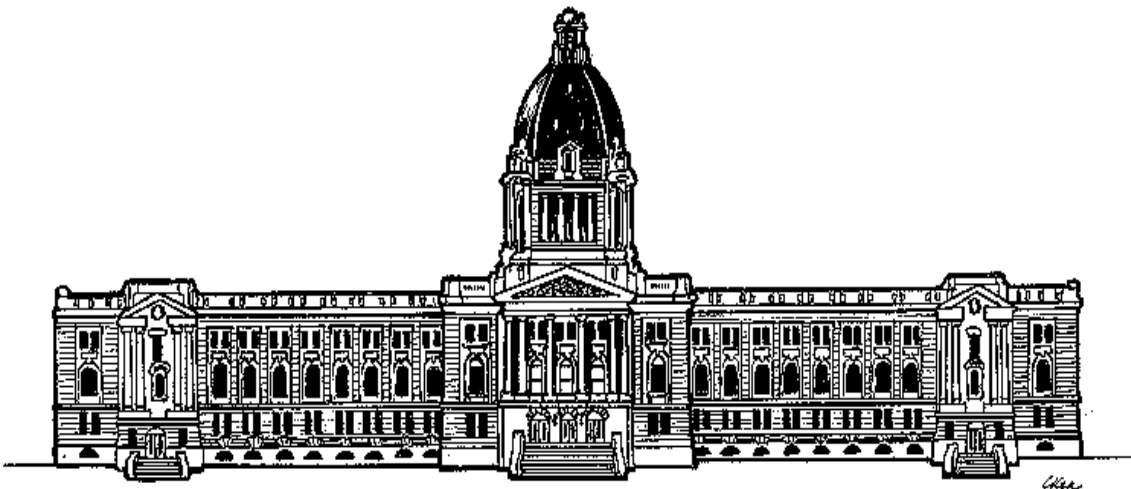




STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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**STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES
2005**

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Mr. Andy Iwanchuk
Saskatoon Fairview

Mr. Allan Kerpan
Carrot River Valley

Mr. Warren McCall
Regina Elphinstone-Centre

Hon. Mark Wartman
Regina Qu'Appelle Valley

[The committee met at 15:00.]

The Chair: — Thank you members. I call to order the Standing Committee on Crown and Central Agencies. The agenda has been distributed. The first item is the consideration of estimates for Property Management and supplementary estimates for SPMC [Saskatchewan Property Management Corporation], consideration of estimates for Public Service Commission.

We have a temporary substitution form. Mr. Wartman is being replaced by Mr. Quennell, and also Mr. Elhard is filling in for Mr. D'Autremont.

We also have annual reports to table for SaskTel, Investment Saskatchewan Inc., Saskatchewan Government Growth Fund Management Corporation, Saskatchewan Opportunities Corporation, Crown Investments Corporation of Saskatchewan, Saskatchewan Development Fund Corporation, and Saskatchewan Development Fund. And that is so tabled.

So without further ado, we will go to consideration of estimates for Property Management and supplementary estimates for SPMC found on page 115 of the Estimates book. And I would welcome the minister if she has a brief statement, and before she does that, introduce her officials.

**General Revenue Fund
Property Management
Vote 13**

Subvote (PM01)

Hon. Ms. Higgins: — Thank you very much, Mr. Chair. I'd like to introduce to you and to members of the committee, the officials here from Saskatchewan Property Management. To my left is Ms. Deb McDonald, the deputy minister of SPM [Saskatchewan Property Management]. To my right is Mr. Garth Rusconi, assistant deputy minister of accommodation and services. To my far left is Ms. Debbie Koshman, assistant deputy minister of corporate support services. And sitting behind at the table is Donald Koop, assistant deputy minister of commercial services; Mr. Phil Lambert, assistant deputy minister and CIO [chief information officer] of information technology; and Ms. Shelley Reddekopp, manager of financial planning and reporting.

I would like to thank them very much for coming before the committee today to assist me in answering questions, any questions that the committee may have regarding the estimates of the Department of Property Management. Thank you.

The Chair: — Thank you, members. Central management and services (PM01). I recognize the member for Last Mountain-Touchwood.

Mr. Hart: — Thank you, Mr. Chair. Minister, this past January I wrote to you inquiring as to the state of negotiations and so dealing the Echo Valley Conference Centre near Fort Qu'Appelle. And you had responded on January 20. You said that you're in discussions with the possibility of having this property owned by municipal governments. I wonder if you could provide an update as to where you are as far as the

disposal of that particular piece of property is as of today.

Hon. Ms. Higgins: — To the member, we're still dealing with both of the municipalities — Fort San and Fort Qu'Appelle. We have had one proposal that has been put forward pertaining to Fort San. That was returned to them with some questions about some other information that was needed. The Fort Qu'Appelle proposal has . . . Of course I'm sure you're aware with the death of the mayor and the election that's just taken place, that proposal has been put on hold. So we are waiting until the end of the month. That's kind of the time that we've put on it to see if they can have something brought forward by then.

Mr. Hart: — These proposals that you received, they are proposals that are genuine and that if the issues that are outstanding at this point in time, is it your opinion that this property could eventually be owned by the municipalities? I mean I'm just trying to get a sense of where we are. Are the proposals and the negotiations more at the inquiry stage or are we down to serious negotiating? If you could just give me a sense of where, you know, where we are as far as the negotiating process.

Hon. Ms. Higgins: — The proposal that was put forward from Fort Qu'Appelle would probably be more considered in the first stages, a little more than an inquiry but it's still at the early stages. So that's . . . you know, there's a bit of lag time there on that one. The proposal that was put forward from Fort San is well past the inquiry stage and would be considered a proposal. But there is a number of gaps in the business plan and that's where we have requested more information and continuing to move along with those.

Mr. Hart: — Okay. Thank you for that. You indicated in your letter that minimal heat will be provided to the facility. You're going to have some summer staff ensure that the grounds are maintained. I would presume that you must have had staff during the winter months inspect the facilities occasionally. And I wonder, do you have a cost of maintaining the facilities from the time it was closed to the end of the last fiscal year?

Hon. Ms. Higgins: — The process that's been used for Echo Valley, we've continued to monitor and maintain the centre to ensure that the facility remains in good working order, and really, in keeping it attractive for investment opportunities. There has been a small number of staff that have been retained to operate and maintain the heating system and ensure that any minor maintenance issues are addressed. And in addition SPM has also installed a monitoring security system on the facility. When you look at total cost all in, for what's been done and maintained, it's expected the cost will be around \$212,000. That includes wages, any maintenance that has to be done, the monitoring; that includes everything.

Mr. Hart: — That's the figure to the end of the last fiscal year. Is that the figure, Minister?

Hon. Ms. Higgins: — Yes it is, until March 31.

Mr. Hart: — Thank you. How many staff would you have — and I guess we should talk in full-time equivalents I suppose — that you have employed to maintain and monitor the facility

during the winter months? And now that we've got into spring and summer, how many staff would you have for the summer period?

Hon. Ms. Higgins: — Throughout the whole year are you talking about . . .

Mr. Hart: — Well I guess I'm asking how many over the winter months did you have to maintain and monitor the facility? And now since we have summer, you know, spring is with us and grass is growing, how many staff would you have now?

Hon. Ms. Higgins: — There's two employees that are working basically full time during the winter maintaining the heat, maintenance, repairs, any of that. And there's been one more person hired at the site for grounds maintenance over the summer months.

Mr. Hart: — You mentioned there's a monitoring system. Was that monitoring system installed . . . When was the monitoring system installed and what was the cost of the system?

Hon. Ms. Higgins: — It was installed after the facility closed and that's included in the \$212,000.

Mr. Hart: — But you don't have a cost of installing and monthly cost of the monitoring system?

Hon. Ms. Higgins: — We'd have to get back to you with that information.

Mr. Hart: — Okay. How long do you anticipate maintaining the facility in its present state until . . . How much time are you going to allow for negotiations at the various levels? You're at the municipal level now. I understand your next process would be to go to the federal government and the First Nations community and then the last step would be you would offer it up for sale, public sale by tender.

Have you got a time frame for each one of these steps? You know, and when do you anticipate that if nothing happens with the municipal sector you move on to the next one and so on? Just basically outline a sort of a time frame when we can see that we ultimately have a final resolution to this project.

