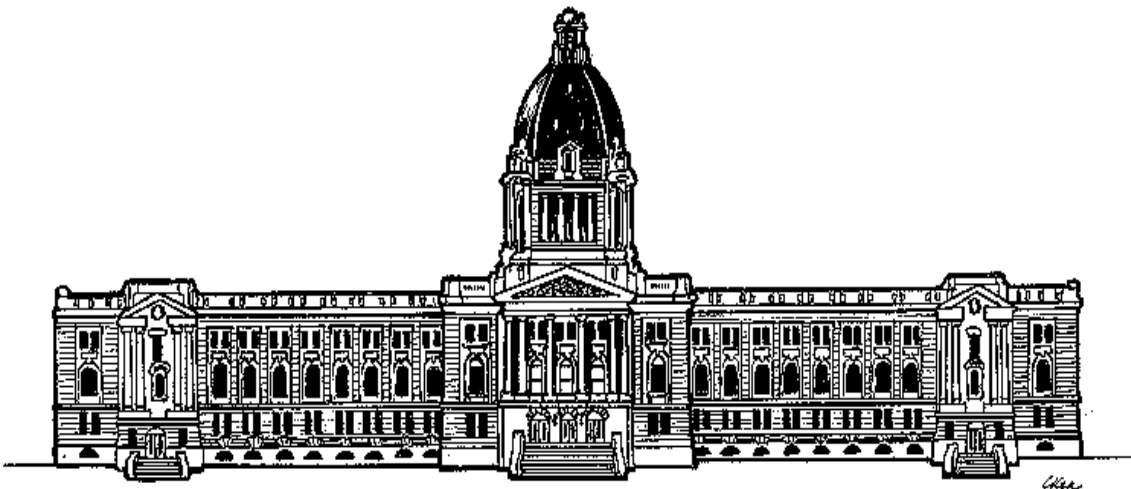




STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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**STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES
2006**

Ms. Sandra Morin, Chair
Regina Walsh Acres

Mr. Dan D'Autremont, Deputy Chair
Cannington

Hon. Graham Addley
Saskatoon Sutherland

Ms. Donna Harpauer
Humboldt

Mr. Allan Kerpan
Carrot River Valley

Hon. Mark Wartman
Regina Qu'Appelle Valley

Hon. Kevin Yates
Regina Dewdney

[The committee met at 15:00.]

The Chair: — Welcome everyone here today for the Standing Committee on Crown and Central Agencies. First order of business is to table the Crown corporations' annual reports. And today's agenda is consideration of estimates and supplementary estimates for Information Technology Office. Perhaps I'll have the members introduce themselves, members of the committee. Dan, would you like to start?

Mr. D'Autremont: — Dan D'Autremont, MLA [Member of the Legislative Assembly] for Cannington.

Mr. Kerpan: — Allan Kerpan, MLA for Carrot River Valley.

Hon. Mr. Wartman: — Mark Wartman, MLA, Regina Qu'Appelle Valley.

Hon. Mr. Yates: — Kevin Yates, MLA, Regina Dewdney.

Hon. Mr. Addley: — Graham Addley, MLA, Saskatoon Sutherland.

**General Revenue Fund
Information Technology Office
Vote 74**

Subvote (IT01)

The Chair: — Thank you very much. Today I'd like to introduce Minister Andrew Thomson, Minister of Finance. And perhaps, Minister Thomson, you'd like to introduce your officials.

Hon. Mr. Thomson: — Thank you very much, Madam Chair. I am joined by a number of officials today including Don Wincherauk, who is the deputy minister of the organization. Seated directly to my right is Richard Murray, the executive director of policy and planning. Seated next to him is Fred Antunes who is the executive director, corporate and customer services. Seated behind me we have Rory Norton, the assistant deputy minister, and Carla Feld, the manager of business development.

The Chair: — Thank you, Mr. Minister. Would you have any opening remarks that you'd like to make?

Hon. Mr. Thomson: — I have a few brief remarks just to put the estimates into context, and then I'd welcome whatever questions the members would have.

As we're aware — I think all members of the Assembly are aware — the ITO [Information Technology Office] was created largely to deal with two main areas. One was to try and improve the overall services of IT [information technology] within government, and the second was to attempt to do so in a way that provided not only better structure but also to reduce costs.

The ITO provides a complete range of IT services, from helpdesk to application development, to 16 different government departments and agencies. We have focused a great deal on improving the overall standard within the government's

IT services in the past couple of years but for the past year in particular. And it is, I think, also notable that the annual IT savings as a result of the combining the departments will be \$5.6 million lower than the historic averages, by 2007-2008. So this represents an annual . . . IT cost per individual government users will be reduced by 12 per cent as a result of the consolidation.

The consolidation has allowed us to undertake a number of other changes, not least of which was to create within government a new IT governance model that includes a business advisory council which works with government agencies to help them align their priorities and their initiatives with government-wide objectives. We think it's important that government not operate as a number of different silos, but at least in its central agencies that we try and coordinate those services that we all commonly use. We have undertaken a number of changes as we've brought more government departments into the ITO partnership, and we're seeing fairly good success with that.

I have a number of other things that I could comment on, but let me just leave it at that point, and I'll welcome whatever questions you have.

The Chair: — Thank you, Minister Thomson. So for today we are going to be doing the Information Technology Office, Vote 74, which can be found on page 99, Central Management and Services (IT01). Mr. D'Autremont.

Mr. D'Autremont: — Thank you. I'd like to welcome the minister and his officials here today. You mentioned in your presentation that you currently have 16 departments and agencies for which ITO provides services. I wonder if you could provide us with a list of those and indicate which of those are new in the past year.

Hon. Mr. Thomson: — I think I'll ask Fred to answer the question.

Mr. Antunes: — So the 16 agencies that we have in the ITO is . . . Agriculture and Food, they're already part of the partnership. Highways and Transportation, they were part of the partnership. Northern Affairs is also part of the partnership. Industry and Resources joined in 2004-05. Government Relations joined in 2004-05, as did First Nations and Métis Relations. Culture, Youth and Recreation also joined in 2004-05. Learning joined in the past year . . . Finance, Executive Council, Public Service Commission . . . Regional Economic and Co-operative Development was created in 2005-06, so they also joined. Advanced Education Employment split out of Learning, so they also joined in the past year, or they will be in the coming year. The Saskatchewan Municipal Board and the Saskatchewan Grain Car Corporation, Municipal Board joined in the last year; Grain Car Corporation was there previously.

Mr. D'Autremont: — For the upcoming year for which this budget applies, which ones are you looking at coming under ITO in the coming year?

Mr. Wincherauk: — Don Wincherauk speaking. We have just

finished. Environment has joined as about a week ago. What we do is do extensive due diligence on each one of the departments before they join the partnership. We've completed that on Labour, DCRE [Department of Community Resources and Employment], and we've signed charters with Health, SPM [Saskatchewan Property Management], Justice, and Corrections. And so we hope by the end of this fiscal year to have all of the departments under the IT umbrella.

Hon. Mr. Thomson: — If I might just add to that. One of the things that has occurred is, as other government departments have come in, we'll often end up with the other agencies that they've worked with migrating in also. This was the case as to how we ended up with Grain Car coming in through Ag and Food. And so there may in fact be other agencies that are attached to these that have historic arrangements that will end up in the partnership also.

Mr. D'Autremont: — Okay. When ITO takes over the operation of the IT services of a department or agency, what happens to that department? Is it simply absorbed into ITO? And then therefore what happens to the budget that was being allocated, let's say, by Executive Council? The budget that Executive Council had for IT services, is that then transferred from Executive Council to ITO? And what of the staff that was providing IT services within the department? Is that transferred as well?

Mr. Wincherauk: — What happens in that is that the staff rolled into the ITO, the budget is left behind, and we sign service level agreements with each one of the departments for the type of services we are going to provide them. And then we bill them for that service. So the money stays behind, and then we have a flow through that occurs.

And we've worked with the comptroller's office and the Provincial Auditor to make sure all this is proper and fully accountable and transparent.

Mr. D'Autremont: — So that should show up then as revenues for ITO, should it?

Mr. Wincherauk: — Fred, would you?

Mr. Antunes: — Yes. In the interdepartmental services' subvote is where the work is done, so it shows up as an expense, then an internal recovery or a recovery. So it offsets to the . . . I think the net of the interdepartmental services subvote is zero. But if you look at it, there's a number of expenses and then internal recoveries that we recover the costs back from the different departments.

Mr. D'Autremont: — So vote no. (IT04) where it shows internal recovery of 33 million, that is the transfers from the departments for IT services to ITO.

Mr. Antunes: — Yes, that's correct. It's a payment for the service. That's right.

Mr. D'Autremont: — And where does it . . . How do you then account for those monies going out of ITO? There's a \$33 million income here. Will that be taken up then with the suppliers and other payments of 21 million and then salaries,

etc., etc.?

Mr. Antunes: — That's correct.

Mr. D'Autremont: — Okay. Well thank you on that. I note that your increase in expenses this year is a 20 per cent increase, which really doesn't take into account that recovery and then the offset expenses for supplying that. Or at least it doesn't seem to show up here. Interdepartmental services shows no money in or out. So that 20 per cent increase isn't reflected in interdepartmental services. So where does that extra 20 per cent come from?

