks and 50 per cent cars.

Mr. McCall: — And what's the current policy on fleet renewal?

Mr. Lusk: — Well at present and for the last number of years, we've been driving the vehicles up to 14 years or 300 000 kilometres. They are inspected twice a year to SGI [Saskatchewan Government Insurance] safety inspections, and that's actually got the advantage of both ensuring that they're safe, but also flagging repair issues. So we actually save a considerable amount of money over what we might otherwise.

Mr. McCall: — In terms of that work, how much of that is done internally by CVA and by Central Services? Or everything is provided by a third party?

Mr. Lusk: — Everything . . . Operators are free to go to any qualified shop. We do have a service desk made up of qualified mechanics who will evaluate each and every repair and first of all make sure it's needed, second of all make sure it's fair value, and third of all, if it's looking like this is not a good investment of a vehicle, we'll find another vehicle, swap it out.

Mr. McCall: — In terms of the analysis that we'd talked about earlier, was there any sort of peripheral or, you know, any sort of parallel work done around the question of rental vehicles versus maintaining a CVA fleet?

Mr. Lusk: — That is something we will explore in due course, you know, because that does offer service and would free up our CVA staff to work on other matters in head office. So they're under great pressure, quite frankly.

Mr. McCall: — Okay. Could you describe that a bit more in terms of . . .

Mr. Lusk: — Well because there's just so much work for them to be doing because what we've done is we've introduced, well, multi-year . . . inspections twice a year, a whole new program of manufacturer recalls. We also follow up on if there's safety infractions or traffic tickets because now with the advent of things such as . . . and so all those kinds of things. We are initiating a pilot rental program in Saskatoon, Prince Albert, and North Battleford in which we'll be using Enterprise rental cars to see (a) how well it works, confirm that it's good value, and work any bugs out. And if it works really well, then I think we would want to contemplate at least expanding it more broadly.

Mr. McCall: — In terms of proceeding with the pilot initially,

and you're talking about a significant number of locations, I guess, what per cent of the transportation needs would be involved in this pilot? And I guess what was the business case that was arrived at for this to proceed?

Mr. Murray: — Let me jump in on this pilot. So this pilot is specific to day rentals, so a case where there's a number of vehicles sitting in a lot, and they are available for an individual who may be doing a special trip that day. So it's nothing to do with assigned vehicles or the bulk of the fleet. It really is specific to day rentals, and so the test is, could it be possible that a rental provider already located in the community could already have a fleet of vehicles sitting on a lot, have those vehicles available, and could they do that more efficiently than we could do it ourselves? That's sort of the purpose of the pilot.

Mr. Lusk: — And at the extreme there's . . . Right now we have 175 daily rental vehicles out of 3,700. The rest of the vehicles are all assigned to civil service or the clients who use them on a daily basis to do their jobs.

Mr. McCall: — Thank you very much for those answers. In terms of the pilot itself, when will that be concluded and when will be determinations made about the go-forward?

Mr. Lusk: — We hope to start early next month, and we'll let it run for a couple of months, depending on if there's bumps in the road as we go along. But if it goes smoothly, then we would go to tender to place something, I would expect, late August, early September.

Mr. McCall: — So moving from 175 vehicles out of 3,700 to what sort of magnitude or proportion of the transportation needs are currently covered by CVA?

Mr. Lusk: — I'd actually have to do the calculations because, you know, the vehicles are used sporadically. Some vehicles go a long way. Some go a short way. I'd actually have to look at the mileage and then be able to have CVA actually do that calculation.

What we found, though, is because CVA has 11 locations around the province for daily rentals, what industry has is hundreds. And so part of the logic was we looked at it. We in fact ran a competition. The costs are very attractive. They're very comparable. We don't have to buy the vehicles. They provide winter tires and all that. So longer hours of service, more locations, and it just seems like a good service alternative.

Mr. McCall: — Well we'll be looking for further updates on how that all works out. Thanks for the answer.

Moving on to air services, again fairly close to the previous year's expenditure. Could the minister or officials talk about air services and again the differences between exec air and air ambulance and any sort of pressing capital needs that might be arising there and plans to address them?

Hon. Ms. Campeau: — So there's very little change in terms of the budget from last year. The annual budget allocated to exec air is 3.1 million. And in terms of air ambulance, it's one of the oldest air ambulance programs in North America. Flights are done aboard pressurized Canadian Ministry of Transport

approved air ambulance planes and the service uses three King Air B200 aircraft that are equipped for critical care transport. And the service operates 24 hours per day, 365 days per year, and doctors or their designates access the service on behalf of their patients by contacting the Link Centre. The group decides whether a response by air ambulance STARS [Shock Trauma Air Rescue Society] or ground ambulance is most appropriate. So the air ambulance service flew over 3,000 legs last year transporting patients to the health care they required.

In terms of exec air, so as you know, the Lieutenant Governor, the Premier, the Speaker, cabinet ministers, and senior government officials are authorized to use executive air services for official government business, and the service also transports members of the Legislative Assembly back and forth to their constituencies when the legislature is in session. When the legislature is not in session, MLAs [Member of the Legislative Assembly] may fly on trips authorized by Executive Council. Executive air use is down about 72 per cent comparing this government to the former government.

We have three aircraft, one King Air B350 that seats nine passengers. This aircraft is best suited for long distance travel, but can be used at airports within the province that meet runway requirements. And we have two smaller King Air B200s that seat seven passengers. These aircraft can fly short trips in the province but also longer distance out-of-province trips. Budgets are basically flat on both.