Hon. Ms. Higgins: — The steps don't have a defined time period as they sit. What we do is look at the kind of the facility and what interest that there has been in it. Currently with Fort San and Fort Qu'Appelle, you know, interested and looking at putting together more substantial proposals, we've kind of set a timeline of the end of May, but we'll go from there.

If there is significant proposals that come forward and kind of the gaps in the current proposal are filled, if there's work progressing then we can work past that time. But if there's nothing significant that comes forward, what we'll do is look at moving to the next step.

Mr. Hart: — I believe the facility was closed last fall I know — but I'm just struggling to find the exact month, whether it was September or October — so we're well into six months or more since the facility has been closed. You've just told me that

you've spent \$212,000 to maintain the facility and we're looking at . . . I'm guessing that this process could take another 12 months or longer. And I mean if we spent . . . obviously I would presume that a good chunk of the \$212,000 is associated with heating and those sorts of things.

But the point I want to make is that it's not . . . I mean there are some fairly significant costs to maintain the facility. And last year when you had announced in your budget that you were going to close the facility at the end of . . . or the fall of 2004, the community put forward a proposal and asked you, I believe, for another two years so that they could get their plans together which may have included keeping the cadets at the facility if there was sufficient time.

I believe last year in committee we determined that probably the real losses associated with the facility were in the neighbourhood of 3 or \$400,000 per year. It just seems to me that we're going about this in a very inefficient and counterproductive way of dealing with this facility. It seems to me in retrospect, and I think the facts are already showing, that if you would have reconsidered your decision and given the community some time that I think the net financial result to your department would've been pretty small, because as I said, it's already costing your department, you know, significant dollars just to maintain the facility. And in the meantime we've lost the cadet program from Saskatchewan which, you know, was a valuable program and it added significant tourist dollars to our community.

So I would, you know, I think your plan was not the most well-thought-out plan and I think, you know, I think the results even within the six-month period since it's been closed is showing that perhaps the community's plan was the better plan for the facility — giving them two years to come up with an alternate use and perhaps a good chance of keeping that cadet program at the Echo Valley Conference Centre.

Hon. Ms. Higgins: — Well when you look at the losses for the centre when it was open and operating with pretty low usage that was there, we're looking at closer to between 800,000 to \$1 million in losses a year. So while the \$212,000 may sound high, it's quite a bit less than what it was over the past number of years.

I can tell you from facilities that I am familiar with that you have to put a bit of money into them to make sure that they're held secure and heated, because it doesn't take long for these buildings to start to deteriorate and be really of no use. So whether it's boarding up windows, whether it's maintaining a certain amount of heat, that really is maintaining the investment and the attractiveness of the facility for any offers that may come forward.

So that's really the rationale. I mean I can point to a building I'm familiar with, it was never boarded up, it's not owned by us, it's owned by another organization outside of government that was never boarded up and was left. Well it doesn't take long for vandalism to be done. It doesn't take long for a few parties to be held in the building, a few fires to be set before the building is worth nothing than to be demolished.

So there has to be a bit a money put into it to maintain the

building in a desirable state.

Mr. Hart: — Minister, I'm not arguing with the fact that you need to spend the money that you are currently to preserve the facility. You know I agree with you. If it's totally abandoned it will fall in a state of disrepair and be worthless.

What I think we resolved last year in committee . . . but I'll just review some of the arguments. When we talk about the loss, the net loss for 2002-2003, and you made reference to about \$800,000, well in the information that we were provided, I believe as a result of some of the questions we asked in committee, there's almost 200,000 in the expense side which deal with overhead which include centralized human resources, financial, communication, IT [information technology] system, and management services. And I believe in our discussions last year in committee it was agreed that those costs are there regardless of Echo Valley actually operating or not. It has to do with the overall, at that time at least, the overall operation of Sask Property Management Corporation. Also part of the expenses were \$256,000 which are for repair and maintenance but including expense capital.

So if memory serves, I think we agreed that probably a more reflective figure of the losses of the operation for that particular year were probably in the neighbourhood of \$400,000. Well we already have spent 212,000 over six months, you know. I would, you know . . . Give me a figure as to what you think it's going to cost to maintain the facility over a 12-month period. I would guess we're looking at \$300,000 at a minimum.

And so therefore going back to my argument. The community said, look you've lost money on this facility for a number of years — probably ever since Sask Property Management assumed ownership of the facility — said give us two more years. What's the big rush? Why shut the facility down and drive away the sea cadet program? But no that's what you decided to do. And at the end of the day I'll give you the benefit of the doubt, you may save \$100,000 and lost the sea cadet program which brought in significant tourist dollars. I recall being in Edmonton in the summer of 2003 and talking to an individual who just got back from Fort Qu'Appelle who was part of the sea cadet programming and speaking and praising that program and the facility and the area of our province.

For \$100,000 I think we've more than lost that in tourism and goodwill and in that sea cadet program. And so I'm saying that I think the community plan for that facility was a much better plan than your plan, Minister.

Hon. Ms. Higgins: — Well one thing I will say is that there was no commitment by the sea cadet program to stay there. That was not there. So when we're looking at the building and when I talk about the \$212,000 we're talking about the cost of some repairs that have been done, the installing of the security system, any of the maintenance that had to be done for the facility. And this year what we're looking at is a cost of \$100,000 for the facility to maintain it.

Mr. Hart: — The reason the sea cadet program could not commit to staying there is because they were told that the building was going to be closed. If they were given any kind of assurances that the building and the facility would continue to

operate, they would have been there. I've been told that by members of the sea cadet organization. In fact it was Sask Property Management that declined to renew the lease. It wasn't the sea cadets that declined to renew or enter into a new lease.

Hon. Ms. Higgins: — Well I know while the sea cadet program is very a good program and I don't think anyone can argue that, we didn't have a long-term commitment from them or a commitment that they would return. And to justify the expense of bringing up to code, Fort San, Echo Valley, to maintain a program for a couple of months in the summer, the whole facility . . . I mean we discussed this last year, it was only occupied a third of the time. It's a fair expense when you're looking at that type of usage on a building.

The Chair: — I recognize the member for Wood River.

Mr. Huyghebaert: — Thank you, Mr. Chair. I'd just like to get into this little debate because with a little bit of knowledge of the program there, I was one of the ones that originally set it up in Fort Qu'Appelle. And so I'm surprised that the minister would say that the cadets did not want a long-term commitment to the program. And I'm wondering what came first is the direction from SPMC that the facility would not remain open because it's hard to negotiate a long-term commitment if one party is saying we might not be open, or we're not going to be open next year. Well how do you do a long-term commitment vis-à-vis a commitment from SPMC at the time when it was basically closed, I think, in the first year that the cadets came out here. Because I remember driving out from Winnipeg to negotiate with the then minister of SPMC. And the SPMC staff at the time was John Law.

And so I'm not sure where the minister is coming from that the cadets did not want a long-term arrangement because normally in an arrangement such as that is a five-year program. Now to understand the operation at the time what the SPMC was looking for was an anchor tenant. Now I think we all understand what an anchor tenant is, it's somebody that's going to be there for an extended period of time, i.e., five years with a two-year option, I believe was the original contract.

So to suggest to the committee that it was the cadets that did not want a long-term commitment, I would definitely like to see the paperwork on that. If you could give us the paperwork that said that they did not want a long-term commitment I would appreciate that.

The other aspect that I remember from negotiations in the earlier days was the anchor tenant was there for a period of five years and it was the balance of the year that was not making the money. Now I don't think that was really the fault of the anchor tenant. It was how the facility was run outside of the anchor months. So again, I would like the minister to comment on that and if she's got any documentation on it I'd sure like to see it.

Hon. Ms. Higgins: — I guess we could get into a bit of a debate as to what is an anchor tenant and what isn't. But when you're looking at a facility of that size that's only used a couple of months in the summer by the cadet corps or the sea cadets, I don't know whether you would consider them a strong enough anchor tenant to do the capital investment that's required to

keep the facility open. You're still looking at nine to ten months of the year when utilization was very low and overall it was still only used a third of the time throughout the year. So it's pretty difficult to justify the capital expenditure to bring the building and the facility up to code. With that, I don't know whether you'd consider the sea cadets as a strong anchor for a facility of that size, and that's the difficulty.