Mr. Antunes: — Yes. The 20 per cent or the . . . I think it's \$1.1 million is basically . . . A big part of it is actually a re-allocation of costs from the Department of Learning, Department of Finance. So normally what happens is the staff that were in the IT organization, providing IT services, move over to the ITO, and the salary dollars stay behind, but the staff move over.

In this case, there were seven individuals that are moving over to new roles within the ITO. So the salary dollars moved over along with those seven FTEs [full-time equivalent], so there's no increase in cost to government. There's just a reallocation of those expenses, so that makes up a large portion of the increase. The additional increase is related to . . . we've got some additional funding to help departments with initial cost of consolidation. So there's \$250,000 provided for that.

We've got a capital budget this year which we didn't have in the past, so that allows us to make sure we're making the appropriate decisions around procurement, whether we lease or buy. So that's there.

And then we've also had additional costs related to some human resources, as the organization grows to be able provide HR [human resources] costs. That makes up an additional \$570,000. And the remainder of the costs are small operating expense increases.

Mr. D'Autremont: — The major increase on page 99, the first page of ITO, shows roughly a \$700,000 increase in IT coordination and transfer initiatives. This is related to the change for Learning from controlling their own IT services to ITO controlling those services?

Mr. Antunes: — A portion of it is. So some of the staff that moved from the Department of Learning and from the Department of Finance moved into that IT coordination area. So they'll provide services in areas like business improvement. So they're not doing the same things they were doing before. They're doing other things that we're doing to help, you know, help government meet its objectives about improving processes as we also develop an application. So those people have been moved across. That's a large portion of the increase.

The other part of the increase is the additional cost for IT consolidation.

Mr. D'Autremont: — And the seven FTEs, that's also the personnel that transferred over from Learning to IT?

Mr. Antunes: — Learning and Finance.

Mr. D'Autremont: — Learning and Finance.

Mr. Antunes: — That's correct.

Mr. D'Autremont: — Was there a corresponding drop in FTEs for Learning and Finance to indicate the transfer of that personnel?

Mr. Antunes: — Yes, there should have been a corresponding reduction, or there was a corresponding reduction in those two departments.

Mr. D'Autremont: — Well Finance shows an increase of 36.

Hon. Mr. Thomson: — What we need to take into account is that in some cases the departments have increased their overall staff complement to deal with other new programming that they're offering. So it's not necessarily a direct bottom line. There would be in some cases a net increase, for example in the Department of Finance where they have hired additional audit staff or something like that.

But the FTEs are essentially transferred out of whatever the initial host department was into the ITO. Whether it shows up directly on the global number or not will depend on what other initiatives for staffing are happening within those departments.

Mr. D'Autremont: — So I guess it would be important then to go to Finance and find out exactly what those personnel were hired for. So there's potentially 40 . . . I'm not sure. How many people came over from Finance?

Mr. Antunes: — Two.

Mr. D'Autremont: — Two. So there's actually a difference of 39 people there that need to be accounted for by Finance.

Hon. Mr. Thomson: — And what members will see as they take a look at the budget is that there are two things that happened in terms of the FTEs. In some cases the FTE numbers have been adjusted to actually reflect the actuals that were being carried by the departments in this particular year. And in some cases there were in fact new employees hired to deal with new initiatives. Finance did undertake a number of hirings to deal with audit staff and compliance issues that it wanted addressed.

Mr. D'Autremont: — But it will be up to the Finance critic to determine where those people went to and why they were hired. I note on Learning that the numbers are different. There's a reduction of 17 staff there. So of the seven people then, five of them came from Learning?

Mr. Antunes: — Yes.

Mr. D'Autremont: — The increase in allocations for information technology coordination, the coordination between the departments, between ITO and the new departments — what was that money needed for? Exactly what was the coordination changes that needed to happen?

Mr. Antunes: — So this is in the information technology

coordination subprogram? Yes. So basically that is where you've got the positions transferring from Finance and Learning. So there was one position transferred from Finance into that area. Another person went someplace else. The five positions from Learning came into there.

We were able to . . . One of the new initiatives we have this year is we have an additional work term for students so that's being paid for out of that area. We've had some additional costs related to some of the CommunityNet site blocking that we do in terms of protecting the CommunityNet infrastructure and access to sites. And then there was some general, just general inflation and salary increases related to the management class plan, SGEU [Saskatchewan Government and General Employees' Union] collective agreement, and things like that.

Mr. D'Autremont: — How many students will you be hiring under your work term?

Mr. Antunes: — In total the plan is that we're going to hire 10 students. So we've got six students that'll be hired. They're Aboriginal students that will be working in the IT or are enrolled in IT programs. We've also got four other students that we're planning on hiring that are studying in a business or a public administration area. And one of those students will be targeted to be an Aboriginal student as well.

Mr. D'Autremont: — The CommunityNet blocking service that you're providing, who and how was that determination made as to what is blocked and what is not blocked?

Mr. Murray: — All civil servants are blocked. That was a decision that was made quite some time ago, a number of years ago. And we block adult sites, hate and racism sites, and gambling sites.

Mr. D'Autremont: — That must take one person just checking that to find out what to block all the time.

Mr. Murray: — We've got an automated system that has virtually every possible website contained within a database. And so it's virtually impossible for a government employee to access any sites that are under that blocking or in any of those categories. And it gets updated on a daily basis by the company that we've obtained the software from.

Mr. D'Autremont: — So what you've done is you've actually hired a software service from a supplier who would then themselves make the determination as to what new sites are coming on stream everyday.

Mr. Murray: — Yes. The manufacturer of the software does that as part of the package.

Mr. D'Autremont: — I know in some of the spam blockers, the spammers have become quite innovative and made their addresses appear just to be ordinary email addresses that change on a daily basis.

Mr. Murray: — That's why we felt it was quite critical to get a package that was indeed updated by real humans. And so, there's a team of people that work away and make sure that as the spammers change, so too does the software shift to block

the sites.

Mr. D'Autremont: — Is that company that you have hired to do this a Saskatchewan company, or is it outside of Saskatchewan?

Mr. Murray: — No, actually it's an American company. I'm not aware of any Saskatchewan company that manufactures any software of this sort.

Mr. D'Autremont: — Okay. Thank you. You talked about once you take over the operation of one of the departments or something, that you at times get auxiliary links from that to other agencies and commissions, such as the Grain Car Corporation. A piece of legislation that is before the legislature talks about anyone receiving government funding.

Are you looking at expanding IT's services in such that they provide commercialized services to other groups who may not be direct government agencies, Crowns, departments or agencies of government?

Hon. Mr. Thomson: — What we've been looking at is how to — now that we've got consolidation in place and we have an ability to go and do larger purchasing — how it is that we can take that benefit out to other government, quasi-government organizations. For example the Microsoft agreement that we negotiated last year, we were able to include into that municipalities and Crowns. We are looking at a large hardware renewal program. By bringing other government agencies, in they can participate in these kind of programs.

That's largely what we're looking at. It's not a case that we would be going into commercial services per se but rather looking at how other government agencies could work with ITO to essentially bulk buy or benefit from the consolidations.

Mr. D'Autremont: — Well you mention municipalities. I know that municipalities are bulk purchasing some services. Now I don't know whether they bulk purchase all services, but they certainly have some sort of an agreement or an association amongst themselves that they're buying common programs for usages. So will you be circumventing that, those services? Will you be supplanting those services who are being provided by, I believe, a Saskatchewan company? I don't know for certain but I believe it is. So will ITO then be going into direct competition with that supplier who's already supplying those services to the municipalities?

Hon. Mr. Thomson: — No. In most cases where we're dealing with outside agencies, it's largely a choice of theirs as to whether they participate in the partnership or not. Government departments we are encouraging to move into the full partnership, and as such we'll be streamlining their systems as we go along. But for outside agencies, particularly in the municipal sector or health or education, the choice is largely . . . well it's entirely theirs as to whether they come into the partnership or not.

Mr. D'Autremont: — Will there be any incentive or disincentive programs put in place for those arm's length links that there may be with ITO, that they utilize ITO services compared to some other system that they may be using

currently?

Hon. Mr. Thomson: — The only main thing that would be perhaps construed as an incentive is the fact that by having a larger organization we can in fact achieve usually better savings than other organizations can. But there's no desire to really supplant any other organization's purchasing arrangements. It just gives us more flexibility in terms of doing it.

Mr. D'Autremont: — Other than a possible cost saving in the purchase of, say, hardware or software, what advantages would there be to someone using ITO who's a third party, not a direct government agency rather than the service that they're already utilizing?

Hon. Mr. Thomson: — The benefits of moving into the ITO partnership would be the ability to have a unified approach, a common approach, to dealing with everything from, as we've talked about, spam blocking to email services to make sure you've got a common help desk approach. There are a number of those pieces that would be standardized obviously through the partnership. I don't anticipate that there will be a lot of take up through what we would consider outside third parties.

