



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Hansard Verbatim Report

No. 16 – April 10, 2017



Legislative Assembly of Saskatchewan

Twenty-Eighth Legislature

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Ms. Colleen Young, Chair
Lloydminster

Mr. Ryan Meili, Deputy Chair
Saskatoon Meewasin

Mr. Fred Bradshaw
Carrot River Valley

Mr. Terry Dennis
Canora-Pelly

Mr. Glen Hart
Last Mountain-Touchwood

Mr. Warren Kaeding
Melville-Saltcoats

Mr. Kevin Phillips
Melfort

[The committee met at 19:00.]

The Chair: — Good evening and welcome, members, to committee. Colleen Young here as your Chair this evening. And with us we also have committee members Fred Bradshaw, Terry Dennis, Kevin Phillips, and Warren Kaeding. And sitting in for Ryan Meili is Mr. McCall.

So this evening the committee will be considering the estimates for the Ministry of Central Services. And before we begin I would like to remind the officials to please introduce themselves when they speak for the purposes of *Hansard*. Thank you.

**General Revenue Fund
Central Services
Vote 13**

Subvote (CS01)

The Chair: — We will now begin with vote 13, Central Services, central management and services, subvote (CS01). Madam Minister, please introduce your officials and make any opening comments you would like.

Hon. Ms. Tell: — Thank you, Madam Chair. First off I'd like to introduce Deputy Minister Richard Murray, seated beside me; Nancy Cherney, assistant deputy minister of property management division and the Provincial Capital Commission; Bonnie Schmidt — where's Bonnie? — Bonnie, chief information officer of the information technology division; Troy Smith, executive director of commercial services — there's Troy. Lisa Raddysh, chief digital officer of digital strategy and operations. Oh yes, and Rick Baylak — best for last, honey — acting executive director of corporate services. Also joining us tonight is Kirsten Felber, my chief of staff in the minister's office.

The Ministry of Central Services provides a wide range of services to ministries, agencies, businesses, and other stakeholders. It also provides a number of services to citizens directly. Some of the ministry's services include central coordination and delivery of property management, information technology services and expertise to all ministries and agencies, project management services, procurement of goods and services in vehicle and air transportation.

In addition, Central Services provides day-to-day support services to other government ministries and their staff such as records management, telecommunications, and mail distribution across the province.

A few years ago Central Services took over the administration of government's digital program, including its main website, Saskatchewan.ca. I'd like to add how pleased we are about the job our digital strategy group is doing in managing Saskatchewan.ca. The popularity of the site is growing every year and is helping to transform the way government provides services to its citizens. It's helped in making government as a whole a better, more efficient customer service organization.

In August of 2016 I became responsible for the Provincial

Capital Commission, which now works in collaboration with Central Services to provide oversight to Government House and the Territorial Building and support for the provincial liaison . . . our military liaison, sorry. Provincial Capital Commission serves as a window into government for the Provincial Archives of Saskatchewan, Wascana Centre Authority and the Conexus Arts Centre.

Over the past fiscal year, Central Services continued to provide excellent service to our internal clients and to the people of Saskatchewan. This was achieved while maintaining fiscally responsible and finding efficiencies. There are a number of highlights that I would like to share with you from 2016-17 fiscal year.

The restored dome of the Saskatchewan Legislative Building was unveiled last summer. This significant restoration project addressed structural issues and repaired Tyndall stone, copper, and water management systems. Thanks to this restoration project, this iconic structure is now protected for current and future generations. I am pleased to say that this work was recognized with the 2017 Municipal Heritage Award for Restoration by the city of Regina.

This award was one of many received by the Ministry of Central Services in 2016-17 related to heritage buildings. The ministry is honoured to also have received three Lieutenant Governor's architectural heritage awards for work on the Moose Jaw, Swift Current, and Saskatoon courthouses.

On the major capital projects front, replacement of the Saskatchewan Hospital North Battleford with a new mental health complex continued with significant progress in '16-17. The new facility will provide therapeutic services to those with mental health issues in the province. I'm pleased to say that the project is 49 per cent complete and is scheduled for completion in August of 2018. This is an innovative approach for delivering mental health care and supports to two separate groups of people with significant psychiatric rehabilitation needs. With ISM Canada the ministry launched a new centre of excellence that will allow the government and other partners of ISM to better analyze large amounts of data. This will help government design programs and services to be more responsive to citizen and client needs.

On the digital front, 89 per cent of content was migrated from the old government website to Saskatchewan.ca at the end of '16-17. The ministry also improved the Saskatchewan.ca search function and the government directory so it's easier to find information, people, and government offices on any device.

In the realm of transportation, our Saskatchewan air ambulance service was awarded the Master's North American Trophy from the Honorable Company of Air Pilots, North America Region. The Master's North American Trophy is awarded annually to companies or individual pilots who have, in the opinion of the committee, achieved excellence in their field. Last year marked the 70th anniversary of the service and I am pleased to see the air ambulance service receive this much-appreciated recognition.

Government House as part of the Provincial Capital

Commission celebrated its 125th anniversary in 2016-17. To mark this milestone the public was invited to attend an at-home celebration which resembled one of the open-door receptions hosted at Government House during its very early years.

The ministry's IT [information technology] division also continued to modernize and update IT systems and applications used in government. The criminal justice information management system was a multi-year, multi-phase project that launched in 2016-17. The new system provides a single source for accused offender data for the Ministry of Justice. It streamlines day-to-day operations for the Ministry of Justice and improves public safety and protection of civil rights.

Another project that wrapped up this past fiscal year is the IRIS [integrated resource information system] system. This tool vastly improves the way people in the oil and gas industry interface with government. IRIS offers a single-window, online self-service with easy-to-access, centralized information. This modern state-of-the-art system helps streamline processes and applications handled by the Ministry of the Economy.

Central Services also saw significant progress on the implementation of ServiceNow, a new IT service and call-tracking tool to better support ministries who use government computer systems. The first piece of ServiceNow has launched and is being used to log interactions with IT users. This will help the IT division be more efficient and provide easy-to-access, consistent services to government.

The central vehicle agency has also modified its services to better serve ministries who rely on the day-to-day-use vehicles with a pilot project in Saskatoon and Prince Albert. These ministries now benefit from longer hours of service, access to newer vehicles, multiple service locations, and drop-off, pick-up services with services in those communities now provided by Enterprise car rentals.

Looking back on the accomplishments of the ministry, I'm pleased to see the volume and significance of the work that has been carried out. These highlights demonstrate the ministry's commitment to continually improving the services delivered to citizens and clients.

Going forward in '17-18, the ministry has a number of projects and initiatives planned to serve clients and citizens, and build even further upon the good customer service we already provide. Here are some of the items that the ministry plans to accomplish in the current fiscal year: '17-18, the Saskatchewan Hospital North Battleford will move closer to completion with its final major year of construction. The ministry will continue to work with all involved construction stakeholders to finalize and adopt an operational plan on project completion.

Progress will continue on the ServiceNow IT service tool with work moving beyond call tracking and into self-service and automation. The goal is to develop a fully online IT service catalogue that will allow ministers and employees to order their IT goods and services, similar to the way that all of us purchase goods on commercial websites like Amazon.

This year the ministry will complete its migration of information from the old government website to

Saskatchewan.ca. We will also decommission government's legacy websites. This will make Saskatchewan.ca the single window for citizens to access information, programs, and services from government.

Central services will also establish a three-year plan for developing digital tools that can be used across government ministries. With this approach, citizens can benefit from access to government programs and services through user-friendly digital tools, and government can realize efficiencies and cost savings.

Throughout 2017 the Provincial Capital Commission will deliver a number of initiatives to help us all celebrate Canada's 150th anniversary. These include enhanced Canada Day celebrations and activities in Regina and throughout the province. They also include a commemoration of significant historic dates throughout the year and an educational project to complement the social studies curriculum for grade 7 students across the province.

We will also continue the ongoing work at the Provincial Capital Commission to educate and promote awareness among youth and visitors about the past and current roles of government in a democratic society.

The ministry will continue to work to improve access for business communities to procurement opportunities while ensuring good value for government. The ministry will distribute guides, templates, and other new procurement-related materials. We will also host the 2017 Business Opportunity Expo, a supplier showcase event. Central Services will also attend training sessions and industry seminars to support buyer development.

As I'm sure you can see, the ministry has a number of exciting plans for what lies ahead in the next fiscal year. These plans will be carried out in alignment with the Government of Saskatchewan's commitment to meeting the challenge of supporting growth while returning the province's budget to balance. Work is already under way on a number of these initiatives and I look forward to seeing the ministry's plans come to fruition. I anticipate you have questions relating to the ministry and our business, and I would be happy to address them now. Thank you.