Mr. Huyghebaert: — Well, Madam Minister, it was SPMC that considered them an anchor tenant, not the cadets. The cadets didn't care what they were considered because they wanted a home. So if you want a definition of what an anchor tenant is, I suggest you look back into SPMC and into your own staff and find out what the definition of an anchor tenant. And I can ensure the minister — with a bit of a knowledge of the cadet program — they use other facilities that are very successful for three months of the year. And there's not a million dollars, or how many dollars loss, on some of these other facilities. So I'm wondering what the explanation is as to why there would be such a huge loss, and SPMC considered three months as an anchor tenant when the cadet program first come in here.

Now to suggest that all of the infrastructure costs, were they incurred for the cadet program or were they put in place for what . . . maybe something else could have been done. And I do have a little bit of a knowledge of the facility. The other nine months of the year, what was it projected to be used for? And if it's projected to be used for a conference centre, then I would suggest to the minister that you probably need a lot more upgrades as a conference centre than you do for the cadets.

So I'm hoping the minister isn't blaming the cadet organization for the cost and the upkeep of the facility while they were there for the three months, and only the three months because other facilities that we have in the cadet program are relatively austere. And I'm sure the facility could have been kept running — even if it was shut down for nine months of the year — for three months of the year. I'm sure it could have kept afloat as a sea cadet facility.

Hon. Ms. Higgins: — There was expenditures that went directly into a benefit for the cadet . . . the sea cadet program, but there was also capital expenditures that went into the conference side and looking at the rest of the year. So I don't think anyone has ever said the sea cadets or the sea cadet program is in any way at fault here. You're looking at the rest of the year and the expenses to maintain the facility for the rest of the year. And also if you're aware of the facility and if you've ever stayed there, it does need upgrades to be what would be considered a medium kind of level of conference centre — it does need upgrades, and that is expensive. They are substantial, the upgrades that are needed, because of the age of the facility.

So we're not saying the cadet program is at fault here anywhere, but we're saying the facility itself — I mean it just . . . there was no way to maintain it and to operate it through the year without having losses, without putting in significant funds to upgrade the whole facility. And the decision was made that it just wasn't viable.

Mr. Huyghebaert: — I don't disagree with the nine months of

the year and I know the initial upgrades for the cadets was actually, in my recollection was paid for within the contract by the cadet program. Was there ever consideration given to using the facility as I earlier stated? It doesn't have to be upgraded for the cadets, and having it open it for three months of the year and closed for the balance, because from what you're suggesting the losses were in the nine months of the year not the three months of the year while the cadets were there. So if your losses are in the nine months of the year, again from SPMC's own word, away from an anchor tenant, then was there consideration given to having it closed down, put dormant for nine months of the year and reactivated for three months of the year while the cadets were there?

Hon. Ms. Higgins: — Seasonal activity at the centre was considered but in the end result there was still the capital investment that would have had to have been done, and the decision was made to go the way that we have.

The Chair: — I recognize Mr. Hart.

Mr. Hart: — Minister, could you just briefly outline what kind of cost estimates as far as capital investment that SPMC felt that needed to be done to the facility to make it a conference centre as such. Did you do any analysis on it?

Hon. Ms. Higgins: — When we're looking at investments and the upgrades it would need, the estimate was between 4 and \$5 million that would need for immediate upgrades. And what we are looking at is power plant and heating, and we are also looking at washrooms that would have to be added to improve the standard at the facility. I mean those would have been immediate.

Now if you were looking at bringing it up to a standard that would be maybe more attractive to attract larger conferences or conventions, there would be considerably more investment that is needed.

Now I'll tell you as someone who has stayed at the facility, it's pretty rough — some of the buildings. You will have . . . I know in the one old building that is absolutely beautiful from the outside, it has one shower on the third floor, it has one shower on the main floor, the washroom facilities are sinks in one room — they're dormitory style — sinks in one room, toilets in another. The rooms are quite tiny; would need a considerable amount of work.

I mean we could go on and on but there is a number of buildings . . . I mean to drive by and have a look at it it's a beautiful facility — beautiful lawns, it's in a beautiful setting; old buildings that are . . . look quite well kept but need substantial money invested to bring them up to code and up to a standard that would be acceptable. And that's expected by many people that are attending conferences.

Mr. Hart: — Minister, I can't say that I've stayed there but last summer I spent a good part of an afternoon. With the assistance of the facility manager we toured the main buildings, we looked at whatever I wanted to see and I certainly thank them for that. I saw . . . I realize you know that it's not . . . I guess the term to describe it would be it's somewhat spartan and so on.

But of the cost that you mentioned were any of those costs needed . . . Were any of those dollars needed to be spent to retain the cadet program there? As my colleague said, that you know, the cadets are quite happy to . . . You know I believe that's probably even part of their program; you know being under a roof is better than being in a tent. And I would think that the cadet program probably didn't require very little if any of an upgrade to the facility.

But did the cadet program . . . Because when we toured the facility we went out to the beach area and there was a number of improvements made there. Were those improvements done . . . paid for by SPMC or did the cadet program finance those improvements at the beach?

Hon. Ms. Higgins: — Do you know, instead of giving you an incomplete answer, we didn't bring a lot of the detailed information from last year from Echo Valley with us, so what we'll do, we can get more information on it and we'll forward it on to you.

Mr. Hart: — Thank you for that. I guess just to summarize the nature of my questions is that I felt, and I think the community feels, and I think that history will show that perhaps your plan of decommissioning the conference centre was not the most, the correct way of doing it and I'd like to quote from a letter, Minister, that was sent to you dated May 4, 2004. And it says, I'll read the one paragraph:

The Valley Community does not accept that the financial health of . . . [the Echo Valley Conference Centre] is such that it cannot be repaired. We acknowledge that EVCC may currently be operating in a deficit, however now that the situation is public, we believe, with cooperation, it can be turned around. The Valley Community commits itself, to cooperate and work with your department to review the total structure and [the] operation of EVCC and, within two years to advance recommendations and policies to return its operation to an acceptable financial footing. If such a review and study does not bring these results, then the Valley Community . . . [will] no longer object to closure and in fact . . . [will] assist it.

That's the paragraph I've quoted. And that letter, Minister, was signed by the mayor of Fort San, a representative of the Saskatchewan Federation of Labour, a representative of the Navy League, the mayor of Fort Qu'Appelle, the mayor of B-Say-Tah, a member of the chamber of commerce, and members of Saskatchewan Government Employees' Union.

So the point, and I would like the record to show that I am of the opinion and I believe the people of the valley are of the opinion that we would have been much better off if you would have just listened to the valley community and accepted their offer. Because at the end of the day you may be saving \$100,000 in operating costs but we've lost valuable tourist dollars, and we've lost valuable promotion of our tourist industry through the sea cadet program as just one aspect. And I think it was poorly handled, Minister.

Hon. Ms. Higgins: — What I would like to say is, I would say to the member to please think back to the budget of last year. Resources were tight and we made some difficult decisions as

to where dollars would and wouldn't be spent. I realize you've never had to go through this process and . . . but I will tell you that it does get very difficult and there's some hard decisions that have to be made.

But what I will say to you though is that SPMC has, or at the time, SPMC went through a building assessment review and you will know that we don't have unlimited dollars to invest into buildings various and a fair number of buildings and facilities that we own around the province. So what's been done is an assessment review of all those buildings to prioritize where the needs are, what the needs of the needs of the departments are, and where best to situate services that are delivered to the citizens of Saskatchewan.

And that's the priority that has been placed on where dollars, scarce dollars in many years, will be spent on capital projects, re-lifing of buildings whether it's for energy efficiency, whether it's for bringing those buildings up to code.

But I will say to the member there are many buildings across this province that we have responsibility for in one way or another that need to be brought up to code because there are employees that are in those buildings 365 days of the year, or there may be services delivered from those buildings 365 days of the year. And those are where the priorities are.

So there has been difficult decisions. I know the attachment that there is to many groups and the importance of Echo Valley and we do hope that the proposals that come forward from Fort San or Fort Qu'Appelle or in . . . you know together. They may put together a proposal that there is a workable solution to Echo Valley.

Mr. Hart: — Well, Minister, I am thinking back to last year at the time of the budget, and I recall in your government's budget estimates that the figure used for crude oil prices was I believe \$26 a barrel. And I would suggest, Minister, that at the time that you received this letter, that crude oil prices were at least \$35 a barrel and rising and that your government as early as May had a pretty good indication that you would have some fiscal capacity, some elbow room.