Mr. McCall: — Any pressing capital needs on the horizon for either executive air or air ambulance?

Mr. Lusk: — It's the usual sorts of engine rebuilds, framework, you know. Because as you know, aircraft are pretty expensive things to operate, and so you have to service them every period, you know, and each element has a different service period, but they are well maintained. That's how, you know, that's how we get such good service out of them, both air ambulance and exec air.

Mr. McCall: — Thanks.

Mr. Murray: — If I may note federally mandated maintenance requirements so we stick to that schedule pretty closely.

Mr. McCall: — Thank you very much. Just one sort of particular question around air ambulance. And there was a circumstance within the last couple of years around the airstrip at I believe Sandy Bay up in Pelican Narrows or in and around Peter Ballantyne Cree Nation territory in the Northeast. The landing strip was in a state of disrepair that there was some concern about the ability of things like air ambulance to service the community. As these circumstances arise, how does air ambulance work with other bodies of government to address these concerns?

Mr. Lusk: — Well first of all, with the federal government but also with Highways and Infrastructure and with municipalities, you know, because sometimes we're landing on municipal strips and we have to make sure that they're to the standard we need, and so the air staff are in pretty regular contact with those folks.

Mr. McCall: — Through the lens of the work of air ambulance, are there some stand-out needs out there in terms of air strip work? I note in other parts of the budget that certainly there's some funding that's gone out for community airport work. There doesn't seem to be anything in northern Saskatchewan covered by that, where again there's been sort of a question raised about the needs there.

Mr. Lusk: — I'm not aware of any at this time. I have every confidence that executive air and air ambulance would raise those if there was issues because it is entirely at the pilot's discretion whether they land or not. If it is deemed to be unsafe, it is their command and their obligation to — if need be — abort a landing. They don't want to do that, so they are quite motivated to make sure that these facilities are accessible to them including lighting and those kind of things. They were working with a variety of bodies, you know, just to talk about lighting issues and those kind of things because you can imagine middle-of-the-night landings are challenging.

Mr. McCall: — Yes indeed, and the Chair of the committee would know more about that than I, but I can only imagine, certainly.

[22:00]

Moving on to procurements, some of the changes the minister had referenced under the terms with the New West Partnership, if the minister could just recount those for the committee and we'll have some follow-up.

Mr. Lusk: — If I might, I have the privilege and the pleasure of having a dual appointment. I work half time for Priority Saskatchewan and half time for Central Services. So on the Priority Saskatchewan side, we're trying to create that new best-value, open, strategic approach to doing procurement that focuses on the capabilities of Saskatchewan firms and communities. You know, so it's a major, major skills and cultural change that we're undertaking.

On the Central Services side, then I have the delivery obligation. That also involves a lot of re-education, working with people and all that. So this is a long-term, transformative effort. We're beginning to make progress. We've had immense consultations. We've talked . . . We met with, well it's got to be a couple hundred associations and groups. We've met with the Saskatoon Business Association, the construction association. You know, I could give you a long list of people.

They're satisfied we're doing the right things. Sometimes they say we're going a little too fast, but the word is getting out there and people are beginning to think differently and beginning to think about, okay when you're spending public money, let's get the best possible value for it. And when doing that, it's also, how does it affect our own industry? How does it affect our people's ability to bid on it?

So when you package something up and bundle something, get it to the right level. And that's not always easy to do, but that's where we're trying to get people, too.

Mr. McCall: — There's a fair amount of . . . Maybe hairsplitting isn't the right way to term it, but in terms of local

benefit and ensuring that the Saskatchewan dollars being spent not just get best value for the Saskatchewan taxpayer but that you maximize that benefit for the spend in terms of provincial workers and the economy. Any observations on the state of play there?

Mr. Lusk: — It's a very complicated issue because we're a trading province. Now our relations with China, with other countries matter to us a lot, so we need to be careful that we're not seen as overly protectionist. But we also know that we have other provinces who don't necessarily play fair.

And so what we're doing — because of trade agreements we can't put in local content per se — what we are doing with things like local knowledge, the way I describe that is, okay, if you're building me a house, I would hope you understand winter. I would hope you understand Regina gumbo, local building codes, all those. Those are all valid things to ask for. And what we've done is, we've liberated those kind of tools from, for example, Ontario. And we are applying them, and we'll continue to apply them.

Similarly, as the trade agreements are renegotiated, we expect to have the same tools that any other jurisdiction has in their arsenal that would help us support Saskatchewan firms.

Mr. McCall: — How does that work in terms of is it having an impact? Are you noticing a shift in terms of the way that Saskatchewan interests are better represented within the supply chain and within procurement practice, both within Central Services and more broadly throughout the function of executive government and in the Crown sector?

Mr. Lusk: — I'll give you an answer — and hopefully this isn't too vague — but what we're seeing is people in industry more engaged. They're contacting Central Services. They're contacting Priority Saskatchewan. They're talking to Highways. When they have an objection, they come and they state it. And if they don't get a hearing, they'll go raise it further.

So what you're seeing is industry is going, yes. We believe that there's a genuine commitment to this. The industry is working very closely with us to work with their members to help them understand the new rules, the new practices. We will be undertaking a training program for base level training for buyers and requisitioning people, probably late August or early September. And this would be a one-day session that takes you through all the new tools, all the new policies, and says, this is what's expected of you.