Health and Education have their own relationships with the sector, and they'll need to take a look at how that fits in with the partnership. Education already has some arrangements through the technology consortium, and they are, I think, looking at how they can revamp that as a result of the reorganization that occurred within the school divisions. What that'll mean for them and whether there's an opportunity to work more closely with ITO and the provincial government is really a question that the boards will need to deal with.

Mr. D'Autremont: — When it comes to services provided by ITO or the services ITO needs and utilizes for their operation, what opportunities are there there for private suppliers of hardware or software services?

Hon. Mr. Thomson: — In largely at entirely private sector operations in terms of providing the supply obviously of hardware, there's opportunities in terms of not only the supply of servers and desktop units; there's an opportunity for just a whole range of normal purchases to be made that way.

On the software side, one of the ways that we are achieving some cost saving is to streamline the number of applications within government. And so as we move towards common platforms, as we move towards common applications, we are seeing an opportunity to work more directly with the private sector companies to provide that as opposed to more in-house development as may have been the case through parts of the late '80s and mid-'90s.

Mr. D'Autremont: — When you're looking at the private hardware, are you providing servicing of that hardware from within the corporation, or are you also looking at the private sector to provide the servicing of that corporation — the retention of server sites and the supply of services for networking, etc.

Hon. Mr. Thomson: — It depends on the operation, but it's generally a combination of both. In cases where we have

servers within government agencies, we'll look after those. In other cases they're already outsourced and as such we have a good partnership arrangement with a number of the major suppliers already for those data hosting services.

Mr. D'Autremont: — So what happens if you have a contract with a non-IT service to supply a service to a department? When that contract expires, do you re-tender that contract so that private suppliers would have an opportunity to either retain or gain that, or is that transferred in-house?

Hon. Mr. Thomson: — Generally it's a case that we'll follow the procurement policy to simply renew the agreements. There's not a desire on our part to move more in-house. In fact if anything, we've been looking at how we can create better partnerships directly with the private sector.

Mr. D'Autremont: — I know that's one of the concerns that the private sector has had with the growth of one central agency, is a fear that they may be squeezed out as the growth continues, and more and more one government operation is absorbed into one unit, that there's a fear there that they be squeezed out either by the agency itself or by a mega competitor who may be able to supply the service to the entire government structure rather than having it broke down into bite-size bits.

Hon. Mr. Thomson: — The question of de-bundling is an important one. Obviously we're interested in trying to help Saskatchewan suppliers. But we also need to keep in mind that we are buying services on behalf of taxpayers and need to get the best price possible.

One of the things that I have found as we've gone through this process is that there are a lot of small, sole-source contracts that are essentially renewed in perpetuity simply because they were the ones who designed the software and the only ones who seem to understand how to fix it. Obviously as we standardize the applications across government, we have an opportunity to put these out to tender to get more competitive services. So certainly there are winners, and there are losers within the process, within the private sector.

Mr. D'Autremont: — I think the people in the private sector accept the fact that they are in competition with somebody else and that the service they provide has to be competitive and current. Their fear is though that you have one supplier that may supply all services versus . . . I'm just going to throw some numbers around; the numbers themselves are not relevant.

If you have a contract for \$100 million, you know, a smaller company may not be able to supply easily \$100 million worth of software, but they may be able to supply \$10 million 10 times. And the contract may simply be too big for them to swallow at one whole chunk, but them and partners may be able to take the whole contract, but in smaller chunks.

And that's their concern — that the whole IT availability is not all lumped into one contract, but there are a series of contracts where they can take advantage of some portion of it and still supply what government needs and what the government's goals are, but not do it all in one piece.

Hon. Mr. Thomson: — We monitor fairly closely what SPMC [Saskatchewan Property Management Corporation] has done through supplier development initiatives. ITO has a similar approach in terms of wanting to encourage Saskatchewan-based businesses to be able to compete. In many cases it is Saskatchewan-based businesses competing with each other for the provision of those services. Now where you run into some difficulty are those that would consider themselves to be homegrown Saskatchewan companies versus those who are Saskatchewan-based operations for larger national or multinational companies.

At the end of it what we're looking at is how you stimulate the jobs and create the critical mass here, but at the same time achieve the best possible benefit for the taxpayers. So it is a balance. It is a combination of things that we look at. It's not always a case that we would simply consolidate everything and say we're looking for one company to provide all the goods. Rather we do pay attention to de-bundling as it makes sense.

Mr. D'Autremont: — You mention that you expect to have the savings . . . You estimate you're saving now an average of \$5.6 million on average and that those savings will start taking place or will reach that level by '07-08. Is that correct? The operation has been in place now for two year. This will be the third year occurring this financial year. What savings have taken place up until now?

Hon. Mr. Thomson: — As we identified earlier, because we're a government department, part of what has happened is that the savings actually don't appear in the ITO budget. They appear in the freeing up of resources in the original host agency. So for example, if we are able, through the consolidation, to reduce the number of FTEs or reduce the number of server locations, server rooms, servers, any of those kind of things that reduce the overall cost to the agency, the department is then able to redeploy that money. And so for example, we've seen a reduction in the number of helpdesks. We've gone from eight helpdesks down to one helpdesk. We've gone from 34 server locations to two, 14 server rooms to two, 375 servers to 170.

All of these then . . . as we get the consolidation in, as we are able to reduce the cost, the benefit goes back to the host agency. So we don't need to charge, for example, the Department of Learning as much as they may have been previously spending, and so they will redeploy some of that money.

Mr. D'Autremont: — You may want to take some of those old helpdesks and send them over to Health. It sounds like they could use a little in one spot.

Okay, when these savings are realized, where do those savings actually occur . . . [inaudible interjection] . . . No I understand, Mr. Minister, they happen in the department. But what services are occurring that generate those savings? Is it the fact that you have a better coordination? You don't need as many servers? Is it that the time factor in that communication is quicker? What's the actual things that are causing those savings to occur?

Hon. Mr. Thomson: — A number of different things. For example last year I think when we appeared before the committee we announced that we had signed a new licensing agreement with Microsoft. As a result, we were able to get a

significantly lower cost for each licence than individual departments were able to previously negotiate. And so they were as a result charged less for that service that had access to those applications. Each department then dealt with their savings as they saw appropriate.

In cases where we've moved FTEs over, as was identified, we were able to redeploy in many cases IT personnel into higher classified jobs or other jobs that allowed better service to be deployed that may not have otherwise been available. And so the department's not necessarily charged for that service but will see the benefit of the FTEs being out of their budget.

Mr. D'Autremont: — So when there's a loss of an IT position within the agency that you're providing service to, if the personnel isn't transferred to ITO, is there still an IT function for them within the agency or the department, or are they transferred into some other job location? And if so, do they therefore need retraining or need to change their status somehow?

Hon. Mr. Thomson: — It's usually a combination of both. In many cases the people will retain their current office, their current work environment, all of those things. They just have a different reporting structure. In some cases we end up redeploying because there's not as many people required. And so we eliminate the duplication within the system and are then able to redeploy or retrain or reallocate those individuals into other positions.

Mr. D'Autremont: — Has there been any actual loss to the individual of employment opportunities because there was no opportunity for redeployment or retraining of individual personnel?

Hon. Mr. Thomson: — At the time being, as we're going through the consolidation, the answer is no. In the future there may well be an ability to find some cost savings through streamlining. But we are not at that point now, and I don't have any idea what the opportunity is on that. We won't know until we have a better understanding of what the full consolidation looks like.

Mr. D'Autremont: — So in the coming year, you just brought Environment in, in the last . . . since April 1, let's say. You have done studies at Labour, DCRE, Health, SPMC, and Justice. Will those be coming on stream this year, or will some of them be coming on stream? If so, which ones?

Mr. Wincherauk: — Yes. We completed the due diligence on Labour and DCRE, and so they're sort of waiting in the queue for us to sort of digest the Department of Environment. And then we will be meeting with the other departments and then queueing them up to come in also.

But what we have to do before each one is to have an extensive due diligence which takes up to as many as three, four months because we have to know what their legacy systems are — what they're running on — what are all the problems, whether we can retire some of those systems or we have to build new ones. So there's a . . . We wouldn't want to proceed with something where you actually might knock the department off its rails for a while.

Mr. D'Autremont: — So with Labour and DCRE, do you think they'll be coming on under ITO for this fiscal year?

Mr. Wincherauk: — It's our plan that by the end of this fiscal year, the rest of the executive government should be under our umbrella.

Mr. D'Autremont: — So that would include Health and SPMC and Justice as well?

Mr. Wincherauk: — Correct.

Mr. D'Autremont: — Okay. Thank you. So you don't know, with that occurring, what the staffing complement will be specifically and what will happen to those IT people that are currently situated in those departments, whether they will . . . some of them may come over as . . . Will they be part of that plus seven that's forecast for this year? Because I was assuming that that seven was the two from Learning and the five from whichever other department it was that you had just absorbed.

Mr. Wincherauk: — Finance.

Mr. D'Autremont: — Finance. Two from Learning and five from Finance. So do you have any numbers in mind for the rest of executive government that will be coming over, for the number of staff you may be absorbing?