And I think what you and your government fail to recognize is by making this hasty, ill-thought-out decision on this facility, that the long-term effects to our tourist industry and to programs like the sea cadet, those costs would more than offset the plan that the valley community put together, Minister. And I think, as I said earlier I think this was ill-conceived plan that will . . . and we have lost opportunities as a result of it, Minister.

Hon. Ms. Higgins: — Well, I will say to you that the reason it's called a budget is because you budget your finances for the coming year. When you talk about the average cost of a barrel of oil and when you're talking about market values, you will also know that the oil in Saskatchewan is of the heavier variety. You cannot adjust your finances according to the markets of the day. We take an average, an estimate of what oil prices will be and what any other resource prices and income will be in the coming year. Saskatchewan Finance, the Department of Finance has been quite good at this. You can't spend according to the markets of the day. We'll continue to budget the way we have

using the average cost and the best projections that we have access to.

And that's one of the reasons, I might add, that the Saskatchewan government has got credit upgrades 12 times in the last number of years and just received another high A rating from Dominion which is quite good. So you know we're not going to question those.

And none of us budget on those circumstance. If you have a bumper crop as a producer I'm sure you're not going to run out the door and spend it all in one swoop. You are going to budget for your coming year and your costs that you have in the coming years. Now the member from Estevan says, you know it doesn't happen. But I mean, do you know . . . [inaudible interjection] . . . Oh I apologize.

But anyway you know there's budgeting. I mean that's the reason we lay out our budget for the coming year and it's no different with SPM. We have to budget with the finances we have as to where the priorities are and where the importance lies for the services that we provide for government departments and for the citizens of Saskatchewan.

And yes, there are difficult decisions that are made. But that's the way we operate.

Mr. Hart: — Well, Minister, as a producer when I make a wrong decision and I have some financial ability to adjust, I adjust, as do the producers across the province. But not only do producers adjust when they make bad decisions, your government has done that, Minister. And we have recent history. When your . . . a recent budget when you decided to take 4 or \$5,000 a month from residents of long-term care and the public said that that was a bad decision, your government adjusted its budget and reversed that decision. We're not talking of 7 or 8 or \$9 million, we're talking of the net cost of probably \$100,000 which would be more than recouped in tourist dollars.

Again I will reiterate one more time that I believe, I'm of the firm belief, that the valley community's plan for this facility was the right plan and your plan was the wrong plan.

Hon. Ms. Higgins: — Well, we can argue this in the context of the budget of Saskatchewan but in fact what SPM has is our budget and that's the boundaries that we deal in.

The Chair: — I recognize the member for Weyburn-Big Muddy.

Ms. Bakken Lackey: — Thank you, Mr. Chair. Madam Minister, I would like to ask some questions around the property in Weyburn that myself and the mayor of Weyburn, Mr. Schlosser, and representative from REDA [regional economic development authority], Dylan Clarke, met with you on October 12. There was a commitment at that time that you would look at this issue, that you would make some decisions on it, would get back to Mr. Clarke, I believe, and indicate what you were going to do to go forward.

To date no one has heard one word from your department, neither myself, Mr. Schlosser, the mayor of Weyburn, or Mr. Clarke from REDA. I would like to have an explanation of why

nothing has happened. And what have you been doing in the interim?

Hon. Ms. Higgins: — Well there has been things on the go. Each of the departments from the meeting that we had our discussions at about Souris Valley, we are compiling information from within our departments as to what has gone on, what work has been done on the various proposals that were put forward. I think the REDA was involved — and I apologize I don't have all the details off the top of my head — and we are currently in the process of setting a meeting up between each of the departments that are involved. And then we will get back to the mayor and the REDA as promised.

Ms. Bakken Lackey: — Well, Madam Minister, this issue has been ongoing for 10 years. I have copy of letters that were written to SPMC 10 years ago with proposals, and at that time no one would look at them. SPMC said they were not interested in selling Souris Valley; had another proposal in 2000, same story. And all this time . . . and numerous others. Those are the ones that have with me. And I know that there were proposals made directly to SPMC as well as proposals that were advanced through the city of Weyburn.

And all the time that this was going on there was no will by SPMC to sell Souris Valley. And at the same time there was no will by the government to maintain Souris Valley, and in fact made, I believe, a decision to allow it to deteriorate to the point that it now has reached.

However we still have two proposals of people, that have been in place since December, waiting for your government to get back to them to allow them to know if there's an opportunity for them to go forward.

And to say now that you're continuing to study this issue is not acceptable. In fact the letter dated January 28, written by Mr. Rusconi to the mayor of Weyburn, indicated that the decision had already been made by representatives from Learning and Industry and Resources that it would be difficult to sustain programming at Souris Valley and that he, in addition, has been advised that the ability to attract students to a very large facility in a rural setting would be very difficult when our existing educational infrastructure is not at capacity.

So it's a feeling of the mayor at Weyburn, and I would have to agree with him, that representatives within departments in the Government of Saskatchewan were making these decisions, were deciding if the business proposals were viable — which I have no idea what difference it makes to representatives within these departments whether the business case is viable because they want to purchase the facility, not to have the government involved in running it.

So when you're selling something, it's not up to the decision of government or the seller to decide if the new venture is going to be viable or not. And yet the decision was made without consultation with these groups, without consultation with the future use committee that had been put in place by your government that these proposals were not going forward, and also that it was not viable to be put in rural Saskatchewan, which is an absolutely unbelievable statement coming from a government that just put forward a new department that was

specifically for rural development.

And so my question is, when is your government going to meet with these two separate proposals. And if you're not prepared to meet with them, are you prepared then to state that your plan is to demolish Souris Valley?

Hon. Ms. Higgins: — Well I would guess by your question then, you have made the assumption that the proposals aren't worthy of looking at. I mean, to jump to the fact that Souris Valley . . . Well just wait a minute. If you want to talk about looking at proposals for the facility, I have said to the member that that's what we're in the process of doing.

The mayor of Weyburn said that they were not happy with the way the proposals had been looked at. So what we are doing, we are looking — each of us at our departments — what process has been followed through on. And when you're looking at a number of departments looking at this proposal, then obviously you're not looking at a straight-out purchase of the building to do something separate from because there is a number of departments that are involved in looking at the proposals that were put forward.

So when we had the meeting with yourself and the representative from the REDA and the mayor of Weyburn, we made the commitment that we would go back to our departments, we would look at what work had been done, what decisions had been taken. Each of the ministers we have committed to a meeting to make . . . look at what information comes out of our department and from that we will respond to the mayor of Weyburn. That commitment was made at the meeting and we'll follow through on that.

When you're talking about demolition of Souris Valley there hasn't been a definite decision made yet or a timeline. But as you are well aware the facility — other than some regional health authority maintenance staff which are still in the building — everything else has been moved to other facilities, to the new facility. But there hasn't been a definite date set.

Ms. Bakken Lackey: — Thank you, Madam Minister. Well, Madam Minister, I certainly did not say that the proposals were not worthy of looking at, in fact quite the opposite. That is why the meeting was initially called on April 12th is to say, why are these not being look at. And they have been in the hands of SPMC since December of 2004, and they were disregarded and . . .

Hon. Ms. Higgins: — . . . disregarded. They weren't disregarded.

Ms. Bakken Lackey: — They were disregarded. I have the letter in January saying that there was no further action going to be taken on them because they did not feel that they were sustainable programs. Which again I reiterate that I believe that the issue is around selling the facility, or as I have a commitment from the minister at that time in 2000, that the facility would be given away for a \$1 if someone wanted it.

So it's about asking you: is your government prepared to sell or transfer ownership of Souris Valley to a party that's interested in it or not? That is the question. And that is the question that

the mayor asked of you that day as well. If this is just a game and the decision has already been made about the future use of Souris Valley, then please say so because there has been a lot of effort put into finding another use for it because the people of Weyburn want this facility maintained.

And these proposals have come forward; they're legitimate proposals. There's been proposals over several years all of which have been disregarded by your government. So the question is: are you going to entertain these proposals and allow people the opportunity to purchase Souris Valley or are you not?