The Chair: — Thank you, Minister. I will now open the floor to any questions. Mr. McCall.

Mr. McCall: — Thanks very much, Madam Chair, Minister, and officials. Welcome to consideration of these estimates for Central Services for this year's budget. I guess there's a lot of questions, certainly. And we'll look forward to the discussion we'll have here this evening.

I guess if we could first off start with the men and women who do the work at Central Services. In the budget the estimated FTE [full-time equivalent] complement goes from 837.1 in 2016-17 to 739.1. Could the minister or officials characterize that decrease?

Hon. Ms. Tell: — Eighty-six FTE reduction in property management is as a result of the transition to private sector

cleaning services; 12 FTE reductions as a result of discontinuing the executive air program.

Mr. McCall: — Thank you for that. Of course, the decrease in FTEs is the full-time equivalent. So in property management, 86 FTEs works out to how many positions?

Hon. Ms. Tell: — The ministry will see a reduction of 196 FTEs following the transition, and of course that hasn't been completed yet. This change will be taking place on July 1st, 2017, so what you're seeing, it's only a partial year count FTE savings . . . [inaudible interjection] . . . and 230 employees.

[19:15]

Mr. McCall: — So 230 employees. And then I'm presuming there'll be a supplementary estimate come forward or some kind of statement made by the ministry. How will the public be made aware of this?

Mr. Baylak: — Rick Baylak, acting executive director of corporate services. So for this year we've seen an 86 FTE reduction for a partial year of the cleaning transition. Going forward, we will review that FTE complement through the treasury board cycle.

Mr. McCall: — In terms of the 230 employees affected, is there a payout for those employees, and is there any . . . I realize there's been a tendering process around arranging for alternate service delivery. Is there a payout to those employees, and is there anything that the minister or officials can provide to the committee in terms of what's happened to those employees, if affected? How many of them have been rehired? Is there any information in that regard?

Ms. Cherney: — Nancy Cherney, assistant deputy minister with Central Services. So we're still in the process of negotiating contract arrangements, and you know, we know the effective date will be July 1st. But we're working out all of those other details so we're not in a position yet to sort of communicate what the payouts will be. But certainly the collective bargaining agreement provisions are being upheld, and all of the benefits and compensation that those folks are entitled to has been made available to them, and they are selecting their particular choices or options. And we will know, once the notice period has completed, we will know what the dollar values will look like based on the choices that people make.

Mr. McCall: — So right now these are unionized employees, are they not?

Ms. Cherney: — Yes, they are.

Mr. McCall: — That's correct?

Ms. Cherney: — That is correct.

Mr. McCall: — Thank you. And under the employment Act there's no successor rights for those individuals in terms of continued union representation. Is that also correct?

Ms. Cherney: — Nancy Cherney. So this is not a

sale-of-business situation, so the successor rights that you refer to would not be applicable. This is a contracting situation. And so as we move to the different model, again the provisions of the collective agreement will be applied to the individuals who are affected. But there are no successor rights that would be applicable because it's not a sale of the business. It's moving to a different model.

Mr. McCall: — So again, in the 230 employees that are affected, what's the current annual . . . Is there an average wage for the individuals involved? What are they making an hour?

Mr. Murray: — Richard Murray, deputy minister. Average salary across the 230 employees is \$19.21 an hour.

Mr. McCall: — Thank you for that. Do you have an annual figure that that adds up to, just on hand?

Mr. Murray: — Sorry, no I don't. We did the calc on an hourly rate. I see our finance guy may have a number here though: \$35,961 would be the annual average.

Mr. McCall: — How many hours a week would those individuals be working?

Mr. Murray: — Forty. Yes, 40 hours a week.

Mr. McCall: — Forty hours a week. So the 12 companies that have since bought or succeeded in the tender over the 95 locations involved, what's the average wage, hourly wage considered for those individuals?

Mr. Murray: — We're not privy to that information. So I can explain a little bit about the process behind that if you like.

Mr. McCall: — Sure.

Mr. Murray: — So we did an analysis of our current costs. And so our current costs on a building-by-building basis — based on number of square feet cleaned, number of FTEs in that building, salaries, benefits, supplies — and so on that basis we arrived at a cost per square foot to clean for each of our buildings, recognizing that some of the buildings had different needs. So for example, the legislature might be different than an office building in a community; a Sask Poly campus would be different yet again from the Disease Control Lab.

We arrived at a cost, as I say, to the ministry to clean. Then the tender document went out, a request-for-service document. That request-for-service document sought a per-square-footage cost to clean that building or those buildings, and private sector vendors were free to bid on one, some, all, just a community, or whatever it was that they chose to do across those 200, roughly 200 buildings.

There's an agreement there that there must be a commitment to meet the service cleaning standards that were supplied, and they're fairly extensive. And on that basis, we settled on a selection of 13 vendors for the 200 buildings on a per-square-footage basis.

We don't know, nor were we informed at any step of the way what those companies are choosing to pay their employees. All

we know is we require that a certain cleaning standard must be met. Some of them are night cleaning. Some of them are day cleaning. Some of them are different. They're all different in terms of . . . So there's sort of broad categories of buildings — office space, Sask Poly campuses — and then selected the vendors on that basis.

Mr. McCall: — So what sort of monitoring or compliance regime will the ministry have in terms of making sure that the anticipated savings are met and at the same time the required cleaning standards are also met?

Mr. Murray: — Two pieces in terms of conforming to the cleaning standards. So the cleaning standards are published; they're well known, and they're quite detailed and thorough. Today a building operator's job would be to monitor or oversee a number of cleaners in any given particular building. Tomorrow that operator will be responsible to continue to ensure that cleaning standards are adhered to and met under the new model.

Obviously the cost per square foot has been fixed by each of the proponents, and so that will be our check on the savings and on the cost required to clean.

Mr. McCall: — So in terms of the contract, monitoring enforcement, has that cost been factored in to the projected \$3.5 million savings that has been deposited in different places by the ministry?

Mr. Murray: — We view the cost being roughly comparable in both cases. So if there's a building operator responsible for ensuring today that cleaning is done to a certain standard, and that cleaners are there and on the job and performing the cleaning, they will perform a similar function tomorrow in terms of monitoring cleaning, monitoring cleaners. And so that wasn't really a factor in terms of the savings.

Mr. McCall: — So in the government release dated March 13th, 2017, it references 12 Saskatchewan-based companies selected to provide cleaning services in government buildings. Mr. Murray, you just now referenced 13 vendors. Could you clarify that?

Mr. Murray: — I can. I can. So this is still technically an active procurement, so we are still in the contract negotiation phase. There was a case where there was a slight adjustment made through the negotiation process, and so an additional company has been added to the list. So we were 12; now we are 13.

Mr. McCall: — So in the information that was released in the news release of the 13th of March, it referenced that 6 of the — at the time — 12 successful firms set to receive contracts are employee-owned companies. I'm presuming those are not the employees in question. Is that an accurate statement?

Mr. Murray: — That is not necessarily correct. So companies, through the procurement process, were awarded bonus points if they were employee-run companies, and they were awarded bonus points if they indicated a willingness to hire pre-existing staff. So again, at this point, still an active procurement. Contracts have yet to be signed. And so contracts will be signed

— I think our target here is towards the end of May — and then at that point we'll be able to release fuller details in terms of which employees from which buildings, but we do know that there are six employee-run companies. They might be consortiums of employees, and they might be single employees with a partner or something, but we're still sorting through the details in terms of what that looks like.

Mr. McCall: — So in terms of the point system around adjudicating the applicants, were there any points awarded for the wages being paid or the sort of . . . Again, you've referenced the \$19.41 an hour and the roughly \$35,000 a year salary that that entails. Was there any recognition or consideration given in the tendering process around paying a living wage for those employees?

Mr. Murray: — No. Sorry, no. Once again, our determiner on costs was that our cost today is \$2.19 a square foot. That was our comparator in terms of points that were applied to proponent submissions: building X, building Y, what is your cost to meet this set of extremely detailed cleaning standards tomorrow? And so salary was not a consideration as part of that procurement process.

Mr. McCall: — Does the minister or officials anticipate the 230 individuals being taken up by these new concerns?

Mr. Murray: — Yes, but I will say we don't know which employees in particular because we can't prejudge which employees might even be interested in that. So we do have employees with 38 or 40 years of service who may very well choose to retire, and so we can't prejudge in terms of who might or might not choose to apply for or be considered by any given company. We're not in that space.

