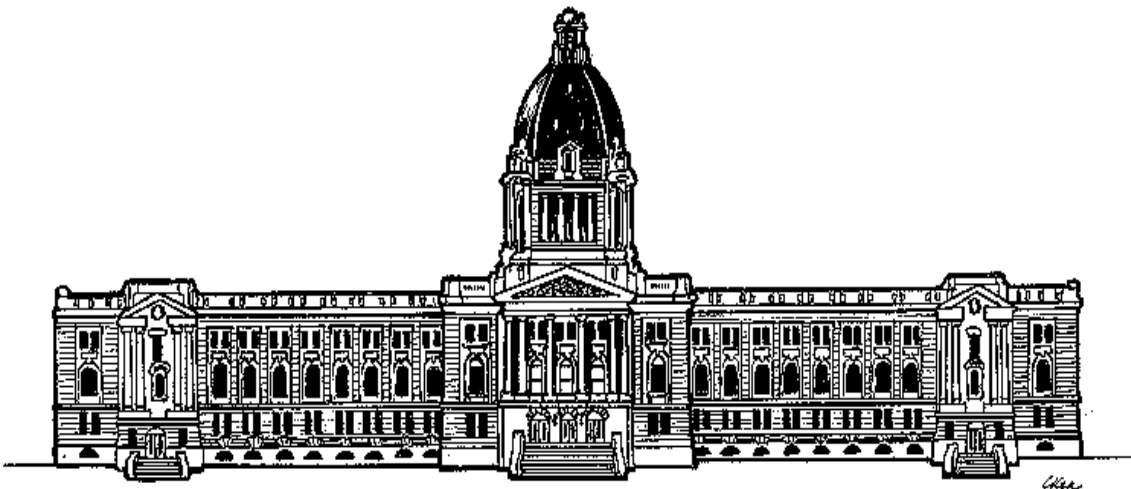




STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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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 15:09.]

The Chair: — Good afternoon everyone, and welcome to the meeting for the Standing Committee on Crown and Central Agencies. I'd like to start with getting the committee members to introduce themselves. Perhaps we can start with Mr. Kerpan.

Mr. Kerpan: — Sorry.

The Chair: — Introductions, introduce your . . .

Mr. Kerpan: — Oh yes, I'm Allan Kerpan, MLA [Member of the Legislative Assembly] for Carrot River Valley. I didn't think I mattered.

Mr. D'Autremont: — Dan D'Autremont, MLA for Cannington.

Ms. Harpauer: — Donna Harpauer, MLA for Humboldt.

Mr. Prebble: — Peter Prebble, MLA for Saskatoon Greystone.

Hon. Mr. Sonntag: — Maynard Sonntag, MLA for Meadow Lake.

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

The Chair: — Thank you very much. We have Peter Prebble substituting for Kevin Yates. And we also have the Hon. Maynard Sonntag substituting for Mark Wartman. And I want to welcome the Minister for Information Technology, Minister Andrew Thomson, and perhaps you'd like to introduce your officials that you have with you today.

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

Subvote (IT01)

Hon. Mr. Thomson: — Thank you very much, Madam Chair. I am joined by four officials today. Seated to my left is Don Wincherauk who is the deputy minister of the Information Technology Office and the chief information and services officer. Seated to my right is Fred Antunes who is the executive director of corporate and customer services. Next to him is Rory Norton, the assistant deputy minister, corporate information services. And just behind us is Carla Feld who is the manager of business development and chief financial officer.

I have no additional comment at this point, but would welcome the questions from the committee.

The Chair: — Thank you, Mr. Minister. With that we'll be moving right along to the Information Technology Office, vote 74, central management and services (IT01). Mr. D'Autremont.

Mr. D'Autremont: — Thank you, Madam Chairman. I'd like to welcome the minister and his officials here today. On page 100 of the budget book under vote 74, it lists allocations for the office of geomatics coordination. Exactly what is that money

being used for?