Hon. Ms. Higgins: — When you talk about proposals that came in a number of years ago, those would have been disregarded because the facility was in use by the regional health authority. So they wouldn't have been entertained at the time. But the proposals that have come forward since the approval was given for the new facility, when we have been actively looking for interested parties in Souris Valley, those have been entertained and looked at. And there also is a concern . . . I mean, we all know that Souris Valley is a very large facility. And there is some liability attached to the facility, who takes over the facility. What we've tried to do is to maintain and to make sure that they're a legitimate proposal and that there is a viable interest in the facility because there always is the questions of liability, maintaining a facility, and the responsibility that comes out of any change of hands of the property. I mean, those are issues, and I mean, we've discussed these with the mayor on the day that we had the meeting with you and the mayor and the representative from the REDA.

Ms. Bakken Lackey: — Thank you, Madam Minister.

The Chair: — I recognize the . . . Mr. McCall.

Mr. McCall: — Thank you, Mr. Chair. Good afternoon to the minister and her officials. As a member of this committee I certainly have the right to ask questions. And I do have some points of interest around what's the latest around Grow Regina? I was wondering if the minister could give us, the committee, an update as to the situation with Grow Regina.

Hon. Ms. Higgins: — Over the past — well it's been a fair length of time — we have been looking for alternative sites for Grow Regina, because there was a proposal for the property at the corner of College and Broad. As that deal has begun to look more and more promising and it has progressed, there was notice given to Grow Regina that there would be a need to vacate the property. Grow Regina obviously is reluctant to do that. And what we have been doing over the past little while, and I guess most noticeably about two weeks ago we had a meeting of all the parties brought together to discuss other options that were there.

I know there is interest from various people to expand community gardens and to look at other inner-city options that may be available. But what we need right away and what SPM's concern is right away is to have a viable option for Grow Regina to move to. The lease has been signed through the food bank here in Regina and what we are currently working with is the Wascana Authority to find a spot in what is called the old nursery here in the park. That that would be a location

spot.

Now there has to be a decision made by the board. But the last discussions I had, they're looking at it being a temporary site of two, maybe three, growing seasons until more viable options are found maybe with the city looking at what's vacant in more of the inner city area, and that's what we're working on currently. Grow Regina through the food bank was making a proposal to the Wascana Authority.

Mr. McCall: — I guess just as a matter of clarification, in terms of the present sites between the agreement around Grow Regina using the present site, the site they've been on for a number of years, it was always understood as a temporary accommodation was it not?

Hon. Ms. Higgins: — Yes. It was made very clear right from the beginning that this spot that they are in currently was a temporary site. So I might add too that there has been a site offered in the south Regina gardens. Sorry, I don't know if it has an official name or not. It is south of the north Grant Road or Grant Road, South Zone Community Gardens is what it's called. So while there was some members of Grow Regina, in my understanding were looking favourably on that site, there was still a number that would prefer to remain closer to the inner city area of Regina.

The Chair: — I recognize the member for Weyburn-Big Muddy.

Ms. Bakken Lackey: — Thank you, Mr. Chair. I'd like to further question on the issue of Souris Valley and in specific I'd like to ask what part NAI [NAI American Realty Company] — who was hired by SPMC to market Souris Valley — what part did they play in interviewing prospective buyers and proposals put forward?

Hon. Ms. Higgins: — NAI did an international search for proposals for Souris Valley. Any proposals that would have come forward out of that search would have gone to NAI. They would have passed on, well the best possibilities or that had possibilities to SPMC for review there.

Ms. Bakken Lackey: — Thank you, Madam Minister. And how many proposals did come forth from NAI to SPMC?

Hon. Ms. Higgins: — I apologize to the member, I don't have the exact number offhand. I mean we can always get you that and forward it to you — the information.

Ms. Bakken Lackey: — Well I would appreciate that. I would like that information, how many were put forward. And just so I understand this correctly then, NAI, the only purpose they played in this was to market the facility. They did not have any part in looking at the proposals or in carrying on from that point, because originally that's what they were doing. When they came to Weyburn for the meeting they were there talking about proposals and what was the proper use for the facility and so on. So why would they, if they did not have any part in the process, what was the purpose of NAI being involved?

Hon. Ms. Higgins: — Well the proposals would have gone initially to NAI. They would have I would assume gone over

those proposals, then they would've been forwarded on to SPMC. But I mean that was . . . Their initiative was to market the facility and see what interest there was. I mean internationally it was marketed.

Ms. Bakken Lackey: — I have a copy of one such proposal which was sent on the same day that it was received by NAI directly to SPMC. It's one of the proposals that is in question that has never been . . . that no one has ever been interviewed of the interested parties, and it was advanced to SPMC. According to the letter from NAI, it says, we have received the attached letter today and are forwarding it to you. There's a cover letter to SPMC. So it was not looked at by NAI, it was sent directly to SPMC and SPMC then chose not to interview the people that had put forth the proposal. These are one of the proposals that we discussed at the meeting in April that have never been contacted by SPMC and it goes back to December 2004.

And the other proposal is from a local group . . . or members of the group are made up from local people in Weyburn which is also advanced in December and the people have never been interviewed or contacted about the proposal, and yet a decision was made by SPMC that the proposal was not valid and the letter sent accordingly to the mayor of Weyburn.

So if NAI did not have any purpose in this, are they still on contract with SPMC?

Hon. Ms. Higgins: — Yes they are. They're still marketing the facility.

Ms. Bakken Lackey: — What fee are they paid for marketing this facility?

Hon. Ms. Higgins: — We'll have to get back to you with that. We don't have the exact number with us.

Ms. Bakken Lackey: — Well I would like what the total amount of money that have been paid to NAI since they were first hired by SPMC to become involved in this. Because it was certainly my understanding from the meeting that I attended in Weyburn where NAI made their proposal, that they had completed a study and that then they were looking for future use of the property and were going to work in conjunction with the future use committee that was put together in Weyburn.

And according to the mayor, when I asked him about the future use committee and what their involvement had been, that they have had no involvement either. So I guess my question is, were the decisions being made solely by SPMC?

Hon. Ms. Higgins: — Decisions on what?

Ms. Bakken Lackey: — Decisions on which proposals were looked at, what the decision about the proposal was, who made the decision about who would be interviewed and if not, why?

Hon. Ms. Higgins: — Well this is part of the result of the meeting that we had with yourself, the representative from the REDA and the mayor of Weyburn to look at what contact had been made with the departments and what work had been done with the departments. Because as you are well aware it includes, part of the proposals include an English as a second

language school to be established and other training opportunities to be established. So this would have needed some input from the Department of Learning.

So we are currently looking at other information and this was a request that came out of the meeting that we had with you and the representatives from Weyburn and the REDA that we would look within our departments to see what information had been . . . what work had been done towards these proposals. And then we will get back to the mayor.

Ms. Bakken Lackey: — Well, Madam Minister, the indication then is that these proposals were not looked at until the meeting in April. They had been received by your department in December. Who looked at the other proposals that were received and made the decision that they were not viable either? I'm not talking about these proposals in specific. I am talking about the process in order to find a use for Souris Valley. And it was my understanding and I believe the understanding of the mayor and of the REDA and of the citizens of Weyburn that NAI was on contract to market this facility, to find a future use.

There was also a future use committee put in place by SPMC in Weyburn which was also supposed to be part of this process. You're telling me that NAI has had nothing to do with the proposals other than marketing, that they have not made any decisions towards whether the proposal should go forward or not, and you've also . . . and the mayor has made it very clear that the future use committee has had no input into the proposals being advanced.

So what I'm asking is, is it SPMC that has had the sole responsibility, and who from SPMC has been making the decisions of whether these proposals go forward and for what reason?

I mean if someone wants to buy something and you have something to sell, it should not be the concern of the seller what they're going to put in that facility. If they're willing to buy this facility, purchase this facility from SPMC, it's up to the buyer to make what they're going to do in that building viable. It's not up to the government to make that decision.

Hon. Ms. Higgins: — Well you're being a little misleading here because a couple of the proposals depended on the Department of Learning and the city of Weyburn and the Government of Saskatchewan providing certain guarantees and support in certain areas. So it is not quite as black and white and as simplistic as what you're laying it out. Otherwise why would the Department of Learning and other departments be involved in this process?

If it was purely a transfer of land or a building, it may be that black and white. But when you are relying on other government departments to provide support, to provide certification for programs, and to provide the other things that are necessary to establish in this building, then if it is just purely a transfer of land, then please explain to me why you are expecting the Department of Learning to be involved and why there are other expectations on government. It's not as simple as the member is making it out.