We can make employee names available to the companies if the employee or employees choose to do so. Obviously on the employee-run companies, they will have an awareness of the current staff and who might be interested. But we don't . . . I can't comment on that because there may be some who want to retire. There may be some who no longer want to work. Yes, it's really up to each individual.

[19:30]

Mr. McCall: — Given the deputy minister's familiarity with the employee complement in question, how many of those employees would be in the situation that the deputy minister describes where they're on the verge of retiring? How many of the 230 would be 30-plus years of service?

Mr. Murray: — I don't have the number in terms of . . . I have no idea how many might want to retire and might not. And I don't have the number with me in terms of who in particular has 30-plus years or 25-plus years. I don't have that number.

Mr. McCall: — I guess in terms of the 230, is the deputy minister or the minister or officials willing to hazard any sort of a statement on what would constitute these 230 people going on to those that want to work and continue to work? Does the deputy minister think it's half, three-quarters? What is the best guess in terms of what's going to happen to these employees?

Mr. Murray: — I choose not to take a guess at that. It's really . . . there's 230 unique individuals there. They each have their own unique circumstances, and I'd rather not guess. I really don't feel comfortable guessing at that.

Mr. McCall: — Does the minister or officials have anything they want to get on the record at this point in terms of the value of those employees that have worked very hard? And as the deputy minister points out, in some cases for decades for the people of Saskatchewan in keeping places like the Saskatchewan Legislative Assembly shining and looking great. Is there anything that the minister or officials want to say at this point to those affected employees?

Hon. Ms. Tell: — I will. And this is no different than what I said in the House in question period, and that is that very, very difficult decisions needed to be made.

This is never and has never been a reflection on the quality of work or the quality of people that we have employed with government. Their service has been exemplary. Very, very tough decisions had to be made.

Mr. McCall: — Thank you for that. In terms of the 3.5 per cent savings on payroll, how is that being calculated? Or how has that direction been given to Central Services, and how is that savings or cut in payroll being accomplished?

Mr. Baylak: — So as far as the compensation, the 3.5 per cent reduction, Central Services has not received direction. There was a \$250 million essentially balancing line at the bottom of the provincial budget. We essentially await further direction on how that 3.5 per cent will be spread across the ministries.

Mr. McCall: — Has Central Services prepared options for treasury board and the Minister of Finance in anticipation of what is going to be requested of Central Services?

Mr. Murray: — No, we have not.

Mr. McCall: — So let me see if I understand this correctly. Central Services has gone through a budget process where we've just been discussing the 230 employees that were eliminated for a \$3.5 million savings in payroll and an uncertain future for those employees in terms of what comes next, and that's not been incorporated in the 3.5 per cent savings on payroll that's been requested of Central Services.

Mr. Murray: — As Mr. Baylak indicated, the 3.5 million is a balancing line at the bottom of the provincial budget and we really do await further direction in terms of how that 3.5 per cent reduction will be applied to the ministries, both for in-scope and out-of-scope staff. So we'll wait and see how that is going to be determined.

Mr. McCall: — So we're here discussing the budget. It's a \$250 million balancing line. It's a pretty big line. And Central Services hasn't prepared anything in terms of come what may from treasury board and the Minister of Finance. Is that correct?

Mr. Murray: — I once again will reiterate that in terms of how that 3.5 per cent will be applied or sought across the ministries, we await further direction.

Mr. McCall: — So in the FTE complement remaining before us in Central Services, the 739.1 full-time equivalent positions, what's the breakdown between in-scope and out-of-scope positions in that complement?

Mr. Murray: — Out of the 739.1, approximately 70 are out-of-scope.

Mr. McCall: — Thanks very much. Of the remaining in-scope folks, when does their collective agreement come up for negotiation? Is it open right now?

Mr. Murray: — That's standard SGEU [Saskatchewan Government and General Employees' Union] collective bargaining agreement, so I think it's under negotiation now.

Mr. McCall: — And so in terms of the 3.5 per cent reduction, that's where that would be coming from for those individuals. Is that . . . deputy minister or minister have anything they'd like to add on that?

Mr. Murray: — I think that's correct.

Hon. Ms. Tell: — Yes, that's where it will come from.

Mr. McCall: — Did I hear the minister correctly? That's where it will come from is in the negotiations?

Hon. Ms. Tell: — The cabinet committee on public sector bargaining, and I believe the Finance minister referred to that today. And that is, you know, the negative 3.5 will be discussed with every bargaining group and with the people that are employed by government to go to the bargaining table, just so they understand what our needs are.

Mr. McCall: — So in terms of the cabinet committee's direction around public sector compensation, what direction has gone out for the in-scope complement at Central Services?

Hon. Ms. Tell: — I believe that there has been no direction with respect to out-of-scope. And we're awaiting, you know, as the deputy minister said, we're awaiting further direction.

Mr. McCall: — So what is the timeline on that direction?

Hon. Ms. Tell: — I don't have that answer.

Mr. McCall: — How will that be communicated to the broader public in terms of when that direction arrives?

Hon. Ms. Tell: — That will be up to Public Service Commission likely, and coming out of executive government. It will be no different than anything else.

Mr. McCall: — Sorry, I don't understand.

Hon. Ms. Tell: — Well, the communication will come out of executive government in concert with the Public Service Commission. Whenever that decision is made, however that decision is made, it will be communicated as per normal channels.

Mr. McCall: — The 3.5 per cent savings, is there a dollar

figure attached to that as regards to the in-scope complement with Central Services? I ask this knowing that you've got a very proficient acting director of corporate services there who knows how to use a calculator.

Hon. Ms. Tell: — Yes. I don't know. Calculator or no calculator, it doesn't matter at this point because all of this is going to be negotiated and the details will be made available when they're made available. We do not have any information.

Mr. McCall: — What is the total dollar figure associated with the 739.1 FTEs?

Mr. Baylak: — Rick Baylak. So subvote by subvote the salaries associated for central management and services (CS01) are 5.466 million; in property management (CS02), 29.436 million; in transportation and other services (CS05) salaries are 9.499 million; and in the information technology division, salaries are 18.028 million. And finally, in the Provincial Capital Commission salaries are 697,000.

Mr. McCall: — Thanks very much, Mr. Baylak. Now with each of those subvotes, would you be able to break it down between in-scope and out-of-scope?

Mr. Baylak: — That information isn't available tonight.

Mr. McCall: — Can the minister or officials undertake to make that information available to the committee at a later date?

Mr. Murray: — Yes, absolutely. Yes.

Mr. McCall: — Thank you very much, Mr. Murray. And again, you know, we're trying to figure out how you're going to count to 250 million, is our interest in this and the 3.5 per cent salary reduction is one of the hallmark public service initiatives of this government. So again, we're just trying to figure out what that costs in dollars and cents.

Mr. Murray: — If I may jump in? So the 250 million is the government-wide number, correct? Yes? Okay.

Mr. McCall: — Well I guess, you know, within that \$250 million is there a figure that's been allocated to Central Services for savings?

[19:45]

Mr. Murray: — Not as of yet, no.

Mr. McCall: — Just making certain. Thanks for that. I guess changing gears a bit, in terms of some of the projects that the minister had listed off the top . . . And you know, I guess a good place to start would be sitting here under the dome. That was a project initially budgeted for \$15 million. And what was the final expenditure on that project, Minister or officials?

Mr. Murray: — \$20.1 million.

Mr. McCall: — I just asked that because I believe it was yourself, Mr. Murray, that had referred to \$21 million back in June when we were considering the estimates for the budget then. And I'm just wondering if everything is wrapped up in

terms of that expenditure and what that total expenditure is.

Mr. Murray: — Sorry, I misspoke. I'm thinking 20.1. It is \$21.0 million, and that was the final project budget.

Mr. McCall: — Thanks for that. In terms of the Saskatchewan Hospital — and again just for the record — there's sort of a project management component that Central Services is bringing to bear for that work. Am I understanding that correctly?

Mr. Murray: — No. We are the building owner, so we own the property. We own the current facility and we will be the owner of the new building, and so that's why the capital dollars have been allocated through our ministry, as a building owner. We are not project managers on that project.

Mr. McCall: — Thanks for that clarification. In terms of the building owner and building managers going forward, did I hear that correctly? Building managers going forward?

Mr. Murray: — Owner and manager, yes.

Mr. McCall: — What's being anticipated in terms of annual maintenance expenditure for the Saskatchewan Hospital?

Mr. Murray: — A total investment of \$407 million is being made in the new facility including the cost of design, construction, finance, and more than 30 years of maintenance to ensure it remains in like-new condition. I do not have a breakdown on the annualized piece. That would best be taken up with SaskBuilds when they appear at estimates.