Mr. Wincherauk: — What we have to do is that when you're doing integration, it's incredibly time-consuming, and it takes up a lot of resources. So basically all the people we have right now get redirected to that. And at the same time, we're finding there's a whole host of other new issues that are occurring.

One of them has been security, so we have to train and dedicate people to that. But what we'll probably be doing midway through this year is we'll have a better idea of what the organization would look like in the next fiscal year, and then we'll be bringing that forward to Treasury Board and working it through the decision-making process.

Mr. D'Autremont: — So the additional seven FTEs reflects what's happened in the past year, but you haven't included any numbers in what may happen in the coming year. Do you have even you know a guesstimate on what it might be?

Mr. Wincherauk: — It's hard to say. Every department is actually so unique in the sense of the type of applications and the hardware they're running that we proceed very carefully before we get into that. Like I say, you wouldn't want to go in and start reducing something that would cause the department to have problems, and especially with some of their major applications.

Mr. D'Autremont: — I note in your list — and I may have missed some — but I think there's only one Crown corporation, and that's the Grain Car Corporation. I'm assuming you'll be looking, at least according to the new piece of legislation coming forward, looking at the Crown corporations. Will you be looking at ITO becoming directly involved with the IT component of the Crown corporations?

Hon. Mr. Thomson: — I think it's unlikely with the major

Crowns that we would see that. It is rather a case with some of the smaller Crowns that may have, some of the smaller Crown agencies that may have relationships with existing departments that we'd be looking at. It's not a case that any of the major commercial Crowns we'd be looking at doing consolidation with.

Mr. D'Autremont: — So the \$35 million that SGI [Saskatchewan Government Insurance] is looking at to undertake for renewal of their IT infrastructure, ITO would not be involved in that at all?

Hon. Mr. Thomson: — That's right.

Mr. D'Autremont: — One of the purposes the minister stated, and it's also on your website, that ITO was there to foster a prosperous IT industry in Saskatchewan. What is ITO doing to promote that?

Hon. Mr. Thomson: — We've just finished a two-year process now with the Minister's Advisory Council on IT that was headed up by Dr. Barnard here in Regina. This undertook to work with the industry to try and get a better understanding of where IT fit in. It's particularly within the AT — within the advanced technology sector.

And what the opportunities for growth were, there is . . . I think it's fair to say that the sector is highly fragmented. There is not a particularly well-articulated path forward for it. There's not . . . It is not an industry that is characterized by a significant amount of co-operation or a common approach in terms of how to move the industry forward.

Through the advisory council, we have sponsored two symposia to meet with industry to talk about what we can do both in terms of improving the ability for industry to participate with government as vendors to government, and secondly what it is that we need to do to create a better culture for growth within the sector.

We have been working with . . . Industry and Resources has worked on this with the advanced technology association. And I think as a result of this work, we are seeing now a clearer picture of what it is that can be done, both in terms of dealing with some of what would be best described as irritants within the sector as its relationship with the government has been; secondly, what some of the opportunities are; and then finally, what the road forward may look like.

Mr. D'Autremont: — Within ITO, what programs or policies or directions are you taking with bandwidth in this province and expanding that bandwidth?

Mr. Murray: — We continue to work on development of the CommunityNet II initiative to expand wireless high-speed out to the rural areas of the province. We're working with a group called KCDC [Keewatin Career Development Corporation] out of La Ronge, specifically looking at northern broadband issues.

We participate on a provincial-territorial-federal working panel that is dealing specifically with broadband expansion nationally and trying to develop a concerted provincial-territorial view to try and seek additional federal funding to expand broadband in

the province.

Mr. D'Autremont: — When you're working on CommunityNet II, what kind of frequencies are you looking at working on there? Are you looking at some that are . . . Most of them that are available currently are line of sight and have some difficulty if there's any obstruction. I mean, at times it's even just tree leaves that can bother some of those frequencies. What are you looking to do with those kind of difficulties, particularly in the North?

Mr. Murray: — The newer technology called WiMAX [worldwide interoperability for microwave access]. That is just now starting to become standardized and is starting to become readily available from the major manufacturers, and so we'll be examining WiMAX for the future. And it has a wider range and operates at different frequencies than the current line-of-sight technologies which give us about a 30-kilometre range.

But you are correct. It is a bit prone to trees or grain elevators or those sorts of things that you might find out in the country.

Mr. D'Autremont: — Has ITO been doing any work with satellite high-speed communication?

Mr. Murray: — Yes. We've done a fairly . . . a good part of the original CommunityNet initiative was based originally on one-way satellite technologies. And then two years ago, we expanded the one-way and replaced it with two-way satellite technologies. And we continue to be quite familiar with satellite, and we continue to pursue opportunities with satellite expansion where necessary. Satellite is particularly suited to very, very remote parts of the province, as I'm sure you are aware.

Mr. D'Autremont: — The satellite capabilities, to whom would that service be provided? Would it be provided to agencies, or would it be made available to individuals?

Mr. Murray: — At the moment we use two-way satellite specifically for schools and health care facilities particularly on reserve land and in Aboriginal communities.

Mr. D'Autremont: — Does ITO work with some of the private providers of wireless high-speed to service those communities where they may be providing a service?

Hon. Mr. Thomson: — The CommunityNet program is built in conjunction with SaskTel, and so SaskTel has entered into partnership with VCom out of Saskatoon to provide the services. And that is what they used to establish their Internet backbone within the province. There is not a broader partnership in place such as a different business model than what we anticipate at some point we'll see in Alberta with SuperNet if that ever lights up.

Mr. D'Autremont: — There are a number of private providers, however, that are already operating wireless high-speed throughout the province. I'm not sure how widespread it, is but I know that there's a number of providers in my own constituency that would be available to service some of the schools. The schools normally already have the high-speed into them themselves, but a number of the other government

agencies such as the libraries or municipal offices may or may not have, depending on where they're situated in relationship to the schools.

There may be a community five miles down the road, 10 miles down the road that has the municipal office or the library but not the school, so they can't access the high-speed. But someone in the community may be offering high-speed wireless. Has the government looked, has ITO looked at partnering with those to provide those kind of services to some of the other agencies that could use high-speed, but don't actually have access to it?

Hon. Mr. Thomson: — We haven't looked at bringing them into the CommunityNet partnership, but certainly other agencies are welcome to directly procure the services from them. There's no prohibition on that, but we don't bring them directly into the CommunityNet partnership.

Mr. D'Autremont: — So if they were to access another supplier, they would still have no problem accessing government services? There would be no security problems for them doing so?

Hon. Mr. Thomson: — It would not be possible to participate in the VPNs [virtual private network] that we would have in place for Education or, what's the other VPN?

Mr. Murray: — Health.

Hon. Mr. Thomson: — Health. But obviously Health is a unique situation in terms of what we're dealing with there. But Education, the Education VPN is left entirely within the CommunityNet system. Now that being said, all the schools are covered off, so it's not as much of an issue.

Really what we've been looking at the wireless to do is to provide, through SaskTel, the increased bandwidth that's necessary and the backbone to then provide for the expansion of the service out into, on a commercial basis, local businesses or residences. These are primarily who the target of the CommunityNet II system is.

Mr. D'Autremont: — I note that ITO is looking at using VOIP [voice over Internet protocol] for its executive management programs within government. How far along is ITO on that project?

Hon. Mr. Thomson: — We've got two pilot projects involving voice over Internet protocols, one aimed at government departments, the second looking at how it would work within a school system. And those pilots are . . . One is under way. The government one is nearing completion of the pilot. And then the one with the school divisions has been somewhat effective, I guess, through the amalgamation. And we're just working our way through on that one.

Mr. D'Autremont: — The government department you're dealing with on VOIP, were you looking at just one sector within that department or the whole department? I'm trying to get a gauge on, you know, how small or how large a project.

Mr. Murray: — Yes, the pilot is taking place within

Saskatchewan Agriculture and Food and Saskatchewan Crop Insurance Corporation. We're running 256 voice over IP [Internet protocol] handsets, and we've put them in Regina, Saskatoon, Moosomin, Melville, Outlook, and Swift Current. So we've kind of spread them around the province. Not the entire department because it's a pilot. We didn't want to endanger things like the Saskatchewan Agriculture knowledge network for example, so their head office, admin staff, and field staff in those communities.

Mr. D'Autremont: — Okay thank you. This project, is it strictly internal that you're utilizing your own . . . you've got software someplace and hardware to deal with this? Or are you utilizing the services of, say, Navigata or I think the other SaskTel — they call it in Saskatchewan, WebCall — or are you using the service of another supplier?

Mr. Murray: — We're using services of SaskTel, not their WebCall service which is primarily a residential service. This is a Centrex IP service which is a business-class service.

Mr. D'Autremont: — And what does that do to the bandwidth for those particular offices?

Mr. Murray: — That very question has been of great interest to us as we've conducted the pilot. And it does definitely impact the bandwidth. And so one of the considerations as we build our financial and our business case is whether or not upgrades are required in some of the smaller communities or not in order to support voice over IP. And it's safe to say that depending on the location, some upgrades have been required. Some locations have not required upgrades.