Probably the most important message is the world has changed, that government procurement is strategic. It matters. We need to be sensitive to the interests and concerns of our business community. And that's not to say we haven't been in the past, but we haven't been as sensitive as we might.

People get to have debriefings. We'll use multi-stage procurements so that we don't make everybody put together an expensive proposal, but instead have a funnel that gets people down so that only the two or three people or four people who've got a real chance have to spend that money to pursue this business. And those are all best practices that we've researched both in Canada, other provinces, across the US

[United States], Australia, New Zealand — actually Australia and New Zealand, very good sources — and England. And there's a number of other places.

So these are well-established strategies, and they seem to be working at this stage in terms of raising the awareness. We are working right now on a method of identifying a Saskatchewan business and being able to report on that. So we're hoping that this fall we'll have a useful measure that will then allow us to establish a baseline and then track how Saskatchewan firms are doing in this area, because we agree this is an area that we're very interested in monitoring and doing whatever we can to improve upon.

Mr. McCall: — Thank you very much for that. Just one further question in this line of questioning. What sort of use does Central Services or Priority Saskatchewan make of procurement policy or the supply chain needs in terms of fostering First Nations and Métis economic development? And there are different approaches certainly through the private sector, through the public sector, but how does that arguably very important need, in terms of what we need to have our economy succeed and grow in Saskatchewan, how is that translated into the work of either Central Services or . . .

Mr. Lusk: — Well you know, I absolutely agree. Frankly, it's the biggest emerging area in our economy, the most young people. So we have sought and received approval to carry out consultations with the top, the largest 25 or 30 First Nations development corporations.

The idea is, go to people who have managed to break through and find out what is their experience, what are their views, what are their thoughts, what's their experience so that, when we talk to people who are still struggling with it, we've got a better idea of what they're facing. I raised this in Saskatoon with the First Nations in actually December, and they thought that was exactly the way to go because unfortunately people who don't know what they don't know can't help you.

Mr. McCall: — I'm very glad to hear that. And I guess is there any, in terms of moving from consultation to action or some kind of a game plan and then implementation, any thoughts on the timeline for that?

Mr. Lusk: — I would hope over the summer we'll finish that. Again, the intention is that we want to go to these meetings without preconceived notions because the worst thing you can do is go there saying, I have the answer. Instead go there with a question. Here people out. Listen to their counsel. Seek their guidance, and it'll begin to form quite well. So I'm hoping in September or in the fall we'll have something that we'll be able to bring forward that will help to frame how government and Crown corporations address this very important topic, recognizing we still have a few folks like SaskPower who've got their own program. And we respect that, but this may well inform that as well.

Mr. McCall: — Like I say, I look forward to the impact and the action. I guess moving along through the line items, in terms of mail services, again marginal increase to the expenditure. I guess this is another one that sort of comes up, I think, in terms of consideration of alternate service delivery or contracting out.

Is that under active consideration by the ministry, and has that been submitted as one of the ideas for the transformational change call for ideas?

Hon. Ms. Campeau: — In terms of what we're looking at . . . Actually, thank you for asking that question, and we might add it to our list. But we are looking at all of our budget lines in terms of putting forward some ideas. But again, you know, until the cabinet committee goes through its process and deliberations, I can't be really specific about that right now.

Mr. McCall: — So the minister's not ruling out contracting out or some method of alternate service delivery other than the way that it's performed right now. Is that a fair characterization?

Hon. Ms. Campeau: — A large portion of our mail service is already contracted out currently and has been for the last 25 years through Purolator.

Mr. McCall: — What portion of the business does that consist of? What does the business look like overall, if there's a dollar figure attached? And then how does that break out?

Mr. Murray: — Sorry, just looking up the details here. So a total budget of approximately \$12 million, all recovered from clients. So we deliver mail on behalf of, much like many of the services delivered by the ministry. The Purolator contract is for the intercity travel, so delivery of the mail from major centre to major centre around the province. That's about a \$700,000 a year contract that is contracted out. And it's an old-school service but it's a valuable service. It's been around a long time.

[22:15]

We've got mailrooms located in various and sundry buildings around the province, certainly major buildings. This building has one; Walter Scott Building has one. They will collect mail, sort it, sift it, send it over to central sort. The individuals in central sort will bag it up and bundle it up, provide it to, at present, Purolator who will deliver it to a comparable mailroom.

I will note that volumes are way down and this is true with anyone that handles old-school paper mail. I know I saw the other day Canada Post volumes are down by literally billions of pieces of mail. We're down, I want to say, down to 10.5 million pieces of mail annually from a high of about 20. Yes, so almost in half.

Now there have been no . . . I mean over the course of time, the number of individuals working in that area have been reduced really through attrition, retirements, so there have been no job cuts there. Yes, that's the sort of the gist of the mail services area.

Mr. McCall: — Thanks very much. Telecommunications services. I guess moving on from, you know, the paper to the telecommunications. As per your observation, a little counterintuitive to the last item, this is an expenditure that's reducing and it's by a significant amount. Any sort of analysis or information that the minister or officials can provide to the committee for this roughly \$3.3 million reduction in expenditure?

Hon. Ms. Campeau: — So the programs are a reduction of 3.219 million. The reduction was a result of the transfer of billing for CommunityNet to SaskTel. CommunityNet is a province-wide network to connect over 250 communities in the province and address the requirements of the government health and education sector. The network provides high-speed broadband services to urban and rural populations over 300 people. And previous to 2016-17 the telecommunications program billed for CommunityNet services for the government and recovered the funding from clients in shared-occupancy buildings. And due to SaskTel having the functionality to bill multi-tenant buildings, the responsibility for the program has been transferred to SaskTel.