Mr. McCall: — Thank you for that. In terms of the . . . If you could tell us a little bit more about the project with ISM, is this to make the digital capacity of the government more intuitive? Or how does that work?

Mr. Murray: — So we partnered with ISM Canada earlier this year to open a data analytics centre of excellence at their Saskatchewan head office here in Regina. And so this new facility will allow government and ISM to better analyze large amounts of information — what they call “analytics” these days — leading to programs and services that are more responsive to the needs of citizens.

So the more data knowledge government has access to, the more it can help people improve their lives by designing programs that work for them. And the centre will help drive research and development in the province, increasing innovation and potentially leading to the creation of the new marketable products.

So eight high-skilled positions were created, with potentially more jobs being created, as the analytics business grows there. Our ministry didn't have a direct investment in the centre; it was developed as part of a result of our ministry being ISM's largest customer. And so there will be a \$2 million annual investment by ISM to fund government analytics projects that will take place in the centre.

Mr. McCall: — So what kind of safeguards are in place in terms of the confidential information that is involved on the part

of the citizens of the province?

Mr. Murray: — So at all times, the centre will comply with privacy legislation and consult with the Privacy Commissioner when required. But I just want to give assurances that any and all data used for the analytics purposes has been anonymized. So there is no individually identifiable data at any point in the process and no data is identifiable by individual or by organization through this. And that's kind of the key to how the whole analytics thing works.

So the system can look at trends. It can analyze, and analyze deep social trends, demographics, health issues, rental rates, availability of educational opportunities, and then sort of crossmatch at a really phenomenal level to, for example, create new housing policies that work better for individuals, or social assistance policies that work better for families, or criminal justice trends that you might not be able to recognize by any other means.

Mr. McCall: — So how is that data rendered anonymous?

Mr. Murray: — By definition, there are data sharing agreements that are signed by each of the participating parties and the data by definition. So the data scientists, if you will, ensure that the data from the systems is anonymized prior to being fed into the analytics centre. It is used for that purpose and then it is scrubbed and removed from the analytics equation.

Mr. McCall: — What level of confidence does the minister or officials have in terms of the private information not being compromised in any way, shape, or form through this process as outlined by the deputy minister?

Mr. Murray: — So I participate on the steering committee for the social innovation hub, as well as my role as deputy minister of Central Services, which includes information technology division. I have 100 per cent confidence that the way that this has been structured and designed, the way the data sharing agreements are in place, that there is absolutely no chance that any confidential or private citizen, business, or any other type of data will be revealed through this process.

Mr. McCall: — That's good to hear. And I guess it also begs a further question in terms of, what awareness does the deputy minister or minister think there is on the part of citizens as they interact with different functions of government that, though it moves on in an anonymous form, that their information is being utilized as grist for the big data mill? What's the state of awareness out there in the citizenry on this work of government?

Mr. Murray: — Well I think it's important to note that when an individual — you or I or anyone else — provides information to government, that there is a clause there that that data, that information will be used for the purpose that it is collected. This is different because if I . . . If your data become part of a pool of millions of records but your name isn't associated with it, your address isn't associated with it, there's no way to link that nugget of data back to you in any way, shape, or form, then it truly is anonymized and it truly can be used for the purpose of determining broad trends.

But at no point does it ever come back and point to you or to me or . . . There's no individually identifiable data that's being used for this purpose. It is truly anonymized. Any identifying marks are stripped out of it and it's only being used for broad trends.

Mr. McCall: — Is the deputy minister aware of any other jurisdictions where there's an opting-out provision for citizens so that, even with the safeguards around anonymizing the information, that their data, still and all, is not utilized in such a process?

Mr. Murray: — I am not. And I think it's because and I'm going to suggest it's because it truly is just being used for trends. It's not a . . . There's nothing in there that any person would need to opt out of. It's truly anonymized, so it might be number of individuals accessing a service or something that there's no identifiable data there so there's nothing to opt out of. It can't be linked back to a client or a person or a household.

Mr. McCall: — And again, not to sort of belabour the point, and realizing your time here is precious and fleeting, in this work has the Privacy Commissioner been engaged? And what is the status of that office's . . .

Mr. Murray: — Yes, Privacy Commissioner has been consulted and his office has been consulted on this. And you know, I think . . . And not to speak for the Privacy Commissioner, but there's an agreement that as long as the data . . . so we'll comply with and consult with the Privacy Commissioner when required, and have done in the past. And again, I can't stress strongly enough, data use for analysis purposes will be truly anonymous. It will not be linkable or identifiable by individual or organization.

Mr. McCall: — Thanks for that. I guess moving questions along in a bit of a different line of approach, in central management and services subvote (CS01), does the minister or officials care to talk about any big differences there in the expenditure this year to last under consideration?

[20:00]

Mr. Murray: — Sorry about that. (CS01), there's a decrease there of \$161,000 due to a reorganization of the corporate services branch. And these savings will be passed on to the commercial subvotes. No change in FTEs.

Mr. McCall: — One thing that's been a bit of an interesting aspect of Central Services estimates in past is the number of positions that are acting. And again that's not the case here tonight in the main, but what are the plans in terms of sorting out the question of acting for corporate services?

Mr. Murray: — So we've done a . . . We've eliminated a good number of acting positions. Mr. Baylak is acting because we had a departure from the commercial services division. And so Mr. Smith has taken on that new opportunity, and so that's only been in place now for a few months. And we will be looking at doing something more permanent on Mr. Baylak's position here, and I want to say in the next four months.

Mr. McCall: — Thank you very much for that. Moving on to property management (CS02). Anything that the minister or

officials would like to highlight for that portion of the expenditure?

Mr. Baylak: — So there's a change in property management on the recovered side of about 3.15 million. The majority of this is for lease and amortization costs. This is a result of amortization coming down in the ministry for the transfer of ownership of seven schools to the respective school divisions, as well as a number of space change costs including leases renewed at lower rates, as well as elimination of government space.

Mr. McCall: — Can the minister, officials describe for the committee the overall envelope of properties under management with the Central Services? Characterize it as total square footage, distribution throughout the province if you could.

Ms. Cherney: — Okay, so Nancy Cherney here. So we have square metres, if that's what you're interested in. The total square metres that we look after in 2016-17 is 903 721.7. And so of that total, some are owned buildings and some are buildings that we lease for then government ministries and other entities to use for the delivery of their programs.

And so in 2016-17 the number of buildings that we have in each category would be 224 that are leased properties and 466 that are owned properties, for a total of 690 buildings. And those are dispersed across the province in 151 different communities.

Mr. McCall: — One more time on the number of owned.

Ms. Cherney: — Number of owned buildings is 466, and leased, 224.

Mr. McCall: — Thank you for that. Of the 930-odd thousand square metres of property under question, how much of that would be vacant?

Ms. Cherney: — Okay, so I'm ready to respond to that. The current office space portfolio has an owned-to-leased ratio of 54.4 per cent owned and 45.6 per cent leased. So our office vacancy rate as of March 31st, 2017 was approximately three and three-quarter per cent vacant. That's all the office space that we have in our portfolio.

Mr. McCall: — Does that differ by market? I'm presuming there's a bigger position for the Central Services in Regina and region, for example. What's the characteristics of the position for Central Services in Regina?

Mr. Murray: — Yes, so 3.75 per cent overall space is vacant. Regina, roughly 2 per cent vacant, 2.2 I think was the number. So it does absolutely vary from market to market, from community to community. Regina obviously, we have the largest contingent of government staff.

Mr. McCall: — So of that 930-odd square metres, what amount of that is in Regina?

Mr. Murray: — The 930 000 square metres is not just office space. So the 930 000 square metres is all space. So you have to keep in mind that there's warehouses; there's highways equipment storage buildings, and highways ... So that's a

grand total of all space managed.

Mr. McCall: — So how much commercial office-type space?

Mr. Murray: — Leased or owned?

Mr. McCall: — Each category, if you might.

Mr. Murray: — We might. Yes, it's very close to a million square feet in Regina leased and very close to a million square feet owned — 95 000 square metres, if you prefer.

Mr. McCall: — Don't get me started on conversions there, Mr. Murray. I'm just a simple, hard-working, opposition politician trying to do my best here. Just kidding. Anyway, in terms of that million square feet leased and the million square feet owned in the city of Regina, for each of those categories, what is the vacancy rate?

Mr. Murray: — Roughly 2.2 per cent.

Mr. McCall: — Roughly? Each category?

Mr. Murray: — Yes.