Mr. D'Autremont: — When you're looking at the communities that it's going into, I'm assuming the ones that you have mentioned would be serviced by fibre optics. Is the hard line going into your nodes one of the restrictions that may be in place?

Mr. Murray: — In terms of location there's no restrictions really. We've got CommunityNet to every school, every health care facility, every government office. And it's always been our intent to use CommunityNet for things like voice over IP for video conferencing. And so to my mind this is a logical progression and a good use of CommunityNet. And there's no real restrictions in terms of where we might go with this technology.

Mr. D'Autremont: — How long have these projects been running, and when do you think you'll have some reportable results from those projects?

Mr. Murray: — This pilot kicked off on November 1. It's actually due for completion on April 30. So coming up here this week is the final week. Next week we're doing user surveys to find out how happy the users are. And we expect that we'll have our business case and financial analysis completed in the next month or so.

Mr. D'Autremont: — Strictly from anecdotal evidence from those projects, what kind of reports back are you getting from the individuals operating in those offices that were utilizing it? Just anecdotal, you know, did they seem to be satisfied, or they

were reporting problems from time to time?

Mr. Murray: — I would suggest that anecdotally the users are by and large happy with the service, by and large.

Hon. Mr. Thomson: — If I might just add, one of the reasons we were looking at two pilots is there's two different ways of doing VOIP. And it's the internal one that we're trying now with the Centrex-based system. I think that there is a question as to whether when we start really working our way through the analysis, part of the question we will look at is, which type of VOIP system is in fact better?

I think we all understand that at some point we'll want some integration of voice and data. The questions will be, are we in a position to do it now? What does the cost look like of doing it now? Which of the two systems is better? The Centrex system which requires less upfront capital but has a higher cost of deployment or usage, or should we look at the other system which has a higher upfront capital cost on the PBX [private branch exchange] system and a lower usage? And this is what we'll need to try and balance out as to which works better especially in decentralized agencies.

So that's really what we're aiming to look at. I think we're a ways away from saying that we're going to go across government with some kind of a large build out. The other issue obviously that we're interested in is, what the impact on bandwidth is.

Mr. D'Autremont: — Yes, I know bandwidth can . . . You start using VOIP, and it does suck up bandwidth. The new equipment though, you mention the difference between data and VOIP. In reality though, isn't VOIP simply data that's carrying a different type of communication rather than simply the program, analog information, that you would have coming out of a program? Once it's . . . Your voice is digitalized, and it's simply data flowing down the stream. And I'm not sure that there is any difference between — as far as the physical system working — any difference between the data of a voice and the data of a program.

Hon. Mr. Thomson: — That's what I mean when I say we're looking at integration of voice and data into one system as opposed to now where we run them on two different streams. But what we are looking at is in fact two different ways of doing VOIP, one which is a Centrex-based system that SaskTel is currently offering.

And the other would be a PBX-based system which could be operated by the government itself or school boards or health agencies or whoever else it might be. And what we need to see is comparing these two systems, what are the conditions that you might deploy them in and what are the requirements to do so? So that's really what we're exploring at this point.

Mr. D'Autremont: — In looking at using VOIP within government, you've mentioned that you're working with SaskTel on the one and internally on the other. Have you looked at other suppliers as well to see what they may be able to offer in terms of what government needs?

Hon. Mr. Thomson: — The PBX system is actually, I think, a

Cisco-based system. The Centrex system is a Nortel-based system operated through SaskTel. So it would be a case of certainly looking to see which of these works better for our needs, how you might deploy it, what the overall cost savings are.

It's still fairly early for the technology in commercial applications, at least of our nature where you're dealing with a whole number of different sites and different agencies and different operations. So we're just trying to get a better handle on it.

I wouldn't rule out doing another pilot this year using a PBX-based system within government to see how that then compares in that same kind of a situation, if we can't make arrangements for the school division one to work.

Mr. D'Autremont: — Okay. Because the school division one is now caught up in the amalgamation, and some are on and some aren't, and they need their system working. Does Sask Property Management have a role in these projects?

Hon. Mr. Thomson: — I'm told they're a partner of ours.

Mr. D'Autremont: — What role would they be playing in this project?

Hon. Mr. Thomson: — Go ahead.

Mr. Wincherauk: — SPM is still responsible for relationships and dealing with voice communications, so the telephones and everything are all negotiated between SPM and SaskTel.

Mr. D'Autremont: — Well I guess it comes down then to a question of when does voice become data and become ITO's mandate rather than SPM's?

Hon. Mr. Thomson: — That is the \$64,000 question. And if you ask SaskTel, they have an even different answer to it so.

Mr. D'Autremont: — I have some more questions for ITO, but I think we're at the limit for today for us. So I would like to take this opportunity to thank the minister and his officials for coming in.

The Chair: — Thank you, Mr. D'Autremont. I too want to thank Minister Thomson and his officials for answering all the questions so diligently today and thank you for your time.

And we will adjourn for three minutes?

An Hon. Member: — Recess.

The Chair: — We will recess. All right. We will recess for a few minutes and move on to Public Service Commission. Thank you.

[The committee recessed for a period of time.]

Subvote (PS01)

The Chair: — Good afternoon. And I'll first off mention that we have a substitution for Ms. Harpauer. We have Mr. Elhard sitting in as a substitute.

And I want to welcome Minister Atkinson and her officials here today for consideration of estimates for Public Service Commission. We'll deal with Public Service Commission vote 33 on page 129, central management and services (PS01). Minister Atkinson, would you like to introduce your officials. Then perhaps you have a few opening remarks.

Hon. Ms. Atkinson: — First of all I'll begin by introducing the officials from the Public Service Commission. To my far right is Rick McKillop, executive director of employee relations. Immediately to my right is Clare Isman, the Chair of the Public Service Commission. To my left is Ron Wight who is the executive director of human resource client services. And behind us is Lynn Jacobson, director of corporate services, and Ken Ludwig who is the acting director of organizational development.

Before we entertain questions, I'd like to provide some information on the work of the Public Service Commission. The government's committed to ensuring we have a capable and talented public service working in a healthy, supportive, and challenging work environment.

The Public Service Commission is guided in this by the corporate human resource plan. And this plan was developed by the PSC [Public Service Commission] with support and input from departments and was endorsed by our cabinet. The plan has three goals. The first goal — talented, innovative, and dedicated employees. Second goal — a healthy, productive, and collaborative work environment. And the third goal is a diverse workforce. Specific attention is being devoted to young people and succession planning.

Some of the Public Service Commission's accomplishments over the past year include implementation of the MIDAS [multi-informational database application system] HR payroll system which is the final phase of government's new integrated and Internet-based financial, human resource management, and purchasing system; implementation of a strengthened criminal record check policy which expanded existing practices so that positions responsible for public money and selected IT positions would require criminal record checks. In addition positions working with third party organizations that require criminal record checks also require criminal record checks .

With these changes, the public service has one of the most comprehensive policies and practices as compared to other provincial jurisdictions and Saskatchewan's public sector employers.

The Public Service Commission collaborated with six departments to establish a client services team that provides a full spectrum of human resource management services, programming, and support to those departments. These changes will capitalize on the economies of scale and will improve the quality and responsiveness of service to department clients while continuing to ensure appropriate government-wide

governance of human resource management. The public service has also coordinated the second public-service-wide employee's survey.

In terms of the priorities in the year ahead, we're going to negotiate a renewed agreement with the two public sector unions: the Saskatchewan Government Employees' Union and the Canadian Union of Public Employees. We will continue to promote the Saskatchewan public service as a workplace to build a career. It will coordinate specific recruitment initiatives to attract youth to the public service and address the most critical, difficult-to-recruit occupations across the public service.

In addition we will continue to build the Aboriginal career connections program, and the recruitment and retention of persons with disabilities initiative, and the Master of Public Administration internship program.

The Public Service Commission will also continue to deliver effective and efficient human resource services to achieve the purposes as outlined in The Public Service Act.

The public service will develop, deliver, and coordinate government-wide leadership management, and supervisory learning and development initiatives. And the public service will continue to implement the new MIDAS HR payroll system, the criminal record check policy in process, actions to address the government-wide needs identified through the 2005 employee survey, and the consolidation of human resource service delivery to the six departments served by our client service team.

The PSC's budget this year increased to \$14.163 million. And this reflects the impact of the public service assuming responsibility and funding for the new MIDAS HR payroll system and the operational payroll function from the Department of Finance, as well as the consolidation of delivery of human resource services within the client service team. And we have an increase of \$460,000 for costs associated with salary increases.

The Public Service Commission also has a net increase of eight, new full-time equivalents. And these new FTEs have been allocated to sustain the new MIDAS HR payroll system and capitalize on its benefits. Overall our 2006-07 budget lays the foundation for the Public Service Commission to continue to move forward on the key actions identified in our performance plan, and to fund our existing level of resources.

We look forward to the coming year, and we're confident that we will continue to meet the opportunities and challenges facing the public service. And with that, I'd be pleased, along with my officials, to answer any questions that the members may have.

The Chair: — Thank you, Minister Atkinson. Mr. Elhard.