Ms. Bakken Lackey: — Well, Madam Minister . . .

The Chair: — Thank you, members. We're now over time, the previously agreed time for consideration of estimates for Property Management, so we need to move on to Public Service Commission. So if I could have a motion to adjourn the consideration of these estimates.

Mr. McCall: — So move.

The Chair: — Moved by Mr. McCall to adjourn consideration of estimates for Property Management. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That is carried. We'll take a brief recess while we get ready for consideration of estimates for Public Service Commission.

General Revenue Fund Public Service Commission Vote 33

Subvote (PS01)

The Acting Chair (Mr. Iwanchuk): — The business before the committee is estimates for the Public Service Commission. Could the minister please introduce her officials.

Hon. Ms. Atkinson: — Well thank you, Mr. Chair. I'd like to begin by introducing the officials from the Public Service Commission: To my left is Clare Isman, Chair of the Public Service Commission; To my right is Rick McKillop, executive director of employee relations; and to my further left is Lynn Jacobson, director of corporate services.

I'm going to begin by giving a brief opening statement. We're here today to review the 2005-2006 estimates for the Public Service Commission. Before we entertain questions, I want to provide some information on the work that the Public Service Commission does.

The Government of Saskatchewan is committed to ensuring that we have a capable and talented public service working in a healthy, supportive, and challenging work environment. The PSC [Public Service Commission] is guided in this by the corporate human resource plan. This plan was developed by the Public Service Commission with support and input by all departments and was endorsed by the cabinet.

The plan has three goals. We want talented, innovative, and dedicated employees; we want a healthy, productive, and collaborative work environment; and we want a diverse workforce, or a representative workforce. Recruitment and retention initiatives support executive government's ability to attract and retain talented, innovative, and dedicated employees.

The PSC and departments attend university and high school career fairs across the province on a regular basis. The hope is to create an awareness and interest in jobs in the public service. Relationships with secondary and post-secondary institutions have been strengthened to enhance awareness of careers in government as we approach a time when our changing demographics will create increased demands for recruitment and new opportunities for young people.

We provide a large range of student work opportunities — over 700 in government in the past year.

We've implemented a master of public administration internship program in partnership with the University of Regina, and entrants will start terms in the public service this September. We have a new professionals network which has been developed to engage young public servants in their careers and proactively address their needs. And for job seekers, including employees looking for new challenges, we now have easier access to online materials and career opportunities through the PSC's updated website.

And I just want to note that in March 2005 the website had more than 1.5 million hits and close to 100,000 visits. So in order to attract and retain a talented workforce, we must have a healthy, productive, and collaborative environment. We have work and family balance as a priority within executive government. And our 2003 employee survey indicated that employees are aware of these policies and the provisions for balance, and rate them highly.

We've started a new online learning centre to enable Saskatchewan government employees to access a variety of materials related to learning and professional development. And we have collective bargaining agreements with SGEU [Saskatchewan Government and General Employees' Union] and CUPE [Canadian Union of Public Employees]. We've been able to negotiate these without work disruption.

Planning for success is the new out-of-scope performance management system that aligns individual work plans with departments' strategic plans and that was launched . . . or has been launched by most departments. We also have a strong focus on collaborative problem solving through workplace union-management committees and regular issues meetings with the public service unions.

The Public Service Commission and the Department of Finance are co-leading the government's central financial human service and payroll systems. We call this MIDAS, or the long-form name is Multi-Informational Database Application System. MIDAS is in the fourth year of its completion and it's targeted for March 31, 2007. The project is on budget and it is on target.

The Department of Finance reported on the financial systems. Our focus is on the development of the base human resource and payroll components which began in October 2003, with a target implementation date of January 1, 2006.

There is a compelling business case for organizations to achieve a representative workforce to better reflect our population and provide greater creativity in program development and delivery, and also to better relate to our various clients. The Government of Saskatchewan is committed to employment equity and to diversity in the public service. And we're doing well in some areas and we need to improve in others. The Public Service Commission has partnered with Community Resources and Employment to increase job opportunities for people with disabilities in the public service and since we began this initiative in October 2003, there have been 65 employment placements for persons with disabilities.

We will also be expanding our focus in this area this year. We've secured additional funding to enhance the ability of the public service to recruit and retain persons with disabilities. And I believe the member from Cannington and I had a conversation about this last year. And we've been successful in getting additional funds to support persons with various types of disabilities.

The public service also has an Aboriginal internship program which helps recruit and develop recent Aboriginal graduates to increase their readiness for management and professional positions in the public service. And we currently have 10 active interns in the program. The Public Service Commission and the Aboriginal Government Employees' Network have introduced a speakers bureau where Aboriginal employees of government do presentations in our schools that have predominantly Aboriginal students. And these employees serve as role models to the students and deliver a message to stay in school and to consider a career in the public service.

The corporate human resource plan continues to guide the Public Service Commission into the future as we work with various government departments to ensure that the government has the right people in the right places at the right time to provide the services that our citizens need. We look forward to the coming year and we're confident that we'll continue to meet the opportunities and challenges facing the public service. So I'd be pleased, along with my officials, to answer any questions that the members may have.

The Chair: — Recognize Mr. Elhard.

Mr. Elhard: — Thank you, Mr. Chairman. And to the minister and to her officials today I'd like to say welcome, and thank you for giving us this time this afternoon to look at the estimates for the Public Service Commission.

The most obvious element of this particular budget document is the increase that the commission was granted in terms of human resource development. And as I look through the totals on the document, page 121, I see the increase amounts to \$410,000 over last year which is almost exactly 5 per cent. And the bulk of that is gone to the human resource development sector.

So rather than go to that issue immediately, maybe we would be best served if we just went to the various stages of the expenditures as listed in the budget document and deal with them in order of their appearance in the budget.

The first section is central management and services. And I notice that there is a small change in terms of executive management. The salaries remain the same but there is a bit of an increase in terms of accommodation and central services. Could you, Madam Minister, identify for us why those additional increases were necessary.

Hon. Ms. Atkinson: — This is due to increased lease costs which are primarily associated with increases in electrical costs or heating costs. So they have to do primarily with changes to accommodations.

Mr. Elhard: — Did the Public Service Commission change its location or was there added space or is it simply increased

operating costs as a result of higher utility costs and that type of thing?

Hon. Ms. Atkinson: — We have not changed our space and it's associated with increased costs associated with leasing arrangements or utility costs increase.

Mr. Elhard: — We have a small decrease actually in the executive management figure for this year. Is that readily explainable?

Hon. Ms. Atkinson: — We have been looking at a new out-of-scope classification plan. As you'll recall, the in-scope employees have gone through a pay equity or job evaluation situation. We contracted with a consultant to undertake a review of our various out-of-scope classification plans. And this is a sunsetting due to the fact that that work has basically been completed.

Mr. Elhard: — When we talk about in scope and out of scope, can we have a breakdown as it would pertain to the Public Service Commission itself as to how many employees would be in and how many out of scope?

Hon. Ms. Atkinson: — We have that and we will provide that to you.

Mr. Elhard: — Thank you. When you talk about the sunsetting of the plan that was brought to the commission by the consultant, can you detail or describe for us some of the major components of the consultant's recommendations?

Hon. Ms. Atkinson: — We are just in the process of working our way through that and I have not yet made a recommendation to my colleagues in cabinet, so I've not taken this piece forward to Executive Council.

But what I can say is that because of pay equity in the public service for in-scope employees and because the class plan has not been renewed for a number of years and because the class plan as I understand it is a bit complicated, there has been a recommendation to put various positions into various levels within the class plan. And a lot of work, as I understand, was undertaken in order to put this proposed new class plan together and it's not yet been agreed to or taken through the process to render a decision.

Mr. Elhard: — Madam Minister, do you have a timetable or an expected date by which this might be achieved?

Hon. Ms. Atkinson: — There is some more work that is being undertaken by the Public Service Commission and I am hopeful that we will have something by fall.

Mr. Elhard: — I suppose the urgency might be debateable in some respects, but is there any uncertainties that this new proposal might generate that would have an adverse effect on the way Public Service Commission does its job?

Hon. Ms. Atkinson: — Could you elaborate a bit as to what adverse might mean — your definition?