Mr. McCall: — Okay. I've got a letter in front of me dated March 27th, 2017. It's over the Premier's signature. It's to a resource company in Calgary, Alberta and it's related to trying to attract head offices to relocate to the city of Regina or to the province of Saskatchewan. In that letter on page 2, among the various inducements that are offered, there's an item no. 3:

An offer to help identify affordable and suitable office space, including the potential of leveraging existing government office buildings as a further incentive.

I guess what I'm looking for, is there a dollar figure associated with this initiative? And is that dollar figure under consideration here tonight under the Central Services estimates and in the (CS02) property management subvote of the ministry?

Hon. Ms. Tell: — Central Services, I mean you're in the business of managing space. Ministries are moved from one space to the next just depending on their needs or the needs of another one. If the Premier's offer ... If someone took the Premier up on the offer and were going to be moving here, depending on the amount of space that they wanted or not, we would manage that particular space. We have 2 million square feet in the city of Regina, leased and owned, and we would find a way. We would manage it here, manage it there; that's what we do. And we have the STC [Saskatchewan Transportation Company] building now. That is also government owned. That isn't factored into this. So we have space that we can manage and we will designate it accordingly. We have options.

Mr. McCall: — So is there a dollar figure associated with this initiative under consideration here tonight? There are costs involved with this initiative, as the minister I'm sure would agree. So is that incorporated into the expenditures here under consideration tonight?

[20:15]

Hon. Ms. Tell: — I mean the offer that was made by our Premier, it's an offer. There's nothing solid, no signed agreement or somebody coming. When that time, if that time comes where that indeed happens, then we'll address that particular issue. With respect to the money, well again it's . . . I don't want to deal in what-ifs because that's all that is right now.

Mr. McCall: — Fortunately we're not dealing in what-ifs. This is, I presume, a good-faith offer on the part of the Premier. And in terms of what's being offered, if it isn't in the dollars under consideration here tonight, then is this something that goes against the \$300 million contingency? There are dollar figures associated with this initiative, and if there aren't, folks will wonder why. So where's it represented in the balance sheet? Or if it's not part of Central Services' expenditures considered here tonight, is it then part of the contingency? Is that what the minister is saying?

Hon. Ms. Tell: — I don't know how you would figure out something. It's an offer. There's nothing signed. There's nobody taken us up on it. Nobody's expressed an interest. At this point in time, what are we going to put in for anything, booking anything? Because it doesn't exist. The offer is the offer made by the Premier. When the time comes where hopefully somebody will take him up on the offer, then we'll sit down and figure out what kind of space we have available. Real estate we'll negotiate with realtors. And I mean it's quite a process, but we're not even there. It's not even close. So there's nothing to book because it hasn't happened and there's nothing saying that absolutely it's going to happen anyway. We hope it does. We'll deal with it when it comes.

Mr. McCall: — Okay. There's a lot to clarify here. The minister earlier had referred to that we've now got STC. Is that to be incorporated in the planning around the resources that will be brought to bear behind this offer? Am I understanding that correctly?

Hon. Ms. Tell: — I only provided that as an example that has come available. It doesn't mean it's on for anything in particular. It's office space that has become available. And as the wind-down of STC continues on, I mean, we'll get closer and closer to that particular availability of that building. But it was just given as an example. That's it.

Mr. McCall: — So is Central Services going to be taking over the STC property assets as part of its privatization on the part of this government?

Mr. Murray: — No. That is a building that will be vacant. Normal process on disposition of vacant buildings is, first, a determination of any other government need. So we manage properties. That's what we do. And so there may be an opportunity. If we had a tenant, we'll look at that. But there will also be various other entities within government that will also make the same sort of consideration. And then ultimately if there is no government use suitable for any given building then it will be disposed of.

Mr. McCall: — Thanks for that. So in terms of being a property manager and, you know, managing the portfolio efficiently and effectively there's . . . Just to be as clear as I can

about this, there's no dollar figure in the expenditures here tonight attached to the Premier's presumably good-faith offer to companies outside of the province looking to get them to relocate here.

Mr. Murray: — There is no dollar amount in our estimates this year set aside or assigned for that purpose. The Premier's good-faith offer was made. If a company were to express an interest, then this is what we do. We manage properties. We would assess our portfolio of vacant space. We would determine if there were a fit there, whether that space was owned or part of our lease space. Is it vacant? What is the current cost of that space? And then there's a million other factors that have to go into it. How much parking is required? What does the parking cost? Are there any up-fitting charges, tenant-hold improvement charges?

So it's at this point an offer made, but in lieu of any offer accepted, I couldn't tell you what the cost was because I would have to know how many individuals. What kind of space? Where is the space? What kind of parking is available? So those would all be unknowns until someone accepted that offer.

Mr. McCall: — So you've described the million square feet of leased property with 2.2 per cent vacancy in the city of Regina and the million square feet of owned property in the city of Regina with the same vacancy rate. You know, 2.2 is fairly tight. I guess to get into the leases, have you had a lot of leases coming due right away that would presumably open up the required property to make good on the Premier's offer?

Mr. Murray: — Two point two is, I'm told by Mr. Baylak, about 75,000 square feet total, spread across a number of buildings. Would any given particular pocket be suitable for any particular tenant is what our space planners do for a living. It might be a little bit tight. I like to run about 3 per cent is a good number that allows us to anticipate any changes but we're . . . 75,000 depending on location, where it would be needed, we'd find a fit for sure.

Mr. McCall: — So in terms of the space planners that the deputy minister is referring to, have they been brought in to provide any analysis on the Premier's offer?

Mr. Murray: — No. No, because we have no numbers to analyze. An offer was made. In lieu of an offer being accepted, I'll say once again, we don't have anything to analyze. Should a company take up Mr. Premier on that offer then we will engage our planners, and we will begin the good work of finding a suitable fit within the inventory of space under our control.

Mr. McCall: — Can the minister or officials point to anything that is currently under the management of Central Services that would have been utilized in a similar manner in terms of attraction of business and head office capacity? I guess I'm looking to establish what's the general cost of doing business for this kind of activity and what sort of experience Central Services has in this regard.

Hon. Ms. Tell: — The province is one of the largest lessees in commercial real estate and the opportunity exists to leverage relationships the ministry has with landlords. Established head offices here help Alberta companies establish head offices in

Regina or in any other Saskatchewan location.

We manage a large portfolio of building space, and there are always options to consolidate and free up space as leases expire and as the needs of our ministry clients change, as I alluded to before. We will also explore the possibility of reuse of the STC building in downtown Regina.

Mr. McCall: — So the minister is referring to an electronic communication that has just arrived via iPhone. Does the minister care to talk about where that comes from?

Hon. Ms. Tell: — This is a part of our archives, part of our notes. It just happens to come on an iPhone. And I mean, as I said, we will manage and continue to manage office space in the province given the needs of our clients for our ministries and given any needs that may happen as a result of some company moving here. Until such time as we have somebody actually taking us up on the offer, there's nothing happening. The offer has been made and that's all.

Mr. McCall: — So the minister can't point to anything in the experience of Central Services in terms of dollars involved in this kind of activity, in terms of leveraging government office space to attract offices.

Hon. Ms. Tell: — As was spoken to earlier, it depends on what the needs are of any particular company that may take the Premier up on the offer that was written. We don't know how much space a company would need, how many parking stalls. We don't know any of that. We have nothing. So how do you estimate based on nothing? And that's what it is. There's an offer made and until such time as someone takes the Premier up on the offer with what they need, there's not a lot we can do.

Mr. McCall: — Again you can point to a track record and extrapolate from that to provide some assurance around what a given program might cost. Or, you know, perhaps there was some planning that had gone on, on the part of the ministry to backstop this offer, on the part of the minister, other than, you know, we hope that this works out. So is the minister telling the committee that the Premier has made an offer and has no idea what the dollar figure cost is going to be for the people of Saskatchewan? Is that what the minister's telling the committee?

Hon. Ms. Tell: — I'll give you an example. Government's commitment to leased space in Hill Tower III, for instance, helped to build this 220,000 square foot building in downtown Saskatoon, or Regina. I don't know why I'm saying Saskatoon. The building is headquarters for the potash unit of the Mosaic company right here in Saskatchewan. Headquarters such as this contribute to our economy immensely and offer great things to the province like corporate jobs, investments, and supportive community organizations. So I mean, that's just one example of what we have done, you know, to help contribute to the economic circumstances of the province on the good side.

Mr. McCall: — So now that the minister has arrived at that example, what was the dollar figure cost to the people of Saskatchewan in terms of leveraging that opportunity? And what portion of that was Central Services up for?