Mr. Elhard: — Thank you, Madam Chair. And good afternoon to the minister and her officials today. Thank you for being here. And I anticipate an interesting hour ahead.

I think it's probably almost two years since I had the

opportunity to sit in this chair and ask questions of the Public Service Commission. Time's passed pretty quickly. But I know that lots has transpired in the interval, and I appreciate this opportunity to bring myself up to speed on behalf of not just my constituents but the official opposition and the interested individuals who participate in this scintillating discussion vicariously through television.

The Public Service Commission has had a good story to tell in the past I believe. There's also been some wrinkles. There's been some challenges with recruiting. We've talked about that at length. We've talked about the importance of making the public service a representative workforce. We've talked about wage recognition of the senior bureaucracy. And we want to touch on some of those topics again today to see what kind of progress I guess that the Public Service Commission is making in those areas.

And I think the questioning really today ought to start with the issue that the minister said the PSC was going to address as one of its priorities in the next little while — that is the negotiation or renegotiation, I suppose, of contracts that affect Public Service Commission members, both through SGEU and through CUPE [Canadian Union of Public Employees].

Would the minister indicate for the legislature the expiry date of these contracts and where we're at in the negotiation process right now.

Hon. Ms. Atkinson: — Obviously I've been advised by my officials that for the purposes of the expiry date, I believe the collective agreement expires on September 30, 2006.

The Saskatchewan Government Employees' Union is having a conference I believe sometime in May, and it's our understanding that they will then advise us when they wish to begin to bargain the renewal of the collective agreement. We usually start bargaining shortly before the collective agreement expires, so we anticipate that, given the timing, that we probably won't begin the bargaining process till sometime in September.

Mr. Elhard: — That arrangement will apply for both of the affected unions?

Hon. Ms. Atkinson: — We expect so, yes.

Mr. Elhard: — And is there any understanding or any insight that the minister can offer this committee as to issues that are likely to form part of the negotiations? Is there anything outstanding of particular concern that the minister is aware of?

Hon. Ms. Atkinson: — As you know, the way the process works, they will go through their bargaining conference. They'll put together their request package to the Public Service Commission. I don't anticipate that there are any overarching issues at the moment. There may be as they come out of their bargaining conference. No doubt there will be issues around the economic adjustments, perhaps benefits, perhaps pensions, as well as tuning up some of the wording in the collective agreement.

Mr. Elhard: — So as not to provoke a . . . What might be a

situation regarding wages? Just so I don't contribute to that particular topic, outside of the likely remuneration component of that agreement, does the minister anticipate there will be concerns expressed about the rate at which we're achieving some of the objectives in terms of diversity and pay equity, those types of issues that have created difficulties in the negotiations in the past?

Hon. Ms. Atkinson: — The pay equity initiative has been completed with the public service. We are extremely interested in discussing with the government employees' representatives the need to ensure that we have young people moving into the public service, and also diversity. I can tell the member that it appears in the conversations that I've had — formal conversations with Saskatchewan Government Employees' Union — these are issues that the union is extremely interested in as well because they recognize that as boomers begin to retire, it's going to be important that we have a succession plan in place so that we can have a renewal of the public service with young people obviously, but also have a renewal of the public service that reflects the reality of our province.

Mr. Elhard: — Madam Minister, other than availability, just sheer numbers, are there any other obstacles that stand in the way of young people participating fully in the opportunities that exist with the public service?

Hon. Ms. Atkinson: — Well as you probably know, there are, as in all collective bargaining . . . A very important provision, from the employees representatives' point of view, is the seniority provision. And many of the positions in the public service are closed to people outside of the public service because of the seniority positions.

There are however entry-level positions where people from outside of the public service do apply and do receive job opportunities in the public service. But obviously seniority is a key principle of the union movement regardless of where they are in this country. And there will be times when seniority can be a barrier for young people moving into other positions in the public service.

Mr. Elhard: — How will we renew the public service if that barrier isn't breached though?

Hon. Ms. Atkinson: — Well I think that's one of the things that we're going to be speaking to the Saskatchewan Government Employees' Union. How do we ensure that young people are coming into the public service, that they're coming into positions that give them a career path because young people are interested obviously in careers.

One of the things that . . . And now I'm just going to speak about this issue from a management point of view. If we're looking at those people not in scope but out of scope . . . I mean, if you look at the age of our managers — our senior managers, our middle managers — a lot of them are boomers, people my age, people born after the Second World War.

And we have been thinking about how do we create a process for younger people to move into those positions because if we don't, we're going to have some very difficult challenges to address as people leave the workplace. And people will be

leaving the workplace in fairly significant numbers. Given the age and numbers of years experience, we will see some significant retirements.

One of the things that we're also doing is using our various internships. We're using students in various jobs, and that has been important. And I can also tell you that the officials from the Saskatchewan Government Employees' Union have been working with us and thinking with us about how do we renew the public service and get young people into the public service, given some of the provisions of the collective agreement.

Mr. Elhard: — I think the union has to play an important and maybe even a lead role in some of those discussions because when it comes right down to it, it's in the union's best interest to have that revitalization of the public service as well. The issue can't be driven sort of by one side in this particular discussion. And I think there's merit in them playing, you know, a full role in coming to terms with that.

If I understood you though earlier, if I understood correctly earlier, some of your attention . . . or your attention seemed to be directed to out-of-scope employees. Was that correct? Was that assumption correct? And so the in-scope employees are aware you're going to have equal challenges, although this is where you really need the assistance and co-operation of the union to achieve the proper balance and approach. Did I understand it correct?

Hon. Ms. Atkinson: — You do understand it correctly. For the purposes of who goes into the public service as a manager, that's something that is not an issue for the Saskatchewan Government Employees' Union. They are interested in those positions that are in-scope positions. Out-of-scope positions are the purview of management. Nevertheless we . . . I mean we've been looking at middle managers, lower level managers. How do we renew those positions with younger people given that we have this group of people — the bubble — that are moving through and will be retiring?

Mr. Elhard: — So I guess, Madam Minister, the question inevitably becomes, how are you making out with that? The retirement quotient is looming, and some of those vacancies are going to be, you know, there very soon. So how are we making out with the solution to that problem?

Ms. Isman: — I guess I'll attempt to answer the question in terms of how we're doing. And I think part of it is, recognizing the data and the information we have, understanding when the demographic shift is really going to happen. And we do have one benefit in that we're several years ahead of it, so we're clearly aware of what that demographic profile looks like. As Minister Atkinson indicated, I mean part of it is having the ongoing dialogue with our bargaining units so that we can look at things like internship programs which we've been successful in terms of implementing thus far.

We've got a couple of new initiatives under way. We're spending more time on campuses and in the post-secondary education schools, as well as in the high schools now, talking about a career in the public service which we think, in anticipation of that shift, will start to focus people's attention on what a career in the public service can actually offer them.

We've identified key positions throughout government with all of the line departments — where we appreciate that there are some hard-to-recruit kinds of jobs — and implemented special efforts with some of the colleges within the various schools to make special efforts there and using that as a way to bring interns and students into summer employment opportunities, thus starting to bridge a relationship with them earlier.

We had a new initiative this year as well that we did with the University of Regina master's of public admin internship program. And we had four interns this year working directly with a group of deputy ministers, and it has been a very successful program in terms of the feedback from the interns. And we'll have six interns starting this September. And as the program grows at the University of Regina, it's actually a very nice partnership in that our internship program is actually one of the . . . it's the only one actually that I know of in the country.

So not only is it good for us in terms of getting the students graduating out of the public admin program to come work with us. It's also attracting more people into the public admin program at the University of Regina which, by virtue of that growth, will help us I think in the longer term, in terms of getting there.

The Aboriginal career connections program I think is another way in which . . . Appreciating that a significant part of the labour supply in the future will be from the Aboriginal population in the province, that internship program has been under way for five years. We've made some pretty substantive changes to it this year — and I think certainly to the credit of the employees working in the program — that have been very good. And we're actually targeting those internship opportunities directly to career opportunities within government as opposed to generic skill sets.

So I think we are making progress. I think it definitely is part of the expectations that the Premier has of all the deputy ministers as well in terms of youth and diversity in the province. So the performance expectations of the entire management system I think is very well aware of the efforts that we expect of them as we go forward in the coming year.

Mr. Elhard: — Madam Chair, through you to the minister, could you give me an indication of the actual number of people that have been hired to the public service in say the last fiscal year? And maybe I should clarify it by saying how many people have been hired to the public service through the initiatives that you've talked about? I guess that's more direct and to the point.

Ms. Isman: — So generally I think there's sort of a series of numbers maybe that I'll offer in response to your question. Last year we had just over 200 employment opportunities where we actually hired people from outside the public service that weren't internal movement of employees bidding on new jobs. Out of that number, 200, there were 41 that were under the age of 30 — out of the 200. So in terms of youth employment . . . And the way that we have defined youth is people under the age of 30, okay, so by way of that statistic.

With regard to Aboriginal career connections, we have 10 people currently in the program; 6 of them are new hires. No,

actually 10 of them are new hires; two are ones that were hired in the previous year.