Mr. Antunes: — So there's one of the functions of the Information Technology Office has, is it has responsibility for coordinating geomatics policy across executive government. So there's two individuals that work on improving the way government shares data and collaborating on some of these geomatics or GIS [geographical information systems] type of initiatives.

Mr. D'Autremont: — So is this money allocated then for ITO [Information Technology Office] to ensure that there's connectivity between the various government departments, that they can talk to each other, so that if somebody is using Microsoft Word documents that the other departments can receive Microsoft Word? Or exactly what are they doing?

Mr. Antunes: — Geomatics is a geographic information system so it's more about . . . You can represent information in databases, and then it's a way to take the information that's location-based in databases and display that on a map. So there's a number of departments that use map-based information for analysis and decision making. So we have . . . And there's also some standards related to mapping and surveying and those types of things.

So this group does some of those policy functions for government as well as coordinating the needs of various departments. So there's no hardware or software. It's really just two staff that basically manage and try to coordinate government's initiatives on geomatics to make sure we're doing things in an enterprise-wide approach.

Mr. D'Autremont: — Thank you. Isn't this then similar to what ISC [Information Services Corporation] is doing with their geomatics?

Hon. Mr. Thomson: — This is somewhat different in terms of the approach. Historically this was initially moved out of a number of different government departments, brought together into SPMC [Saskatchewan Property Management Corporation] I think about eight years ago, seven or eight years ago. And then when ITO was created, it migrated from SPMC to the ITO.

It is different than what ISC does in that ISC is specifically responsible for land titles registry. So this deals with a number of different government departments that deal with land management basis so Department of Environment, Department of Industry and Resources, I guess formerly Energy and Mines, a number of these different government agencies that deal with land-based policy. Agriculture and Food would be one, and Highways.

Mr. D'Autremont: — Isn't though ISC developing or has developed a geomatics . . . They took over the geomatics from the organization that was doing it for department of municipalities at the time, Rural Development or . . . They had a geomatics branch there. ISC took it over.

If say in Environment you need an overlay for the different game zones, couldn't they just build that onto the base that ISC has already in place to do their mapping with? Because

mapping there is a major component of what they're doing. Rather than having a separate branch under ITO, couldn't you just simply overlay over the map of Saskatchewan the particular elements that are needed for each department in the sense of the game zones for Environment or where the highways run for the Department of Highways?

Hon. Mr. Thomson: — Yes, that would be one of the options. What had happened is initially these policy positions were included with ISC and have since moved back to the ITO. These are largely policy positions. And so they don't deal with the specific mapping issues. It's not specifically the technology as much as it is the enterprise architecture issues that go with it.

Mr. D'Autremont: — So this is then salary, office space expense for two individuals dealing with policy of mapping for the various branches of executive government. Wouldn't the branches of executive government be doing that within their own branches to determine what they need for those components?

Hon. Mr. Thomson: — Yes, they may well have within each department additional specialized resources to deal with that. One of the areas that we know needs to be improved within government is the ability to coordinate the various resources on an interdepartmental basis. That's one of the key objectives of a central agency like ITO is, through using a small additional resource, be able to better coordinate government's response. And so it's to make sure that the department of X is not headed in a different direction than the department of Y in terms of a GIS policy.

Mr. D'Autremont: — This just seems to be to me a bit of a duplication of effort that it's either in ISC or it's in the various executive branch departments where they're utilizing these services and have a specific need for a specific map. So I'm not still sure why ITO has this expenditure there. Is it simply a coordination effort that they're ensuring that the rest of government is following the proper policies?

Hon. Mr. Thomson: — That's correct. This is a coordination function. If it were not in the ITO, the coordination function would be performed by individuals in another department, but those resources would need to go with them. So it was a decision that because it is a policy and a coordinating responsibility should be attached to the central agency, not attached to the vendor, which in this case is ISC, or simply left to the individual agencies to go madly off in their own direction.

Mr. D'Autremont: — So when ITO is coordinating the efforts of the other branches of executive government, are you going in some manner of supervising or regulating, checking that they are following the policy? Or is this simply policy development that is then passed on to the various branches of executive government for them to follow?