Hon. Ms. Tell: — Okay, Central Services leases space in this building for the ministries of Advanced Education and Justice. Advanced Education occupies 42,000 square feet and Justice occupies 4,700 square feet. We do have a small amount, approximately 5,013 square feet of vacant space at this time. We are always and are actively working with our clients to fill that space in the near future. We have over 400,000 square feet of space up for renewal in the next two years in Regina, so there will be an opportunity to reduce our footprint, in-government footprint and find an appropriate tenant for this space.

[20:30]

Mr. McCall: — What was the length of the term of the lease that Advanced Education and Justice entered into in the circumstance that the minister's describing?

Hon. Ms. Tell: — The lease for Advanced Education in Hill Tower III is the year 2032, is when that particular lease comes up for renewal.

Mr. McCall: — And that was entered into 2012?

Hon. Ms. Tell: — 2012.

Mr. McCall: — Justice, when was that lease entered into, and when does it extend until?

Hon. Ms. Tell: — It started the same time. The lease is up in 2032.

Mr. McCall: — So what were the values of each of those two leases?

Hon. Ms. Tell: — Central Services — or we — don't release commercially sensitive lease information. As a large lessee in Regina and Saskatoon commercial real estate markets, we want to ensure we're not inappropriately influencing the market in these communities.

Mr. McCall: — But suffice it to say it's, I'm sure, more than just hoping money. So when an offer is being made like the Premier is making, there is experience on the part of Central Services to make some calculations as to what the impact to the taxpayer might be. So again, are we to believe that there's no dollar figure in the expenditure here under consideration tonight that is attached to the Premier's offer, that it's just floating out there and we'll figure it out, and maybe out of the \$300 million contingency? Is that what the minister is suggesting for the committee?

Hon. Ms. Tell: — There is no dollar amount. And I reiterate, there has only been an offer made by the Premier. There's nothing been accepted or indicated anybody's interest in relation to that offer that the Premier made. Of course we hope that somebody would take the Premier up on that, and when and if that time comes, the ministry will work with the affected ministries and find the appropriate office space desired.

Mr. McCall: — Thanks for that, Madam Minister and officials. In terms of looking to sell off different of the properties considered under this subvote, is there anything that's identified for being liquidated?

Mr. Murray: — Obviously we have a process in place to dispose of land and/or buildings that are no longer required by executive government. First we determine, as I noted earlier, if the property can be used by another executive government ministry or any other part of government. Then we have the property appraised to determine a fair market value. And then finally the property is offered to the public through a public call for proposals. So in 2016-17, the ministry sold one property at what is known as 815 Dewdney Avenue. Sales coming here in 2017-18, we've got a parking lot on Smith Street that has been advertised for sale, and we're in the process of reviewing the submissions for that particular property.

Mr. McCall: — Thank you for that. I guess moving on to subvote (CS05), transportation and other services, can the minister or officials describe what will happen, as succinctly as possible, with the executive air, given that that's been in the public domain and we've got a fair amount of information there?

Hon. Ms. Tell: — As has been in the public domain, we all are aware that executive air service has wound down due to the fact that service, or the people using the particular air service, has decreased drastically in recent years. We're examining all the options to manage the expenses and to operate as efficiently as possible during these challenging times. With the use of exec air down by 73 per cent, as was mentioned earlier, it made sense to wind down the service. The savings that we're anticipating are expected to total 700,000 to \$1 million annually.

Mr. McCall: — What severance will be paid out by the affected employees, or to the affected employees?

Hon. Ms. Tell: — The amount of severance is approximately \$650,000 estimated.

Mr. McCall: — In terms of the facilities involved, what will become of them?

Mr. Murray: — All right. So the building is owned by government on land that is leased from federal government, and there are subletting clauses as part of that lease. So we will be issuing a request for services on future provision of services. A number of charter companies have already been spoken with to get their input on what should and should not go into that document. We're going to leave it fairly open and we will seek a provision of services. The planes will be made available for sale through a separate tender document. And the building, as I say, subletting arrangements will be made available as well or will be considered if a company chooses to do that.

Mr. McCall: — In terms of the aircraft involved, what will become of them? And what sort of consideration was made of using them in terms of the work of air ambulance? And that same question in terms of considering the existing assets goes for the facilities as regards air ambulance. What consideration was made there?

Mr. Murray: — Absolutely there had been consideration of that. I'll note though that the aircraft in the air ambulance program are either newer or are of similar age and value to those in the exec air fleet. And so it didn't make any sense to

swap out an air ambulance aircraft of similar age and value or newer for an executive aircraft which would then need to be retrofitted for use in air ambulance. And so the two King Air B200 models will be sold.

Mr. McCall: — What revenue is anticipated with those sales?

Mr. Murray: — I'm going to say unknown. Our aircraft are highly regarded. They're known to be well maintained and well looked after. And so we had expected on the sale of the King Air 350 that we may, you know, we may be lucky to achieve book value on that aircraft, but much to our pleasant surprise we were able to actually see a substantial profit on that aircraft. So I'm not speculating. We always shoot for book value, but one never knows until one goes to market.

Mr. McCall: — Thanks for that. In terms of mail services in this subvote, we discussed this in previous estimates. It was sort of a broader discussion around transformational change and what alternative service delivery that might lead to. There were some assurances made around the use of the mail services continuing at that time.

Can the minister or officials describe what will happen with mail services in the days and months ahead? Will they remain for the most part a service on the part of government, or are they up for being privatized as well?

Mr. Murray: — Mail services program is . . . It's an interesting program. Saw an interesting article from the president of Google who said they might be the highest high-tech company in the world, but they still have a mailroom, a paper mailroom. It's one of the requirements of doing business for any large organization, and it always has been.

So while the amount of paper mail has declined significantly over the last 10 years and continues to decline from year to year, I will say that we do not have any plans to radically alter or contract out mail services in the immediate future.

Mr. McCall: — Thank you for that. Moving along to (CS11), information technology . . .

The Chair: — We would like to take a five-minute break at this point in time if that's all right?

Mr. McCall: — Sure thing, Madam Chair.

[The committee recessed for a period of time.]

The Chair: — Thank you, everyone. We will resume with our questions.

Mr. McCall: — Thank you very much, Madam Chair. So we'd left off, we were hearing about the values of an old-school mail service and glad to hear that there's nothing too radical being anticipated there.

Moving on to (CS11), information technology. And again I guess this is as good a place as any to ask the question about the use of consultants, the use of external contractors, which has come up for mention for Central Services in past from the Provincial Auditor, both in the degree to which consultants

were being utilized and the sort of lack of oversight or clear expectations on the part of a lot of the work that was being done, and by extension, the questions and concerns that raise for the proper expenditure of public dollars. Does the minister or officials have anything they'd like to tell the committee at this point about where we're at on the use of consultants in Central Services generally, but particularly as relates to information technology?

Hon. Ms. Tell: — In '14-15, we had 65 consultants; '15-16, we had 47; '16-17, our year to date, we have 36. The total spent, '14-15, in consultants was 14,962; '15-16 was 10,926, a reduction at that point in time of minus 27 per cent. An overall change in percentage figures is minus 35 for all of those years.

Mr. McCall: — In terms of the questions that the Provincial Auditor had around proper reporting on the part of the work being done by consultants, does the minister or officials have anything they'd like to share with the committee on that score?

Mr. Murray: — So while many instances of consultant use require a specialized resource for a short period of time . . . I'm sorry. You're asking about the policies. So we have a consulting services procurement policy document that has been drafted, accepted, and widely communicated across all parts of the ministry. This is in place to guide the use of internal resources versus hiring external resources. All projects have a business case that document the consultant resource requirements, provides guidance on performance evaluation, dispute resolution for contracted resources, and standard documentation is used for extending an agreement with an external resource. So responsible use of contracted resources will continue to ensure the successful delivery of IT services for the ministry and for government.

Mr. McCall: — In terms of the recommendations from the Provincial Auditor, are there any outstanding at this time in terms of improving the reporting and compliance regime around consultants, in particular in Central Services?

Mr. Murray: — All were satisfactorily addressed. There was one that partial compliance had been achieved, and I've just got my team here digging through which one that was specifically.

Mr. Smith: — Troy Smith, the executive director of commercial services. There is one outstanding recommendation from the Provincial Auditor and I don't have the exact wording in front of me, but it related to vendor performance and evaluating vendor performance at the end of an engagement. And we have made progress on that. We have a policy in place. We have a process in place. And from now on, as those engagements wrap up, we will be performing an evaluation and keeping those records on file to be used for future procurement and future purposes.