We also have an initiative with regard to persons with disabilities that was a new initiative last year coming out of the budget process. And in the last two years is the statistic I have for that one, we hired 83 persons with disabilities into the public service, 45 of whom are still working in the public service.

So those kinds of initiatives are starting to see those kinds of results.

Mr. Elhard: — As a result of the planning and effort you've put into this particular type of initiative, I am assuming that you have a business plan that targets certain numbers that you would like to achieve on a go-forward basis. So if you've got 40 or so that you could identify as having been hired as a result of these initiatives during the last fiscal year, could the commission give us an indication of how those numbers will change or increase in the 2, 3, 4 years ahead of us.

Hon. Ms. Atkinson: — I'll tell you the targets, okay, the desired representative workforce. Aboriginal persons, it's our desire to have 13.4 per cent of the public service of Aboriginal descent; persons with disabilities, 9.7 per cent; members of visible minorities, 2.8 per cent; and women in management, 45 per cent.

Now I'll give you some numbers. On March 31, 1992, there were 3.1 per cent of the public service was of Aboriginal descent. As of July 31, 2005, the number is 10.7. Persons with disabilities, March 31, 1992, 2.4 percent. As of July 31, 3.1 per cent. Members of visible minorities, March 31, 1994 is the date, 1.9 per cent. And as of July 31, 2005, 2.6 per cent. And women in management, 26.8 per cent, and that's as of March 31, 1992. And as of July 31, 2005, 33.8.

So in terms of our targets, we have come close with Aboriginal people. We have a ways to go with disabled people, and therefore we have this program in place. Visible minorities, we're just about there. And women in management, we have a ways to go.

Mr. Elhard: — Madam Minister, those are global numbers though right across the whole of the public service.

Hon. Ms. Atkinson: — They are.

Mr. Elhard: — They do not represent specifically just the out-of-scope employees which . . . I assume that the programs we've been talking about, sort of the targeting of younger people, are primarily for the out-of-scope positions. Or is that an incorrect assumption?

Hon. Ms. Atkinson: — It's for all.

Mr. Elhard: — Would you clarify that for us then?

Hon. Ms. Atkinson: — Okay. When we have targets . . . We have a target for the public service obviously. And if you want to have a truly representative work force, you would be able to meet those targets both in scope and out of scope whether it

comes to visible minorities, First Nations and Métis people, people with disabilities. For the purposes of women in management, that of course would be for out-of-scope positions.

Mr. Elhard: — I understand that. I guess maybe I didn't make my question as clear as it ought to have been. The efforts at renewal, the efforts at hiring a younger work force, through the co-op training program and the other initiatives that you've talked about, are those programs intended to supply young and new workers to the PSC across the board? Or are those programs more targeted to the out-of-scope management type level positions?

Hon. Ms. Atkinson: — It's both.

Mr. Elhard: — Thank you. I noticed in the estimates here — and I don't want to spend a lot of time going through the numbers as such — but there is a small increase in employee relations policy and planning. There is a \$350,000 increase in human resource client service and a small decrease in the Aboriginal career connections program. So having looked at these, I guess the one that I'm most interested in is the human resource client service. Why is that higher this year, and what exactly is human resource client service?

Ms. Isman: — I will answer that question. The human resource client service division is the largest division of the Public Service Commission, and it's responsible for a number of things. It is the area that does all staffing for government, classification of jobs in government. It has the client service team which is providing human resource management services to six line departments now, which is new this year. And as a result you see a shift in our budget as a result of that.

It also is responsible for the employee and family assistance program as well as our diversity initiatives. So it houses the largest staff complement within the Public Service Commission.

The increases there, there's a number of reasons why. One is simply a movement of funding. To fund our online career centre, \$146,000 of that difference is there. That funding used to be resident with the ITO, and for permanent funding purposes, it was moved to the Public Service Commission's budget this year. So that part is a transfer in.

As well there's \$80,000 new dollars there, with regard to the implementation of the criminal record checks that was new in that division. There's about \$195,000 for salary increases in that division predominantly related to the implementation of the new out-of-scope classification plan as well as about \$19,000 for operating expenses. And then there was a slight decrease because we actually shifted one employee from that area into another area.

Hon. Ms. Atkinson: — And I should tell you that with the decrease in the Aboriginal careers connection program, that is now being cost shared between the Public Service Commission and other departments. And the notion there was to get more of these interns into government departments and into positions in those departments.

Mr. Elhard: — Thank you, Madam Minister. I guess there are some other questions, we might ask on the numbers as a result of the response that Ms. Isman just provided, but I'm going to defer that for the time being. We can come back to that at another time.

I want to . . . There was mention made of the criminal record checks and the costs associated with that and so forth. And since the issue of fraud in various government departments has been something that has kind of captured the attention of the news media and the public, I'd like to ask about the role of the PSC in establishing policies and procedures related to fraud detection in maybe the PSC itself and/or other departments and agencies that the PSC is responsible for overseeing the staffing.

So maybe if I might ask specifically on that question, does the PSC play a role in establishing fraud prevention strategies across the public service piece for all agencies and departments?

Hon. Ms. Atkinson: — I'm going to ask Clare to answer that question because Clare has a finance background, okay. She is a chartered accountant I believe.

Ms. Isman: — Actually I'm a certified management accountant.

Hon. Ms. Atkinson: — A certified management accountant. So she understands this, so I will ask her to answer your question.

Ms. Isman: — Actually I'm not sure now I want to go on record answering. But as the Chair of the Public Service Commission, I'll be happy to respond.

In terms of your question with regard to broad policies and perspectives, I think there are multiple places where that resides. And I would suggest that the key area is with the Department of Finance and the comptroller's office and The Financial Administration Act and the admin manual and those things that actually set the context of financial management in government and how things are processed and the kinds of roles and rules and segregation of duties that one would put in, in terms of best practice.

With regard to the Public Service Commission and the interface between our employees and the processes that you would put on the accounting system, I think one of the things that we addressed coming out of the incidents in the last couple of years was an appreciation for example with the criminal record check policy. And although we had had one for many years in the past, what we didn't have across government was a system where there was a consistent application of a government policy as it related to criminal record checks, where we could assure and ensure elected officials that the policies were being complied with, that we were monitoring them on a regular basis, and that they were being consistently applied.

As a result, that's why the Public Service Commission undertook to establish a formal criminal record check policy which is now being . . . Not only was the policy developed with the Public Service Commission with input from the line departments, but we are now housing the resources to actually ensure that the criminal record checks are done as due course

through the staffing process. We've identified the nature and the specific jobs that are required to have criminal record checks, etc., etc.

I think beyond that, there are other things in The Public Service Act, in our code of conduct, that also are what I would consider to be overarching — an umbrella — policies and processes and practices of government that guide the behaviour of employees as it relates to ensuring that we have adequate management practices in place to mitigate the risk you have. Although you may never be 100 per cent able to control it, what you want to have in place are those things that will mitigate the risks to the employer.

Mr. Elhard: — You indicated that there is an element of overarching capacity in this whole area that resides with the PSC, and you talked about the criminal record checks and how that has been centralized basically within the PSC. What part of the process or how much of the process then is left to individual government departments and/or agencies in terms of fraud detection or fraud prevention processes and policies?

Ms. Isman: — Beyond criminal record checks? I would say almost completely left to the line departments with an oversight role by the central agencies.

Mr. Elhard: — You talked about the criminal record check process. If I remember correctly, when that was undertaken, the discussion was that it would require a five-year time frame. And I look back on some of the conversation that my predecessor as critic had with the PSC last fall, I think he was talking about 4,000, a number of 4,000 criminal record checks having been achieved with 11,000 potentially needing to be done. Where are we at in that process? How are those numbers today?

Ms. Isman: — In terms of the designation of new positions under the new policy, our expectation was — by the time it was implemented — for all positions that we outlined in the policy, we will have gone from somewhere less than 4,000 to between 6,000 and 6,500 of the jobs in the public service as being those that are designated as requiring a criminal record check.

Mr. Elhard: — That leaves me to assume that the balance are considered unnecessary for criminal record checks. Is there any anticipated decision to subject all employees to criminal record checks, both new and existing?

Ms. Isman: — We didn't do that. And the reason that we didn't was when we implemented the policy, we looked at where we believed the nature of the work . . . What we wanted to ensure was that we mitigated the risk to government of areas where there could potentially be risk and loss. So when we expanded it, there were those positions that were previously covered. And those were positions that were entrusted with the care and the intervention of vulnerable people. For example positions involved in law enforcement and the administration of the criminal justice system, those were areas where the previous policy already covered.

When we looked at what our objective was in terms of expanding the category and the mitigation of risk, we looked at those positions that were responsible for the collection, the receipt, the dispersion, or the expenditure of money. And all

positions that have anything to do with any of those areas will be covered.

We looked at IT positions that have an impact on the system, and can actually go in and change the system, and those that are required to interface with third parties that require a criminal record check. And then sort of a general category of . . . if there are identified positions that departments would come forward saying they believe, because of risk, there would be, we chose to do that because not all positions do have a risk to government.

There clearly is a cost associated with conducting criminal record checks. There are certainly some implications as it relates to our ability to recruit individuals into types of jobs that don't require them and what those potentially would be. So our choice was that our system is comprehensive enough that we can identify the positions where there is potential for risk and clearly be able to deal with those instead of using a blanket policy.