Hon. Mr. Thomson: — In short yes. That is what these functions are there to deal with which is to make sure there is coordination. There is an executive committee that is comprised of various officials from different government departments who work together. It is to make sure that we don't end up with competing systems or competing directions in terms of GIS

policy. It is actually, although it may seem somewhat counter intuitive, it is actually an attempt and provides us with the ability to streamline service.

Mr. D'Autremont: — You mentioned that there are two staff in this position. Are those staff of equal stature in the sense of they have the same qualification position, or is it one senior member and one junior member of staff?

Mr. Antunes: — There's two staff members. They each have the same class of qualifications. One deals more with the technical issues with respect to mapping and surveying and those types of things. The other person deals more with the policy and the coordination aspects, but they're both of equal level.

Mr. D'Autremont: — So it's not a senior manager and a clerical staff type of situation?

Mr. Antunes: — No.

Mr. D'Autremont: — Okay thank you. On supplementary estimates, you have 243,000 expenditure there for central services, IT [information technology] coordination and services to external agencies. What was that money spent on since this is coming out of last year's budget actually?

Mr. Antunes: — Yes, so as we went through the year, there's a number of departments that joined the ITO partnership so what happened is those positions transferred over to the ITO. The money on these positions — I think we talked about this in the last session — the money, the positions transferred over with the dollar so the ITO overspent their budget by the amount equivalent to the salaries for those positions. The other departments, in this case I believe it was Finance and Learning, under spent by the same amount of money. So that was part of it, and then the other part was related to providing services to other public agencies.

Mr. D'Autremont: — Okay. Was this transfer of money, was it done through warrant, or was it done through billing by ITO to Learning and the other departments that did the transfer?

Mr. Antunes: — Yes, so what happens is the positions moved over to the ITO. The ITO started to pay their salaries, so the ITO incurred their costs. We did not recover those costs back from a different department, so as a result, we didn't have the budget to pay for them. The budget stayed behind, and the budget was originally in another department. So as we paid their salaries, we incurred the costs. The other departments then had a savings, a corresponding savings, because they weren't paying their salaries.

Mr. D'Autremont: — I don't . . . It may have happened, but I don't recollect seeing surplus budget left over in those departments for the salary costs that were transferred to ITO. And this seems to be a new expenditure rather than a transfer. There was a transfer of employees, but the money for to pay those employees I'm not sure came over.

So what happened to that money? Was it utilized in some other manner within those departments, or was it transferred back to the Consolidated Fund such that the Consolidated Fund ended

up as neutral with this transfer?

Mr. Wincherauk: — I wouldn't be aware of how the other departments spent those funds. But what would have happened at the end of the fiscal year, the new dollars for this fiscal year were transferred from Finance and Learning to the ITO. So you would actually see the transfer at that point in time.

Mr. D'Autremont: — But you incurred the costs in last year's budget though. So you're . . . It's corrected for ongoing. You got the bill for last year, but you didn't get the revenue to pay the bill with. Somebody else was left with that revenue. And I was just wondering if it came back into the Consolidated Fund or was it used up within that department?

Hon. Mr. Thomson: — I would need to look specifically at those two departments. But in theory what happens is that the money is then simply transferred through within the GRF [General Revenue Fund]. There should be a corresponding under expenditure in those two departments.

Now if that money ends up being reallocated because of other pressures which in . . . from what I'm familiar of with both departments, I think was simply managed through. I don't think there was a call for additional expenditure in either Learning or . . . I'd have to look at what Learning's need was. I think that had to do with it was an internal central agency cost.

And so in terms of the actual budgets in those subvotes, we'd need to go back and take a look. This is something that if the member is interested, we could explore it at Public Accounts. It's largely an accounting issue of how the transfers work.

Mr. D'Autremont: — Thank you, Mr. Minister. Just it's interesting to see how the money moves around in government. And sometimes it's not always clear exactly where it went and who got it. Not that I'm suggesting there was anything nefarious about it. Just that sometimes tracking the money becomes a little more difficult.