Mr. McCall: — Thanks for that. In terms of the security and certainly breaches of security, cyberattack, the various challenges that maintaining an IT infrastructure in this day and age, any thoughts on the part of the deputy minister or officials or the minister in terms of the security and the reliability of the IT infrastructure under the watch of Central Services?

Mr. Murray: — I will say that every year there are millions of

attack attempts on government networks, and every year we prevent millions of intrusion attempts from accessing government network. We remove literally millions of viruses from government computers with our antivirus software, and we block more than 80 per cent of incoming mail is actually blocked because it either contains malware or spam or viruses. And so we take protection of systems and citizen information very seriously.

In today's environment, no one is safe from security attacks. No one is safe from breaches. Even the most secure networks face challenges in the world. And so we work to ensure our IT systems are secure by investing in updating, improving, and enhancing our network security, continually educating our employees about security practices and user obligations, and having a team of security professionals who monitor and follow up on security events. Within the last year Bonnie has hired a new security . . . Go ahead and tell us about your new chief security officer.

Ms. Schmidt: — Hello. Bonnie Schmidt, chief information officer. Last year we hired Fuad Iddrisu. He is our executive director of information security branch, and he is our chief security officer. He manages the information security branch as well as the account management team, who manages all of the securities within the organization. And he is a very well-respected, very qualified individual who came to us actually from Alberta last year. So he has various different security certifications that make him absolutely invaluable to the Government of Saskatchewan.

[21:00]

Mr. McCall: — Glad to hear it. And thanks for the work that you continue to do as the chief information officer. In terms of the complement of IT professionals, in terms of the various HR [human resources] recruitment challenges of government, it seems to me this is usually one of the more challenging areas of recruitment and retention in terms of keeping that right complement of professionals. Anything you'd like to offer the committee in terms of how that work is going?

Ms. Schmidt: — So we have a very well-qualified security team. Fuad has actually made sure that he's implemented a five-year security plan. We made sure that all of the communications, as Mr. Murray had mentioned, around the education of folks, which is one of the primary means of being able to prevent some of the things that you see going on within networks . . . Fuad has managed to really put together a very, very solid team to be able to support all the work that that area is doing.

Mr. McCall: — Any observations around turnover on that team, or is it a fairly stable unit?

Ms. Schmidt: — It is a fairly stable team. We did have one gentleman recently retire at the end of this year, and so we'll be replacing the manager of our policy branch.

Mr. McCall: — Thank you for that. Moving on to (CS07), subvote (CS07), there's a reduction on the order of about, well 12 million all considered between land and machinery. The minister or officials have anything they'd like to offer up in

terms of reasons therefore?

Mr. Baylak: — So for the decrease in major capital asset acquisitions, there was about an \$11.9 million decrease. The majority of this is about a \$13 million decrease for the third and final year of major construction for the Saskatchewan Hospital North Battleford, offset by a few increases to essentially base land, building, and improvement-based capital of about 1.69 million. So that makes up the \$11.9 million decrease.

Mr. McCall: — Thanks very much for that. Moving on to the Provincial Capital Commission, I guess the first question would be the Territorial Building. What's the current status of the Territorial Building and the grounds around it?

Mr. Murray: — Territorial Building remains vacant. We are unable to find a suitable tenant for that building, which is unfortunate. It's the second-oldest building in the city of Regina. It's got significant heritage value. It's an odd building though. It's an odd shape. It's an odd design, and it needs a fairly substantial amount of work done to it. We have chipped away at it in terms of moderate improvements. And so at the moment we don't have a suitable tenant interested in that building. I will say, every year we will provide a tour to an odd group or two that might have an interest in locating there, but we have not been successful to date. We've also had a number of proposals where we looked at possibly turning it into a museum, possibly a Premier's library, possibly. But we just have not been able to arrive at any good fit there.

Mr. McCall: — Is there a dollar figure on the work outstanding on the building to bring it . . . And I guess if you could describe for the committee what is required.

Mr. Murray: — Probably most critically is accessibility requirements to meet modern standards. There is only a stairwell; it's very steep. And that's not necessarily a problem; we have in the past been able to affix an elevator on the outside of a heritage courthouse to allow access up to a second floor and design it in such a way that it meets heritage specifications, blends in well with the building. Typically those elevators and the blending in to make it fit the building is in the 400 to \$500,000 price range because it is a fairly radical modification.

The rest I'll say would be hardwood throughout, new furnaces, new air conditioning, and then probably security, secure parking on the outside of the building with some sort of secure access and landscaping and all that sort of good stuff. It could be a million and a half to \$2 million to get that building up to snuff.

Mr. McCall: — Thank you for that. So moving through the expenditure with (CS13), oh, Provincial Capital Commission and Government House moves from about \$1.1 million in '16-17 to 3.8. Minister or officials have any sort of explanation for that?

Ms. Cherney: — Nancy Cherney here. So in that subvote allocation, we are seeing reflected in the estimates for this year the amalgamation then of the Wascana Centre Authority allocation that previously was a grant payment that was paid separately to Wascana Centre Authority, but with the recently announced legislative changes, now that's rolled into the

allocation for Provincial Capital Commission. So the line that you're looking at would represent a combination of what was previously allocated for Government House and the Provincial Capital Commission as it stood prior to the legislation coming into being, rolled together with the Wascana Centre Authority allocation. And the line below it is the statutory allocation that was previously provided to Wascana Centre Authority as well.

So now those two together and the previous allocation to Government House and Provincial Capital Commission would get you to the 11.081 million allocation for the total subvote, along with the Provincial Archives of Saskatchewan allocation. I should specify that one is still split out.

Mr. McCall: — Sure thing. Thank you for that. And I'll say right here, we'll certainly have a longer discussion around the Provincial Capital Commission legislation that's before the Assembly.

But I guess in terms of the origins of that legislation, does the minister or officials have anything they'd like to share with the committee in terms of how it is that we have a partnership that's in its 55th year, building on work that goes back to 1913, how that partnership is moving from a place where you have three voting members on the Wascana Centre Authority from the city, three from the university, and five from the province, changing that to a circumstance where the province has three and the city has one, and that's chosen by the province from the list submitted by the city, and the same circumstance exists for the university?

So changing it from a situation where if you needed sort of, you need a consensus to make decisions, and that had worked for 55 years, how is it that we're moving from that circumstance to a situation where the province effectively controls the votes on the board and has a clear majority to do with as they will? Does the minister have anything to offer to the committee on why that is?

Hon. Ms. Tell: — I think it would benefit us all if we went through a bit of overview to give some context as to why we ended up here today with Wascana Centre and the associated legislation, as a result of a comprehensive review that was done in 2011 with all the partners of Wascana Centre Authority — the city, the province, and the university. The recommendation in this review was for the province to assume responsibility for Wascana Centre, from the review was to adopt a simple structure of governance led by Government of Saskatchewan as the best option to maintain the park and preserve it for future generations.

[21:15]

We spent considerable time going through this report and, as a result, we see legislation introduced. The new advisory board will be made up of one city, one university, and three provincial representatives. The partners with the current Wascana Centre Authority were involved during the commissioning of this comprehensive review and during the process. And it was indeed extensive, looking at a number of things relating to Wascana Centre. I will acknowledge of course that the city of Regina has concerns; however I believe they're unfounded.

And the Wascana Centre Authority as it currently exists with three, three, and five — three for university, three for the city, and five for the province — has never had an issue where . . . The possibility would always exist and did exist where one partner could collaborate with another partner to overrule the province or do something that the province would find not appropriate. That's never happened. I think all partners, and I believe all partners — the city, university, and the province — are all looking at what is best for Wascana Centre, and, you know, and looking after the infrastructure deficit, looking after, you know, the common lands that will now be more in play than they are today. Each partner is going to have full responsibility for anything on their own lands and will look after their own lands.

It was clear from that governance report that I spoke about, the comprehensive review, that the governance model was not working, and as a result the quality of the park is deteriorating. The quality of the park, the deterioration, is not something you can necessarily see. It has to do with the infrastructure deficit. And I mean, the report is really quite extensive when we're talking about the infrastructure in the . . . For example, one example is the water situation, the water pipes. And that's just one example of where the infrastructure deficit exists. And again, that current model, according to this comprehensive review, is not working. It's not working in the best interests of the park. So we as a province decided, with the recommendations of the review, that we would assume the responsibility of Wascana Park.

The opportunity then arose when the . . . We have the Provincial Capital Commission which was, I think it was 2010 I believe that it really kind of put some focus to it, some structure to it. However, the Capital Commission itself has never fully been realized for what it actually can do and what it actually should be, and that is an entity to celebrate the historic nature of the legislative precinct. And of course this legislative precinct sits inside this amazing Wascana Park. So it was an opportunity for us to collaborate with the Provincial Capital Commission and assume the responsibility for the functioning of Wascana Park.