Mr. McCall: — Will this move entirely at some point into SaskTel's column or how is that projected to go? Or will there always be something that will require something like \$443,000 of expenditure?

Mr. Smith: — Troy Smith, executive director of corporate services. So in the case of the telecommunications billing for CommunityNet that we were a part of, we were essentially sort of the middleman, if you will, in terms of facilitating these billings for the multi-tenant facilities. So this revenue was always a part of SaskTel's revenue and will continue to do so. The source of that revenue will just change from flowing through Central Services to directly to those multi-tenant facilities.

Mr. McCall: — So Central Services is out of the middleman business. But the 443,000 of expenditure that remains, can you describe the purpose of that?

Mr. Smith: — So we facilitate that program as executive government sponsors of that program, so there's some administrative work that continues to be done as part of that facilitation on behalf of communities.

Mr. McCall: — Thank you very much, Mr. Smith. I guess moving on, in terms of services allocated to ministries, the revenue iterated there a reduction. Anything that the minister or officials would care to add to what's happened in that particular line item?

Mr. Smith: — So it's just a function of, as the expenses have dropped for CVA and some of the other services in that subvote, the recoveries also dropped. So all of our services are recovered, and as the expenses, for example, for CVA are reduced, then the internal and external recoveries go down in a corresponding amount.

Mr. McCall: — Thanks for that. And I'm presuming to a lesser extent, similar dynamic at play with services charged to external clients.

Mr. Smith: — That's correct.

Mr. McCall: — Thank you for that. Moving on to (CS03), project management. Again, courthouse work being concluded and, you know, that's as it should be. But project management allocated to ministries, anything that the minister or officials would like to provide by way of further information for that?

Hon. Ms. Campeau: — So in terms of the project management, these are recovered from the ministries. So 2.875 million would be for the Prince Albert Provincial Correctional Centre; 2.19 million for the South Broad Plaza office renovation; 1.335 million for assessment and stabilization homes for people with intellectual disabilities; 874,000 for courthouses; and 5.956 million for other smaller projects including equipment storage buildings for the Ministry of Highways and Infrastructure. So basically these ministries go to treasury board and they add these to our budget and we facilitate the project management to carry it out.

Mr. McCall: — And as the projects move along, the expenditure requirement reduces.

Mr. Murray: — [Inaudible] . . . and will vary from year to year. Yes, absolutely. So that's another one of our recovered subvotes that should add up to zero at the end of the year. We spend a dollar and then we recover back the dollar.

Mr. McCall: — Thanks for that. Whipping right along, information technology (CS11), there's been a lot of anticipation building on this one, speaking for myself mostly, speaking strictly for myself. I don't want to drag other Warrens into the equation here, but if the minister and officials could take us through the expenditures here.

Hon. Ms. Campeau: — So there's an overall increase of 235,000. An increase of 560,000 to bill clients for core IT security; decrease of 450,000 for a reduction in the use of consultants; a recoverable salary increase of 125,000.

Mr. McCall: — One more time on that reduction on the use of consultants?

Hon. Ms. Campeau: — A decrease of 450,000 for reduction in the use of consultants.

Mr. McCall: — Good to hear. Is that because projects have been completed and that consultancy is no longer required or is it because the expertise has been moved in-house? How does that work?

Hon. Ms. Campeau: — The PRIME [process renewal and infrastructure management enhancement] project is completed, the Linkin project is completed, and as of March 31st this year, 2016, the number of IT consultants is down 25 per cent, so from 79 to 58. And this year we are down another 27 per cent to 42.

Mr. McCall: — Glad to hear it. In terms of the different requests and recommendations that the Provincial Auditor has made of Central Services, particularly as it relates to the use of consultants . . . But this is a fine place to talk about it. In terms of providing written reports out for work concluded, in terms of descriptions of work that's been undertaken in addition to just the general use of consultants . . . Certainly the minister's talked about the reduction in use of consultants. I'm glad to hear that, but in terms of the other recommendations from the Provincial Auditor, can the minister or officials describe where the ministry is at in that regard.

Hon. Ms. Campeau: — So we thank the Provincial Auditor for her work and her recommendations. The ministry is working on

the auditor's recommendations. We have a consultant services procurement policy in place to guide when to use an internal resource versus hiring an external resource. The auditor recommended a more formal process of documenting the need to hire a consultant. All the projects have a business case that documents the IT resource requirements. And also the auditor wanted improved documentation to evaluate the performance of consultants, and the new policy provides guidance on performance evaluation and dispute resolution for contracted resources.

The auditor also wanted the ministry to improve documentation around extending an agreement with an external resource. This rationale is being documented by the project sponsor prior to an agreement being extended. And we believe we've made significant progress on the auditor's recommendations and hope that it is reflected in the next audit.

Mr. McCall: — Thank you very much for that. In this most recent Provincial Auditor's report there's some concern raised around the security of information, and certainly that was directed towards Central Services. I appreciate that it's a relatively new auditor's report, but anything that the minister or officials would like to state in regards to progress made to meeting those concerns?

Ms. Schmidt: — Bonnie Schmidt, chief information officer. We take the protection of the data entrusted to the government very seriously. The ministry took the auditor's recommendations seriously, and we took a really comprehensive look at the findings. There were some inconsistencies between the auditor's testing and a real-world situation. The auditor generated a number of alerts while testing the security of our web applications, and our staff were actually asked not to respond when they were doing these tests. Now this is comparable to having someone sort of test your home security after turning off your burglar alarm. So the test was done from an internal source.