I had an opportunity to look over the minister's report, Minister's Advisory Council on Information Technology report, and it's an interesting report. Some things I agree with. Some things I have concerns with.

One of the areas though that I found interesting, and I raised it either in committee the last time, or in one of our discussions at least, was the intellectual property considerations as to what's happening. Where is IT going to go with this?

I know that in some of the other departments copyright protection, copyright ownership, and intellectual property rights is a serious problem, that government seems to absorb that intellectual property and those copyright ownership into government rather than leaving it with the developer of the product, whatever it may be. What has ITO been doing to ensure that the intellectual property remains with the developer rather than with government?

Hon. Mr. Thomson: — We're still working through with industry on this, but the member's quite right, the issue around intellectual property is a significant debate within not just Saskatchewan but indeed across the sector. And this is a debate

that touches both the private sector, government, and indeed academia as we deal with it. We're still working through . . . We have not yet come up with a response on what to do with the intellectual property issues. But the report I think has been helpful at least in helping focus the discussion.

Mr. D'Autremont: — While government may certainly have a need for a particular program, the base of that program, the basic software OS [operating system] that's being used in it and the usage of that is also applicable in a lot of other areas.

And while government may have a particular form or overlay that they need to utilize for their services, if the base of that program can be used elsewhere, that certainly provides for a commercial opportunity for whoever the government had contracted in the first place to supply that. And that would give an opportunity to build the IT industry in Saskatchewan if that is available to be commercialized outside of government, while government may retain those particular items that deal, that are specific for government — you know, let's say protection of health care information or something like that.

But the whole database to operate that, you know, should be made available through whoever it was that developed that for commercialization and utilization for export or within the province with another entity. So I think it's important that these intellectual property rights be settled within government so that whoever, when government contracts an IT supplier or software developer to do a project, that they know that I can build it for ITO, but I can also then commercialize that some place else. And so that would help actually I would suspect in lowering the cost to ITO if they know that they can also sell some place else.

Hon. Mr. Thomson: — It's fair to say that we generally agree with that approach in terms of a model for development, but as I think the member knows from previous discussions we've had in the last few years, there's also a significant debate about the government's reliance on proprietary software as opposed to open-source standards. And I am sure that neither he or I are particularly interested in re-engaging in that debate today, but this is a significant dialogue that goes on within the industry. It is one which continues to evolve, and we continue to be interested in, and we will continue to work with industry on.

Mr. D'Autremont: — Yes I'd just like to note after the minister's comments that Linux seems to continue to grow and while most of it remains open-source, there is certainly a developing amount of it that is not open-sourced, that is specialized and commercialized. So in the use of Linux there is certainly problems, but there are opportunities as well.

Another one of the comments in the minister's advisory report talks about improving government service delivery to the people of Saskatchewan by establishing a formal mechanism that would enable companies and government to collaborate on integrated service delivery initiatives. What has ITO been doing along this line in working with the private industry to develop those kind of services and deliveries?

Hon. Mr. Thomson: — One of the key issues that we needed to address is through the consolidation efforts to make sure that government is aware of what its needs are and what the opportunities are associated with that. And so we are currently

establishing an interdepartmental agent working group to look at what other opportunities there may be to move forward with citizen service delivery through IT enabled solutions.

I would expect that we will be in a better position perhaps as early as this fall. Certainly I would hope for next year to be able to identify what the approach is and then to work with private sector vendors in moving that agenda forward. This is an area that I think we've got big opportunity in terms of improving simply the face of government and its opportunity to allow more citizens to more actively engage government services through another channel.

Mr. D'Autremont: — What kind of impediments has this intergovernmental . . . coordinated group finding that they're having with working more closely with the private sector?

Hon. Mr. Thomson: — We're just in the process of establishing it now, and I think it's fair to say one of the biggest impediments is simply the government has not yet identified the need or the opportunity attached to it in terms of what it is that could be done. And certainly once we get into that, we'll get into a discussion — I have no doubt — about whether we are looking at a large, single, seamless approach or whether we're going to deal with some kind of de-bundled sectoral approach or whether it'll simply be government by government looking for some kind of integrated approach. And this is really what we'll need to work with.