So the numbers of board members on this particular committee, as I said, it was to be streamlined, and hence part of the reason for the change. The Government of Saskatchewan owns 70 per cent of the land. The city of Regina owns 30 per cent of the land, and the university . . . Right? Am I correct? . . . [inaudible interjection] . . . 70 . . . [inaudible interjection] . . . 15, yes. And city's 30? Yes. And we're . . . I thought we were 70. Okay. So for 20 per cent I'm out.

So anyway, suffice it to say that the Government of Saskatchewan owns the majority of the land in the park. And the funding is provided to Wascana Centre based on that division of land, what the province owns, city owns, what the University of Regina owns. So this advisory committee will be governed by a memorandum of understanding between all of the partners, so that all the partners understand what the expectations are of each, depending on what the situation is.

It is a collaborative board. It's not intended to overrule or do anything bizarre. The master plan will always be followed in relation to Wascana Centre, and it's just sort of how we're

going to govern this park going forward. And because we have changes . . . And there are changes, and they're coming. And will we see a few bumps in the road? Probably, but it's a new process and, you know, if we're all in it for the sake of Wascana Park, then we shouldn't have any problems.

Mr. McCall: — Again it's a . . . I point out that we'll certainly look forward to asking further questions on the bill as it arrives in committee. But for starters, the consultant's report that the minister is referring to from 2011, could the minister or officials tell the committee when that report was made public? And further, just to make certain that we've got the right report, if the minister or officials could commit to making that report available to the committee.

Hon. Ms. Tell: — Sure. Yes, there's a number of reports involved in this process, and I don't want to get them . . . I don't want to confuse the situation and say a wrong date for some of the reports. We're happy to release that.

Mr. McCall: — I guess in terms of that 2011 report that came back with recommendations around governance, that's the mainspring of the changes to the board that we're seeing here and by which the province effectively takes control of the board. In terms of the authoring of that report or the commissioning of that report, which has been referred to, what was the undertaking on the part of the partners? Was there some kind of binding aspect to the report before the governance review came back in? What was the understanding of the report? Or was it like any other report where advice comes back and it's free to be seized upon or discarded as the partners would wish?

Ms. Cherney: — Okay, so . . . Nancy. I'll respond to that one. So when the report was commissioned, all the partners were committed to taking a look at the park and, you know, all the features that needed to be addressed. There was a major infrastructure assessment done, landscape assessments done, all of that. So when they entered into the process of having the report commissioned, there was a willingness there to look at all of those components.

And obviously the partners got into that effort together and were committed to looking at the results that came out of it, again in a collaborative manner, and determining that, you know, there were some recommendations there, some ideas there that had merit and that were worthy of further consideration. And so they didn't want to see all of those results just kind of put on the shelf, so the reports that have been developed have already been used. You know, the infrastructure evaluation, for example, had been used to shape decisions about investments into infrastructure going forward.

And as much of that information as possible, the partners are committed to using that for the benefit of the park and for the centre itself. So there was no binding commitment to have to respond to some of the findings, but certainly there was willingness on the part of the partners to move forward when the recommendations or the information that was presented was useful to them.

Mr. McCall: — There's no agreement in advance in terms of, you know, we'll come back with recommendations around

governance and we'll agree to them. So there's nothing at the outset in terms of folks gainsaying their support for the recommendations that came with the governance review?

Ms. Cherney: — That would certainly be my understanding of it. There was nothing in advance that said we will be bound by some of these things coming forward. You know, as the information was prepared and presented, they considered it. They discussed it. They reviewed it. But there was certainly no advance commitment that they had to act on it. It was a choice as they moved forward on the various pieces.

Mr. McCall: — That's my understanding as well. And since then, since 2011 when this report was first provided presumably to the partners in Wascana Centre Authority, has there been an endorsement on the part of either the city of Regina or the University of Regina in terms of the governance recommendation contained in that report? Have they endorsed that?

Ms. Cherney: — Yes, there has not been formal endorsement of that position. So there's been discussion. There's been review. There's been, you know, debate about the merits of moving forward in that manner, but not a formal endorsement from the board.

Mr. McCall: — Not a formal endorsement by the board.

Ms. Cherney: — Right.

Mr. McCall: — Nor by the partners.

Ms. Cherney: — The partners would be represented on the board. That's correct. So not a formal endorsement.

Mr. McCall: — So again, in terms of proclaiming and extolling the value of the 55 years of partnership and expecting that collaboration to continue, the provincial government is proceeding with an effective takeover of that board without the endorsement from the other two partners. Is that correct?

[21:30]

Hon. Ms. Tell: — As we spoke about, we have the comprehensive review and the related recommendations. Notwithstanding the board not endorsing it, we must understand that the board participated in the creation of that document, whether it's by, you know, discussions or participation, just because they're part of the Wascana Centre Authority. And notwithstanding also that if the board did not sign off on it or endorse it, they did forward it to the Government of Saskatchewan.

And the fact of the matter is, is that that report, at extensive financial cost to all of the partners involved, that the report exists. And the report outlines all of the infrastructure deficit, outlines the issues with governance, notwithstanding that the board did not sign off on the report. The report is what the report is. It is as it exists; it's written, and it was at extensive cost to the government and all the partners.

Mr. McCall: — Is that the minister's . . . Again there's some pretty interesting balancing being done here in terms of the

meaning of things. We've established that there was not consent implied or agreed to in advance of commissioning the report. That's been related, you know, definitively by your official. Is the minister contending that participation in the report is consent? Is that what the minister is contending?

Hon. Ms. Tell: — The board did support the document. The board did not formally approve the document, but the board supported the document.

Mr. McCall: — Again, the people that speak for the University of Regina are the University of Regina. The people that speak for the city of Regina are the city of Regina. And to maintain this jumping back and forth between formal consent and informal endorsement is kind of strange.

And I guess in terms of, you know, as a minister of the Crown familiar with the cabinet decision item and what goes into the formal decision, was there opportunity given to the University of Regina to consent to this recommendation around governance, to endorse this recommendation around governance? Was there an opportunity given to the city of Regina to endorse this governance review and this takeover of the Wascana Centre Authority by the province? Was that afforded to the partners?

Hon. Ms. Tell: — First off, the government has, as a result of the report, has decided to assume the responsibility of the report. I take exception to the words "take over." The overall recommendation of the review was to adopt a simple structure led by the Government of Saskatchewan as the best option to maintain the park and preserve it for future generations. The report was done by the Wascana Centre Authority which has University of Regina, Government of Saskatchewan, and the city of Regina on that board. The support for the report was . . . I mean embarked on. We received the money to do this report, and as a result, the report was completed a number of years later through extensive consultation, advising, and seeking advice from the Wascana Centre Authority.

The formal part of all of this has not occurred from the board, from the Wascana Centre Authority. However the report still exists and the recommendations still exist. And the Government of Saskatchewan has decided to act on the recommendations.

Mr. McCall: — Can the minister or the officials provide the committee with proof that the city of Regina has endorsed the governance review that the minister's referring to? Can they do the same for the University of Regina?

Hon. Ms. Tell: — Well the proof of the formal adoption would be if the committee formally adopted. I've never asserted or maintained that the report was formally adopted, but the report exists and so do the recommendations.

Mr. McCall: — I guess, when is the minister going to provide the committee with the report as has been undertaken?

Mr. Murray: — We'll strive to get you the report ASAP [as soon as possible]. I believe it's already available online, and so there's no challenge with that.

I just want to maybe reiterate the report was funded at

considerable cost to the partners through 2011 and 2012. The report was developed with significant consultation with the public. The findings and recommendations contained therein, they set a very great vision. They set a course of action for the future, the importance on the future of the park, and they also lay out a governance model. That governance model is based on public consultation, consultation with the partners, with the city, with the university, and with the Government of Saskatchewan.

And it is government's decision to proceed with the recommendations contained within the report. We will work collaboratively and collectively with the partners. A committee will be established and we will work . . . Each partner will be responsible for the care, uptake, and maintenance of their own lands. Common lands will be collectively funded, just as they always have been in the past, and collectively governed through the operations of the advisory board, the new advisory board that has been created.

The Chair: — The time for this committee this evening is now complete, so I will ask a member for a motion to adjourn. Mr. Bradshaw has moved adjournment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This meeting is adjourned until the call of the Chair.

Minister, do you have any closing remarks?

Hon. Ms. Tell: — No. Thank you very much for your time; we appreciate it. Thanks. Thank you all.

[The committee adjourned at 21:38.]