Mr. McCall: — So where does that leave the recommendation from the auditor and Central Services? Disagreeing with the premise of the recommendation or . . . Where to from here?

Ms. Schmidt: — The auditor did cite about 1,400 vulnerabilities or alleged vulnerabilities. By examining them we learned that about 75 per cent of those were actually caused by false positives, so hitting a website that, an older website that was already migrated to saskatchewan.ca or hitting publicly accessible documents. And so an alert was triggered and all of those types of alerts were considered in the report. We've already addressed over 75 per cent of those alerts, and we're working with all of the ministries who were affected to mitigate those results.

[22:30]

Mr. McCall: — Thank you very much. I look forward to the next round of report from the auditor. In terms of application support, slight increase there. Again under the (CS11) subvote, any comment that the minister or officials would care to provide in terms of that change in expenditure?

Ms. Schmidt: — So within the AMS [application management

services] area, that was just some minor tweaks that we had made to the application supports.

Mr. McCall: — Okay. Care to describe those minor tweaks in the AMS?

Ms. Schmidt: — So there was a \$569,000 increase for the transfer of Sask digital capital to the operating to help alleviate the Sask digital operating pressures, and a 181,000 increase for some salary adjustments.

Mr. McCall: — Thank you very much. Moving along in terms of inter-ministerial services and the \$44.4 million expended there, relatively straightforward in terms of same expenditure this year to last. Could the minister or officials describe for the committee what that line item represents, just for the record, and then I will follow up.

Mr. Murray: — Yes, I can speak to that. That is our core IT services, what we call our core IT services. So that is the bulk of the 11,000 desktop computers and email boxes and all of the helpdesk services and all those good services that are provided by our ITD [information technology division] staff. Those get billed out to the ministry so it's, again it's a fully recovered budget and it doesn't vary a lot from year to year.

Generally speaking, you know, most employees have a computer. They've got a mailbox. They've got a certain set of services provided. So we don't see a lot of deviation there from year to year, and that's our core services.

Mr. McCall: — Core services, an excellent place to jump off into. Is this being considered in terms of something that would be contracted out or some kind of alternative service delivery arrived at? Has this been submitted as an idea in terms of the transformational change, call for transformational ideas that has gone out?

Mr. Murray: — Again, I'll say or reiterate what Minister Campeau's comments have been. We haven't restricted ourselves. We've looked at all areas of the business. We've looked at IT, at CVA, at mail services. You know, we're a very, very wide-ranging ministry with a very, very wide range of services, and we have looked for ideas, at ways we can do things better.

Are these services we should be providing? Are they services we should not be providing? We've come up with a list of ideas. We've provided those ideas; we continue to work on other ideas as we go forward. And given that they are to be provided to a cabinet committee, we are not at liberty to discuss any of those specifics there tonight. But I'm sure all will be revealed in due course.

Mr. McCall: — Thanks for that. In terms of the way that the staff that do this work, in the past this has stood out as a bit of a human resources challenge for the ministry in terms of retaining folks that have the skills, sometimes right up to the position of the chief information officer, you know. And again I'm glad to see we've got a permanent position secured there, but is there any sort of observation to be made around is Central Services meeting the human resource requirement there? And how is that competition going with the broader private sector or folks

looking for IT professionals?

Mr. Murray: — I'll just note that we've had, first off, an excellent team. Very, very satisfied with the team; they genuinely care. They provide great service and they're highly skilled.

We've had two very recent acquisitions that we're quite proud of. We've hired a new individual on our AMS side with a very long history of working in the AMS and the IT field. This is an individual that has returned to Saskatchewan. And we've made a recent hire on our chief security officer, an individual who actually has a master's degree in information systems security and is double certified on information systems security auditor and an information systems security professional. These are two really great catches for us. And so we found, in the last little bit here in particular, that we have had good fortune in terms of being able to acquire highly skilled individuals from outside of government.

Mr. McCall: — Glad to hear it. More broadly throughout the sector and, you know, this is a bit related to the auditor's recommendations. But you know, I just can't help myself. I've always got to ask the question about cyberattack and what sort of risk the Central Services systems come under. Anything to be reported there for the year past and sort of things flagged for the year to come?

Mr. Murray: — Well I can jump in on this, and Bonnie can fill in if she has something to add. So every year we have millions of attack attempts on our government networks. Every year we prevent millions of intrusion attempts from accessing our network. We remove millions of viruses from government computers through our antivirus software, and we actually block more than 80 per cent of our emails which are spam and malware attempts and virus attempts.

We have not, since the formation of the ITO [information technology office] experienced a breach of data, fingers crossed. That's not bragging. That's just, you know, perhaps it's a . . . I mean it's a testament to the good work our security folks do. The risks are always out there, and we really need to be extremely proactive. This is why it was important that we hire a new chief security officer. Our previous chief security officer was great but moved along to another opportunity. Our new chief security officer, a highly skilled individual.

As the world, you know, continues to change and come up with ever more creative attack vectors, we are fortunate to be able to stay a step ahead of them, perhaps. I know highly publicized recently, the scenario where data was encrypted, and something called ransomware seems to be on the rise. We have so far managed to successfully repel those ransomware attempts.

Yes I think, you know, we prioritize IT security and the protection of our assets. We've invested some \$8 million over the last six years in an enterprise IT security program. And we've worked very hard with our customers and client ministries, urging classification of information, protection of data, and adoption of industry best practices. So I believe we're in a good space here in security. We do take the protection of the data under our care extremely seriously.