Mr. Elhard: — I guess what I'm wondering is with the new

proposal, with the new classes that are being suggested, is there urgency as far as hiring people might be concerned? Is it going to create difficulties for the commission to maintain its ability to hire? The reason I'm asking of course in that direction is because of previous discussions I had with the Public Service Commission through an earlier venue. And we discussed at length the importance of full-throttle recruitment and hiring.

Hon. Ms. Atkinson: — There is no question that when you look to recruit people in managerial positions or at senior levels, you are in a competitive environment when it comes to the public service. Governments and public institutions are recruiting people across the country.

And there is also no question that we have municipalities, health regions, universities, not only inside Saskatchewan but outside of our borders that are able to recruit senior people, excellent people, at wages, salaries, benefits, packages that go beyond what we presently can provide or do provide in the public service.

So when I say that we've not yet moved this through the process, we know that there is some urgency here. But we also want to look . . . I want to look at some of the practices that are taking place in other jurisdictions. And let me just give you an example.

There are some jurisdictions where people are provided with performance bonuses if they meet cross-departmental goals. So let me . . . I'll use an example. In the province of Alberta they have at the senior level, deputy minister level, they have performance bonuses that can be made available to senior people if they meet certain strategic goals. This determination is made generally by people outside of government. So they determine . . . I think about 75 per cent of the bonus is determined by an external panel, 25 per cent is determined by the deputy minister to the premier.

We have, as I recall, had performance bonuses in the past in the province. There was some controversy around that. We don't have performance bonuses at the present time. And so I have asked, before we go forward with a recommendation to my colleagues in cabinet, I've asked for some further information on how, if we were to consider this notion of performance bonuses, how we might do it, how we might structure it and what it might represent.

And there are more and more decisions by government where it requires cross-departmental collaboration and a real buy-in by people at the senior level, but also that people who are going to implement strategic direction. And so how far down do you go with performance bonuses if we were to take that path?

So when I say . . . It's complicated and I want to be quite thoughtful about it. And then how might we do this if we were to enter into this kind of notion?

Mr. Elhard: — We're already sidetracked from the sort of the direction I wanted to go with our questions today, but I think this is an important area of discussion.

You alluded to the experience in the Alberta civil service and how they pay some of their people at the deputy minister's

level. And I'm assuming that that might also apply at a step or two below that. Has any investigation been undertaken yet to see if a similar arrangement is being utilized in other provinces, for instance, Ontario or maybe, you know, some of the larger provinces where these positions are fairly significant in terms of, you know, the role they play.

Mr. McKillop: — If I might, there is mixed practice across the provincial jurisdictions. The majority have some form of performance pay administration for their senior management. I would say that most of them have performance management and performance pay of some description for all levels of out-of-scope. They vary in some cases depending on the level in the organization.

With respect to bonuses, there the practice is even more mixed. And perhaps some fewer provincial jurisdictions provide performance bonuses, but certainly it is a practice that goes beyond just the province of Alberta.

Mr. Elhard: — Okay. It would stand to reason, I think, that given the sort of competitive nature of highly skilled management people, given the interest of the public sector and the private sector of getting the very best high-qualified individuals for a job and knowing that the private sector has responded to this demand by increasing their bonus structure or making those bonus provisions more attractive, that it's really going to compel governments — our government and others that maybe aren't in this yet — to move to that area. So if I might ask, what would be the compelling reason not to do it?

Hon. Ms. Atkinson: — Well we haven't made a decision on whether or not we should or should not do it.

Mr. Elhard: — I'm talking hypothetically.

Hon. Ms. Atkinson: — I think that the only sort of issue that I could think of in terms of not doing it, is the notion that there may be people that are in very complicated situations that don't meet performance measures but they've done a good job in terms of moving the file along and they've worked their hearts out on behalf of the people of this province. And because they haven't met a particular set of goals, does that mean they shouldn't be entitled to some sort of performance pay or bonuses just because they haven't quite yet achieved what they were hoping to achieve in that year.

So it's a bit . . . When you start new initiatives or you start initiatives that take you some time to make your way through them because you have human beings that you have to interact with and bring along with you, does that necessarily mean that you shouldn't receive a similar type of pay as a colleague who maybe has a less complex file to try and manage.

I'm trying to be thoughtful about this, Member, but I'm hoping that we can in a very thoughtful way bring forward a set of recommendations to my colleagues.

I also want to understand clearly what's happening in other jurisdictions in terms of a performance management system and what others do.

Mr. Elhard: — I hope you won't take from my comments that

I'm pushing you to go one direction or another is this. I guess the reason this particular topic is of such interest is just an awareness of the very competitive nature of recruiting and retaining and, you know, providing the best leadership we can to significant departments in jobs that are highly demanding and knowing that if this is the type of remuneration that is in place in other jurisdictions, it's going to be increasingly difficult for us to find the people we want, the quality and the number of people we may need if we aren't able to accommodate their needs in a competitive marketplace.

Hon. Ms. Atkinson: — I absolutely concur with your observation in this sense, that if you look at people . . . And let's just speak to what's happening inside the province of Saskatchewan. You have people who are being recruited by our two largest municipalities and obviously they are in the business of delivering public service. So they are able and they do provide more remuneration than for many of our senior people, or most of our senior people in government.

You have our two universities that recruit people. You have the health regions that recruit people. And the reality is that we are lagging behind. So we are going to have to do something in terms of pay equity and a job class plan.

People do receive a performance . . . if you're still in range, you can receive remuneration for good performance. But that's only if you're within range, you haven't yet moved to the top of your range. And some people receive it, and some others don't.

The kind of system that I'm referring to would be something on top of that for meeting cross-departmental goals. And Alberta seems to have been able to put that type of system together.

I understand that I think the Government of Canada has a system that is similar and then there's variations in various jurisdictions. But we hope to be able to have something to announce once we've gone through the process and we take it to my colleagues.

Mr. Elhard: — From what little reading I've done in the area under discussion today, it seems that governments are becoming more keenly aware, of recent days anyway, in the need to achieve the kinds of goals that you're concerned about. We talk about bureaucracies being sort of in a stovepipe position and communications between different branches happen infrequently. It's the role of the deputy minister or somebody below him to make sure that that cross-departmental communication happens and so that greater efficiencies and more coordinated approaches to program delivery and policy development happen, as I understand it.

And so I think there's real merit in trying to pursue that type of a system. And if you can reward people for achieving that, I think that's important. There might be alternatives — and I don't know if you've looked at what other alternatives might exist — but I think that, you know, simply recognizing that this is a laudable goal is a step in the right direction. And I want to commend you for doing that. And I hope that you don't struggle with the implications of it too long. Because again, the longer we delay or wait to make these kinds of decisions, the tougher it's going to be for us to recruit to our own jurisdiction I believe. Or am I wrong? Are my assumptions wrong?

Hon. Ms. Atkinson: — You see the other thing that I'm trying to get my thoughts around is this whole notion of, how do we improve overall government performance and accountability. And this may be one way of doing that, where you have senior managers that have to account for the overall performance and goal attainment of government when it comes to their department or cross-departmental initiatives.

Mr. Elhard: — You mentioned the federal government and the Alberta government, do you know are other governments looking to employ that type of an approach as well? Is that part of your investigation? Have you seen efforts by other governments to undertake that type of approach?

Mr. McKillop: — The use of variable pay is growing in the public sector jurisdiction. So in-range progression and bonus compensation is something that's growing to the extent that it's used specifically to deal with interdepartmental objectives, that certainly varies. It's certainly more pronounced and most particularly in the Alberta experience, but to the extent that it's built into other systems, it's there in some and not in others.

Mr. Elhard: — Maybe we can move on down the page here under the human resource information services section of the budget for this year.

Hon. Ms. Atkinson: — Human resource information services is basically the same. And did you say human resource development?

Mr. Elhard: — No. I was just going to refer to this section because I guess what I wanted to know, I noticed the sentence there just kind of jumped out at me, that the Public Service Commission is responsible for designing, developing, implementing, and maintaining government-wide information systems to collect, track, and audit information required for payroll purposes in human resource management.

Since there is no change in the amount of money required to undertake or achieve these purposes, can I take it that you've undertaken satisfactory design and development and basically what you're doing is maintaining the system, or are there changes proposed in that area?

Hon. Ms. Atkinson: — This is the MIDAS program that I referred to earlier. It is budgeted for under the Department of Finance and we don't anticipate that we are going to have to provide any more resources to this program. Finance is providing the resources.