Mr. Elhard: — So can I assume from your response that if you're hiring a new employee and that employee is going into a position that you deem to be one that offers potential, there will be a criminal record check undertaken? But if a brand new employee is going into an area that there doesn't appear to be any likelihood of potential fraud that there will be no criminal record check undertaken. That's how the policy exists now and will continue to exist on a go-forward basis. Or are you open to re-evaluating that? Or is there some fluidity in that policy?

Hon. Ms. Atkinson: — I think maybe I can try and assist in this area. A criminal record check is not going to be a guarantee that people aren't going to engage in inappropriate and fraudulent behaviour. And so along with this, you need to have the financial checks in place in order assure yourself and the public as much as possible that the kinds of incidents that we have witnessed don't occur in the future.

So with our expanded policy, we now have job ads that indicate very clearly that the person will be required to present a satisfactory criminal record check to the Public Service Commission. We also have said that for all of these designated positions, you have to renew that criminal record check every five years. And we also have said if you're moving from one position that may not require a criminal record check to another position that does, you will have to have a criminal record check undertaken.

I should tell you that from our analysis of what's happening in other parts of Canada, we have one of the most comprehensive policies and practices in the country. You should also be aware that on April 11, 2006, there was a Labour Relations Board hearing held respecting our government's right to implement a revised criminal record check policy without negotiations with the union representing employees and the argument being that this is a change in employee terms. So we have been — I know that we have been — criticized for our policy. And I think the member from Saskatoon Southeast was speaking, asking, in question period about this issue. We also understand that there are some issues around employee rights and legal issues and so on.

Mr. Elhard: — So you would characterize, Madam Minister, your policy, your government's policy as being balanced under the circumstances of public requirements, due diligence, and so forth versus the rights of employees? Is that . . . I mean I don't want to put words in your mouth, and I probably shouldn't make it that easy for you but . . .

Hon. Ms. Atkinson: — I think what we were interested in from a public policy perspective was to mitigate the risk as much as possible. I mean there are positions that clearly have risk in terms of the function and role that the employee has: access to, you know, third parties, information technology, the ability to — from an administration point of view — handle cheques and so on.

And so what we think, we've identified those key positions in government — and there's significant number of position where there is a risk — and we have said, for new people coming in to those positions, we want a criminal record check. We've also said to existing employees, you have five years to undergo a criminal record check. And what's interesting is that there have been several employees that have come forward with a voluntary criminal record check.

And I think, I mean one of the things that I've discovered in all of this is that in a sense there are employees who have significant integrity, and it's almost as though you're questioning their integrity. And I want to put on the public record that the vast majority of people who provide public service in this province are honest as the day is long, and they would do nothing to . . . They would not take money from the public. And this policy is a significant change. We've had over 1,000 criminal record checks undertaken since the policy came into effect on September 7 I believe of 2005. So that's significant.

Mr. Elhard: — The five-year time frame, what was the purpose for selecting that particular length of time to implement this policy?

Hon. Ms. Atkinson: — Well because this was a significant change in employment practice — and I think this is one of the issues that may be before the Labour Relations Board — we thought that when you institute a significant employment practice that is a significant change, it requires a period of appropriate and substantial notice. And we think it's a balanced approach that couples the long-standing good service of employees with the implementation of financial controls which are in place. We're tightening those financial controls up, along with educational initiatives surrounding, you know, fraudulent or potential fraudulent behaviour.

Mr. Elhard: — Would you characterize it as pragmatic as opposed to a cost-driven decision?

Hon. Ms. Atkinson: — I think given that it was a significant change in an employment practice, we were cognizant of legal decisions and the possibility of Labour Relations Board's hearings and so on. We wanted to be considered in our policy direction, and I think we have been quite considered.

Mr. Elhard: — Madam Minister, the full-time equivalents as part of the budget documents indicate a growth of eight

positions. And I think there was some indication in earlier comments that a number of those individuals are specifically because of the criminal record check initiative. Did I understand that correct?

Hon. Ms. Atkinson: — One person is now doing the criminal record check. And eight positions were transferred from the Department of Finance now that we're doing the MIDAS HR project.

Mr. Elhard: — Thank you, my mistake. I'm going to . . . I've got just a couple of minutes left, but I'm going to defer to my colleague. I'm sure he'll find something to fill the next seven or eight minutes.

The Chair: — Mr. D'Autremont.

Mr. D'Autremont: — Thank you. We just had the ITO office in here, and you're one of the clients of ITO, I believe. I note in a rescheduled statement for ITO dealing with FTEs that 11 FTEs, I believe, have been transferred to ITO. They include three and a half for central management and services (PS01) vote, and 7.5 from human resources information service. Is that the case, that those 11 employees were transferred to ITO?

Ms. Isman: — So yes, the reason I checked it . . . The 11 number is right. The funding stays with us. The FTEs go there. However we've actually only physically transferred six employees to date over to the ITO because of the MIDAS project initiative. Five of those employees are staying with us to finish up the MIDAS project before they actually move over to the Information Technology Office.

Mr. D'Autremont: — So they will be moving over at some point during this fiscal year, will they?

Ms. Isman: — Right.

Mr. D'Autremont: — So your FTEs that you're reporting then under vote no. 33 the 135.4, are any of those 11 included in that number?

Ms. Isman: — If I could just clarify, so it's like the ITO would loan them back to us. They work for the ITO, but they are on loan back to us to finish this project. So they actually are employees of the ITO at this time.

Mr. D'Autremont: — Thank you very much, so then that means that you actually then have an increase of 19 people in your department?

Ms. Isman: — I just need to balance the numbers for you. The net increase of the FTEs is actually . . . there were 12 FTEs associated with the MIDAS project as well as the one for the criminal record checks.

Mr. D'Autremont: — Okay but you have transferred 11 people, 11 FTEs — I shouldn't say people but 11 FTEs — from the IT department of PSC to ITO, and you're reporting an increase of approximately 8 FTEs. So that would total up to 19.

Ms. Isman: — Okay now we've got to . . . The other eight is five employees from Government Relations and three

employees from the Department of Labour that we transferred in, which is the team that is now providing human resource management services back to the six line departments.

Mr. D'Autremont: — Plus the 12 that my colleague had been previously talking about, is that correct?

Ms. Isman: — All right now I've got the net number. Sorry about that. There's the minus 11 to the ITO. We got seven in from the Department of Finance with regard to moving the payroll function over. Twelve for the MIDAS payroll HR system, the five from Government Relations, three from the Department of Labour, one for criminal record checks, and minus five from the minister's office that went over to Advanced Education and Employment that used to be recorded in our books and now aren't in that. That was the one that I was missing.

Mr. D'Autremont: — Do people actually know where to show up to work?

Ms. Isman: — It's just bookkeeping for them. The employees know where they are.

Mr. D'Autremont: — That's good. I'm not sure I do yet, but okay. You had seven come in from Department of Finance. You had 12 new ones that are doing MIDAS, so that's a total of 19. Okay that's the 19. That includes the 11 from IT that were transferred out, 11 FTEs that were lost, plus the additional eight that you record in vote no. 33.

Now I've lost you now. You have five come over from Government Relations, and you lost five to Advanced Education, so that's a wash. But now you have three from Labour and one for criminal checks. Where do those four show up in the FTE count?

Ms. Isman: — It's in the restatement because they were from the supplementary estimates that were actually approved mid-year last year.

Mr. D'Autremont: — Okay. In your restatement, you show a change which seems like a gain of 16 FTEs. Is that correct?

Gained 21.5 at central management and services, a loss of 3.5 transferred to information technology office, and a loss of two transferred to employee relations policy and planning, which is (PS04). So I'm not sure why that would show as a transfer.

Ms. Isman: — Those are the internal movements. But last year during supplementary estimates, we did get approval for four additional FTEs for MIDAS as well as the one for the criminal record check. So that's part of the restatement from last year, yes.

The Chair: — Thank you very much. Given the hour is 5 o'clock, and this is the adjourned time for today's Crown and Central Agencies Committee, I would like to thank Minister Atkinson and her officials for their diligence in answering the questions. And Mr. Elhard. Sorry, I apologize. Mr. Elhard.

Mr. Elhard: — Thank you Madam Chair. We're going to be doing this again sometime in the near future. I'll try and get my

colleague to have his questions a little more precise and not quite as detailed as the last set of numbers were. You know, he's a genius in that kind of stuff. I'm glad he was here to discuss it. And I'm sure that you'll go home and say, I've really got to be on my toes when Mr. D'Autremont is asking me about numbers.

Anyway thank you for your time and for your diligence here today. And I look forward to our next meeting. Thanks very much.

The Chair: — Thank you very much. Thank you again, Minister Atkinson. And did . . .

Hon. Ms. Atkinson: — I'd just like to thank my officials for attending this afternoon's proceedings and thank the opposition for their questions.

The Chair: — Thank you very much. Well this committee stands adjourned until, I believe, next Wednesday. Thank you very much.

[The committee adjourned at 17:03.]