Mr. McCall: — Thank you for that. Just a question around the hardware and software side of the work in the ITO. What's the state of the platform generally and in terms of software needs? And then again, if the minister or officials could provide a bit of a characterization of what kind of hardware is deployed throughout the system. And then lastly, if I could also get a bit of a BlackBerry count just to see where that great Canadian institution has wound up in terms of the Central Services index.

Mr. Murray: — Just for clarification, are you referring specifically to BlackBerrys or are you referring to mobile devices and smart phones in general?

Mr. McCall: — I think we've had this discussion years previous, and again it's always sort of interesting to note the way that the sort of shift from what used to be a preponderance of BlackBerrys shows up in the hardware and mobile devices being provided by Central Services.

I'm just wondering if that continued to climb for BlackBerry tracks as people moved to iPhones, Androids, and the like. Or you know, maybe I'm wrong, but interested nonetheless. Where is it at, in terms of the hardware or software needs for the ITO and how that deploys throughout the broader government? And what are the succession needs, refreshing needs, where is all of that at? And again to state, if you could give sort of a snapshot of who's using what in terms of iPhones, BlackBerrys, or Androids, or what have you.

Mr. Murray: — All right. We handle — I'll just throw out some stats here — we handle about 104,000 service desk calls a year in support of 13,000 desktops and laptop computers. Those desktop and laptop computers are generally on a three-year rotation. We find anything longer than three years, then it costs us more to provide upgrades. So for example, we went through a Windows 7 upgrade last year. Older hardware just becomes problematic. And it also flattens our costs in terms of, because we can do it on a three-year lease, so we don't see a variable cost going up and down from year to year.

Mobile devices, roughly 3,400 smartphones in government. BlackBerry, I am still a BlackBerry user myself. I love the product. I do not have a breakdown in terms of how many of those are BlackBerrys or how many are iPhones. But I can assure you that the BlackBerry number will have shrunk once again. And now BlackBerry devices are Android devices, so that's kind of their last kick at, I think, at maintaining whatever sort of piece of market share that they've been able to have.

We support about 1,200-plus software applications, ranging from everything from wheat midge tracking to the MIDAS [multi-informational database application system] system; 1,500-plus production databases spread across all of the ministries. And you know, the oldest would be something that was written in the 1960s and the newest would be, you know, Linkin, PRIME, one of the systems that we've only just recently released. And we handle I think — oh maybe I said this — 104,000 telephone calls a year, which is down a little bit from last year.

[22:45]

Mr. McCall: — That's a lot of calls. Thank you very much for

that. I guess moving on to the next subvote (CS07), in terms of the . . . under allocations: land, buildings, and improvements, nearly 40 million, \$35 million boost to that line item. I'm sure the minister or her officials can correct me as to the exact amount, but if you could talk a bit about what's being done there that hasn't been in years previous.

Hon. Ms. Campeau: — Our major capital asset acquisitions, they are 104.986 million. There's a 33.285 million increase for land, buildings, and improvements which are related to the 41.975 million increase for the second year of construction on the Sask Hospital in North Battleford. So that's the difference, is the Sask Hospital.

Mr. McCall: — Thank you very much for that. Office and information technology, again down from 3.3 million to 515,000 — what's happened there?

Mr. Smith: — So on that one, it was the final year of joint funding for the CJIMS [criminal justice information management system] initiative. And so with that drop-off, that makes up the majority of the decrease that you see there.

Mr. McCall: — Thank you for that. And then transfers of capital assets obviously gone from, you know, no number the year previous to 74.52 million this year. Can the minister or the officials describe what is taking place there?

Mr. Smith: — So the Ministry of Central Services, as you pointed out, received \$74.5 million in the 2016-17 budget transfer . . . Sorry, to transfer some co-owned schools to the respective school divisions. So Central Services, as is our part of our authority to own buildings for the Government of Saskatchewan, jointly owns seven schools with school divisions. Those schools have recently completed, and we're transferring ownership to the school divisions. So this complies with recommendations that were made by the Provincial Auditor with respect to the accounting treatment of these co-owned schools.

Mr. McCall: — Could you identify the seven schools in question, please.

Mr. Smith: — The schools that have been transferred include Warman Middle School, Seven Stones Elementary School, Emerald Ridge Elementary School, Willowgrove Elementary School, École Oman Centennial School, All Saints Catholic Elementary School, and Holy Family Elementary School.

Mr. McCall: — Thank you very much for that. I guess at this stage of the evening, it's not right to the dot, but it's getting close. I've concluded my questions, and I just want to thank the minister and her officials for joining us here tonight for this important exercise in accountability for the people of Saskatchewan. And with that, Mr. Chairman, I'd conclude my questions.

The Chair: — Are there any more questions? Ms. Young.

Ms. Young: — Yes . . . [inaudible] . . . with regards to the Saskatchewan Hospital. And could you just give us an update on where it is in the progress?

Mr. Murray: — Absolutely. So as we're aware, work is under way on the replacement of the hospital. The new mental health complex will provide therapeutic services to offenders with mental health issues. So the new facility will be owned by Central Services. It's currently 20 per cent complete. So bulk excavation, formwork, concrete, and backfill occurred in winter of '15-16. Our project team provided all of the pre-site work, that work completed back prior to the construction starting. So project timelines here still well on track for summer 2018, I believe is the projected complete run date.