Mr. Elhard: — You did allude to it in your opening comments, but I wasn't able to make notes quick enough. Can you give us a more complete understanding of what the MIDAS program is and how it's going to benefit this particular department and the government generally?

Ms. Jacobson: — In terms of the MIDAS project it, as the minister already indicated, it's part of a combined program. It's a replacement for the financial system but also a replacement for the HR [human resources] and payroll side. And that's the component that we're getting involved in. What it will do is take existing systems which were built, they were custom built back in 1985, and replace those systems with state of the art

Oracle-based applications. So it gives us the ability from a management perspective to be able to extract better management information and an ability to track employees and report on that, facts.

Mr. Elhard: — This program is fairly recent. What kind of longevity has been built into it? Have you any idea how long something like this will be practical and functional for the purposes you, you know, require?

Ms. Jacobson: — The MIDAS system is based on an Oracle application, on Oracle, and as such that application has a worldwide network behind it and the development. So it will go on in perpetuity. So as new things evolve the application will be upgraded accordingly.

Mr. Elhard: — Good. Let's move on to employee relations then, if we might. There doesn't seem to be much problem with this. We actually see a decrease in expenditures. Would you care to give us an explanation for that?

Hon. Ms. Atkinson: — Okay. We no longer have the consultants for the class plan so we won't . . . they've basically been sunsetted so we are saving money there.

Mr. Elhard: — Let's just move on quickly then to the human resource development section of this particular document. This is where we saw the largest increase. This is where most of the \$410,000 is realized as an increase here.

Hon. Ms. Atkinson: — There is an increase of \$200,000 for a program for people with disabilities. So this is to provide an internship opportunity not unlike Gradworks or the Aboriginal internship, where we will create opportunities for people that have disabilities à la my conversation with the member from Cannington last year.

As well we have an increase of \$150,000 to enhance learning opportunities for people in the public service. We are going to establish a position to assist government departments in providing learning for people in a variety of positions. We want to create a curricula for effectiveness, you know, how can you become a more effective public servant.

And we also want to see what we need to do in order to assist in the development of managerial training programs because our managers aren't unlike you and I. They are getting to the point where they are over 50 years of age. And how do we assist younger people who are coming along?

Mr. Elhard: — So if I could extrapolate from your comments, the increase is primarily training money.

Hon. Ms. Atkinson: — Yes.

Mr. Elhard: — Or dedicated towards improved capabilities for people already in the public service.

Hon. Ms. Atkinson: — The majority of the money is for staffing positions. So when we're talking about the 435,000, we're going to have 5.5 full-time equivalents. They're going to do three things. They're going to support persons with disabilities in the public service; they are going to support

managers in determining what sorts of programs need to be in place in order to support individuals in the workplace, in management, or people who could move into management; as well we have one position been made available for our, to assist us in the resource, you know, hiring additional people because the Saskatchewan Property Management has moved over into the government at large. And obviously they have a fairly large workforce so they have now become part of the public service and so we will need one person to assist us in this transition.

Mr. Elhard: — Will any of these people be charged with the responsibility of developing the curricula that you talked about for the training and enrichment.

Hon. Ms. Atkinson: — Yes, just one person. So there's basically three components. There's \$200,000 for the program for people with disabilities, there's \$150,000 for the curricula and management training programs, and there's \$60,000 to hire a person to assist us with the Saskatchewan Property Management because they're just coming into the public service and I understand that they will require some form of classification plan in order to align them with the rest of the public service.

Mr. Elhard: — I think there's a number of questions I wanted to get into regarding the monies being spent and the successes being achieved for . . . including people with disabilities in the public service. I know that that was a specific topic of interest the last time we discussed this whole area, especially with the member from Cannington.

But I was looking at some material related to the Public Service Commission and while you're making some inroads there, or you're having some success, you're not meeting what you wanted as far as targets are concerned are you?

Hon. Ms. Atkinson: — No, and that's why in my opening remarks I said we've been successful on some fronts and we've got a lot of work to do on others. And your observation is absolutely correct. We need to do a much better job in including people with disabilities in the public service. And we are hopeful, and obviously we'll have to measure this, that with the additional \$200,000 which allows us to devote some specific resources to assist people with disabilities that we will be much more successful in terms of integrating people with disabilities into the public service.

We want our workforce to be a representative workforce. We appear to be making strides when it comes to Aboriginal people. We appear to be making strides when it comes to women in the public service and women in management. We appear to be making strides when it comes to people who are from the equity groups, visible minorities. We need to do a much better job in terms of integrating and supporting people with disabilities in our various workplaces. And that's why we are going to dedicate once, you know, the budget passes, \$200,000 plus three dedicated positions to . . . I think it's three dedicated — 3.5, three and a half dedicated positions — to this task. And then we'll measure it.

Mr. Elhard: — What in your estimation is the greatest obstacle or the number of obstacles maybe that are preventing the Public Service Commission from reaching those objectives as far as

individuals with handicaps are concerned?

Hon. Ms. Atkinson: — When you have people who enter the workforce, the workplace, with various disabilities, and they can be disabilities, physical disabilities, they might be learning disabilities, they might be visual impairments, hearing impairments, you have to adjust the workplace in order to accommodate those individuals. And you might have to rethink how you work, how not only you work but other people in the workplace work in order to accommodate that person. And so I think it's a matter of figuring out how do we assist that person in integrating into the workplace but also assist other people who are in the workplace in adjusting themselves to a person that may have a particular disability.

It's not unlike, if I may say that, when young people enter the workplace the way they think and approach things is much different or a bit different than how people who have been in a workplace for many years approach their work. And in order to make workplaces welcoming for young people, we have to adjust ourselves.

So I'm hoping that with the support of the dedicated personnel at the Public Service Commission that we can work with human resource department people across governments to figure out what positions in government could we look at having persons with disabilities. And then how could we adapt the workplace to support that person. And then how do we coach — not coach that person but mentor that person so that they are successful?

Mr. Elhard: — You know, just looking at it in sort of general terms, Madam Minister, you know, I can identify three possibilities here. You know, maybe there isn't the sort of corporate will to achieve the results that you've identified or that have been established. There's also the possibility that there's just plain resistance at some level by some individuals, you know, who don't want the work of change and dealing with the challenges that you're talking about.

And the other possibility might be that people with disabilities may not be aware that they're welcome to participate in the, you know, the public sector workforce in a very, you know, complementary way or a very contributory way. So you know . . . I mean, I'm sure there's lots of other reasons. But would you in any way regard the possibility that there is resistance at some level to achieving these goals within the middle or — I don't want to say the upper management areas, but that's I guess where some of the push has to come from for these goals to be achieved.

Hon. Ms. Atkinson: — That's right. And we have, as you know, an office of disabilities. We have a minister responsible, and we have a Minister Responsible for the Public Service Commission. We're hoping . . . I mean, I'm very pleased that we were able to get these dedicated resources. And I'm hoping that we can, with the assistance of some dedicated personnel, start to push the envelope.

Now as I said in my opening remarks, in the last two years we've had about 65 persons with disabilities come into the public service. But we've got to do more because we know from the Human Rights Commission and some of the statistics that close to 10 per cent of our population, if I recall, has some

form of a disability. And we need to be able to adjust our workplaces and change our thinking in order to accommodate them.

So you know, I guess, I can't say with any kind of clarity why we've had difficulty meeting our targets, but now we're going to dedicate ourselves to trying to meet those targets.

One of the things that I note, being the Minister responsible for Crown Investments Corporation, that we — each year we have various Crowns come forward and they tell us are they meeting their targets for certain, you know for a representative workforce. And this . . . SaskTel has done a tremendous job of having people with disabilities in the workplace. And in fact some of our Paralympians are people who work at SaskTel, go to work every day and have been able to provide themselves a living and do their sports. We need to have that kind of support everywhere. Not only in the public service, by the way, but also in the private sector.

Mr. Elhard: — Madam Minister, we've run out of time here today and this is a topic that I'd really like to pursue with you and the Public Service Commission as well as some others at a date in the future. But thank you. We're going to revisit I think, that particular topic and continue from where we left off today. Thank you.

The Chair: — Thank you members, and I would entertain a motion to adjourn. Moved by Mr. Elhard. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. This committee stands adjourned and thank the Minister and her officials for being here today. This committee stands adjourned.

[The committee adjourned at 16:58.]