Ms. Young: — Thank you.

The Chair: — Mr. Phillips.

Mr. Phillips: — Ms. Minister, you had mentioned renovation work, I believe, in your opening comments on the Norman Vickar centre, or Norman Vickar Building in Melfort. Could you expand on what's happening there?

Hon. Ms. Campeau: — So 1 million in 2016-17 for a base building upgrade in the re-life to the Norman Vickar Building in Melfort, with upgrades to mechanical systems, electrical systems, and windows for the rest of the building.

Mr. Phillips: — Okay. If I can just follow up on that. Is that anything to do with the Provincial Court? Would that be in courthouse renovations?

Mr. Murray: — Yes. So the re-life is under way. We do not yet have a firm commitment from Provincial Court program, nor do I believe they have necessary funding that might be required to rent the space. They have expressed a desire there, though, and conversations are under way in terms of the possibility of Provincial Court assuming space in that building.

Mr. Phillips: — I appreciate that. Thank you.

The Chair: — Ms. Young.

Ms. Young: — Yes, could I ask what was the reasoning behind changing the SaskTenders website?

Mr. Murray: — Absolutely. So SaskTenders website is a great website, widely used by not just provincial government but other levels of government as well. However it's missing one important piece, and that is the ability to submit electronic bids. And so that's really something that's been urged by the private sector, and those that respond to bids. They would very much love to see that. Bulk of bids are still being provided old school: paper, courier, delivery. And so that's only one of the possible enhancements to that website, but it's a pretty critical one in this day and age, to be able to accept and receive electronic bids.

Ms. Young: — So when do you possibly believe that that will come online so that . . .

Mr. Murray: — Work is under way right now, actually collaborations going on with a couple of other provinces. So we're hoping that we'll be able to jointly initiate something with other jurisdictions to help bring the costs down for any and all. And we believe we'll be in a position here in the fall to be

able to go to market to assess what we might be looking at for costs.

Ms. Young: — Would the costs be shared then between . . . If you were working with the other provinces, would it be a cost-share venture?

Mr. Murray: — That is absolutely our hope, yes.

Ms. Young: — Thank you.

Mr. Nerlien: — Following up on that line of questioning, is that intended to be used across all of Central Services as it rolls out? Is it size-of-project specific? How do you see that playing out?

Mr. Murray: — In terms of the SaskTenders initiative? Yes, absolutely. SaskTenders is central hub for government tenders, Crown tenders, as well as tender opportunities for municipal, academic, schools, and health sectors, so widely used. And so anything we do there — e-commerce, electronic tendering service, potential for cost-sharing among the provinces — but then benefits absolutely to not just Central Services but Crown corporations, CIC Crowns, and the entire MASH [municipalities, academic institutions, schools, and hospitals] sector. So great benefit to all.

The Chair: — Mr. Nerlien.

Mr. Nerlien: — I guess just further . . . And I congratulate you on what you're doing there. That's tremendous progress, and I'm sure the folks in industry across the province will greatly appreciate the flexibility and the opportunity that that provides. I wonder if, could you share with us the other provinces that you're working with?

Mr. Murray: — Absolutely, yes. Absolutely. It's Alberta, British Columbia that discussions have been under way with. And so this is something that would be beneficial to those other provinces as well, so discussion is under way. And just to give you an idea of the kind of size and scope and scale of SaskTenders, SaskTenders has got 17,000 registered users. On any given day, there's 200 competitions on there for a variety of goods, services at any given time, and there's more than 435 different public sector organizations registered on there to advertise their tender notices, so absolutely widely used. And so yes, we see this as being a good thing, and we appreciate your kind comments in that regard.

Mr. Nerlien: — Are there other provinces in Canada that have a similar process or have tried similar processes and are working towards the same direction?

Mr. Murray: — Yes, we believe Ontario has something similar under way. We believe the federal government has something similar under way, but we're not aware of any Canadian jurisdiction that has the full meal deal in terms of e-procurement, electronic tendering, and all of those pieces in one system that is available to all public sector entities. So a little bit out in front on this one, and there's nothing wrong with that.

Mr. Nerlien: — Thanks. Thank you.

The Chair: — Mr. Phillips.

Mr. Phillips: — Yes, I'm fascinated by this building. First of all I'd like to congratulate you on the dome. You can see the top of the dome now. It's coming down; the scaffolding is coming down, and it's spectacular and will be something that . . . to be here when it happens and know that 100 years from now hopefully they won't have to do it again, but we won't have to look at that. If we look ahead on this building for the next — say — 20, 50 years, what do you see as being maybe the next major one? Is there anything that is starting to show up now?

Mr. Murray: — Absolutely. Absolutely. I can tell you with great certainty that the next piece of work required on this building will be repointing all of the stones below the dome. And so repointing is a process of repairing the Tyndall stone or the rock or mortar or bricks or whatever the case is, in this case Tyndall stone. The rest of the building will require a repointing exercise.

[23:00]

It's not as dire as the stuff was up on top of the dome, but it's very similar. Water remediation systems on the dome 100 years ago were not good. It was kind of, let the water and rain fall where it may. Over the course of 100 years, water worked its way into the stone — froze, thawed, expanded, contracted; froze, thawed, expanded, contracted — and over the course of 100 years basically blew out good chunks of the rock.

Our next challenge will be the rest of the stone. And I'm not suggesting that we would come forward seeking funding on that this week or this year, but certainly over the next . . . I want to say, probably 10 years, that will be a priority.

And then the historic windows as well need a fair amount of work; again, not an inexpensive proposition. Oddly, you know, the local hardware store doesn't carry those windows or the particular type of glass used in them. We always work very, very meticulously and very closely with the heritage folks which, in this building, there's no doubt that's a requirement. And so we've got to maintain heritage characteristics always, especially on this building, our most important building of our significant portfolios.

That's where we'll be going next. A little bit long-winded, but we're pretty proud of the work we've done here and pretty proud of the work we will do here in the future.

Mr. Phillips: — I believe, if I may carry on, that came across with the unveiling of the dome. Not only did your ministry and all of us feel a pride in it, but in talking to or listening to — who was it, PCL? — they talked about the commitment to the building at that time.

And I had the opportunity to talk to many of the workers, the people working up on the dome over the course of the winter, and that was something I noticed for each and every one, the pride they took in their part of redoing the building. So I just kind of wanted to put that on the record. A long question for me, or a question I've long wondered about is, where does the new stones come from, the replacement stones? Where did you, where do you get those?

Mr. Murray: — The quarry in Tyndall, Manitoba is still functional and brick and stone are still available. The very, very large sheets or pieces of stone, not so much — really hard to come by. But the smaller pieces we are still able to acquire from Tyndall, Manitoba, just like the originals.

Mr. Phillips: — Did you say that it was the same quarry that it came from?

Mr. Murray: — Yes, from Tyndall, Manitoba. I'm not sure the exact same quarry, but certainly the same bed of rock. That bed is drying up though. They've been pulling stone out of there for 100-plus years so, you know, I think there may be challenges in the future in terms of acquiring that stone.

Mr. Phillips: — There will come a day that there will be a challenge?

Mr. Murray: — Absolutely.

The Chair: — I actually have a question if you don't mind, and it goes . . . Because I complained about it because in my office, you know, it gets a little on the drafty side every now and then. And that's just not because of some of the other members coming in and talking; it's actually coming through the window. And what is the deal? I know I talked to the previous Speaker about it, and he said there's something about them being a heritage window and you can't just take and replace them with ordinary windows. Could you explain to me what that is about?

Mr. Murray: — Yes. The style of glass used in this building is a style of glass they don't make anymore . . . Well they do make, but it's not generally made and sold for new use, not double pane or any of those sort of high-tech advancements in windows that have come down the pike in 100 years.

You'll note that I mentioned though that the repointing of the stone and the windows are our next two biggest challenges in the building. There are higher tech historic type window replacement options that are available. They again are not inexpensive, but there is . . . Anyone who's worked in this building on a day when it's minus 40 outside and the wind's howling from just a certain direction has an appreciation for the fact that those 100-year-old windows aren't . . . We're not sure how they kept great-grandpa warm in winter, but that's a challenge we face here as well. And so that's probably sooner even than the repointing, might be the window work as well.

The Chair: — Well I would imagine you're looking for efficiencies within the building. Like the heating costs would have to be horrendous, you know, in the middle of the winter with the windows just the way that they are.

Mr. Murray: — This is one of the biggest challenges of maintaining and operating a heritage and a historic building like this, but I don't think any of us would trade it in for a little modern brick building with double-pane and triple-pane windows. So you know, we got excellent staff here on site that are well familiar with the building, and I think they do really a bang-up job here.

The Chair: — Okay. Mr. Nerlien.

Mr. Nerlien: — I had the pleasure of going on the tour inside and outside the dome, and I was very intrigued with the fourth floor. I'm just wondering if there's any plan for the fourth floor, short-, medium-, long-term, because it looks like there will be some unused space there going forward, and maybe there's a business opportunity there.

Mr. Murray: — I will say that that fourth floor space is not widely known, but it probably is now because of the tours. We ran so many people through the tours, and a lot of people were genuinely surprised to walk up there and say, wow where'd this come from? Pretty good size of space. There were offices there in the past. There have been conversations about doing a meeting room there, about a variety of uses. They seem to spring up every year or so, I'm told, or every couple of years.

One of the biggest challenges up there would be accessibility, providing elevator access, and that would be a challenge in this building, although not an insurmountable challenge. So no, there are no plans, either short- or long-term. You are correct though; when the PCL vacates out of there and stops using it as their safety office and sort of a triage office, we'll look at opportunities again. But no funding in place and no plan in place at the moment.

Mr. Nerlien: — Thank you.

The Chair: — Well thank you very much. Madam Minister, would you like to make some closing comments?

Hon. Ms. Campeau: — Thank you, Mr. Chair. I just want to thank the committee for their time and consideration, and I feel very privileged and honoured to be able to present for Central Services as the minister. I'd like to also thank the member opposite for his questions. He is my MLA when I am in Regina, for a few years now, and also my critic, so it's . . . Thank you for your questions. And also thank the staff. We know it's a really late hour and definitely letting us do our jobs in terms of staying late with us. So I just want to say thank you.

The Chair: — Mr. McCall. Do you have any closing comments?

Mr. McCall: — Well, my earlier appreciation stands. And certainly I'd tag along behind the minister there and say we've got a lot of folks through the building — and not just the committee members — that are here past my bedtime certainly, but that have gone late to accommodate this session of consideration of estimates. And for that, our thanks is ever constant. And I'm already getting the cut sign from Bill with security, but that be that, Mr. Chair.

The Chair: — Well thank you. Seeing that we're now past the regular hour of adjournment, this committee stands adjourned to the call of the Chair.

[The committee adjourned at 23:10.]