But first we need to establish what the opportunity is and then identify how it is we will engage the private sector in it. And that's what the working group is just starting to get into now.

Mr. D'Autremont: — Yes, I think the word seamless is one that would raise some concerns within private industry on this is that it . . . if seamless was to mean that it would be all done through one central agency. We talked the last time about the packages being too big when a contract is let, so that the smaller software developers, the smaller IT firms within Saskatchewan may not have the capacity individually or in a small group to be able to absorb that size of a particular large contract and that there is a need to break the larger contracts down into more manageable pieces that the smaller IT companies or a group of smaller IT companies can make a tender on.

Hon. Mr. Thomson: — That'll be one of the issues we'll have to look at. That being said, there are also I think significant opportunities for Saskatchewan-based operations through the larger IT companies to supply that kind of a service that will obviously potentially create jobs here, whether that is ISM [Information Systems Management Corporation], IBM [International Business Machines Corporation], EDS [Electronic Data Systems], CGI. We could go through the list of them. I mean there's a number of them there that could potentially do that kind of work. I suspect at the end what there'll be is some combination of work available to the sector as we move forward if we can identify the opportunity appropriately.

Mr. D'Autremont: — Yes, I think that's what the smaller businesses are looking for is an opportunity to participate, and if ITO was to issue one call for tenders on a huge project then only two or three companies within the province would have

the ability to actually absorb and deliver that kind of a huge process. I know the small companies have a fear that if it's given to the majors that it may get farmed out across the world to supply the services, and they may not get an opportunity to participate. And they've also expressed a concern in the past that if they have to do all their tendering through a larger firm, they're concerned about their proprietary information and the intellectual property that they have being somehow lost to the larger firm. So that's one of the concerns that they have as well.

Hon. Mr. Thomson: — Well we're certainly aware of that issue. It's raised with me from time to time. And the other issue that is raised is that frankly a lot of these small firms like to be able to identify the Government of Saskatchewan as one of their clients. And they like to be able to showcase that work.

What we need to identify is what type of work is available. And I suspect if we were to move on a citizen service delivery initiative, that there would be a sizable amount of work attached to it. At least upfront that will, I would believe, lead us to some cost savings as we move along. But there are a number of different components to it that would be potentially made available. And I don't think we should expect that it would be us simply going out and looking for one company to deliver a single product to us.

I would also indicate that we have done a fair amount of work in terms of supplier development with the larger agencies in terms of encouraging them to subcontract with Saskatchewan-based firms and make sure that jobs that could be created here, are created here, and that they use those as anchors for drawing other work into the province.

I think we're in a better position than we were five years ago, and I would argue that industry would likely reflect that as well.

Mr. D'Autremont: — Well thank you, Mr. Minister. I note on one of the concerns that was raised was the availability of bandwidth at commercially competitive rates. And this book was 2005. And I think to some extent that is improving across the province. SaskTel has provided high-speed wireless. I'm not sure if it's as perhaps as broad a bandwidth as what some are looking for, but it's certainly expanded. But there's also a development of private commercial operators across the province that are supplying services as well.

So I think it's growing. I'm not sure. Has the government been looking at what they can do to provide a larger bandwidth, if there is a role for government even in this to provide a broader bandwidth, particularly in those areas where there is significant amounts of traffic?

Hon. Mr. Thomson: — Yes, we work with SaskTel primarily, but we do work with also the universities through SRNet [Saskatchewan Research Network Incorporated] and their consortium with CANARIE [Canadian Network for the Advancement of Research Industry and Education] and others in terms of dealing with the bandwidth issues that are there.

I think the issue comes down to two main areas. One is the amount of bandwidth that we have connecting the major urban centres. And the second is how we push more bandwidth out into rural and remote areas. And those are the two big issues

that we need to continue to deal with. There's obviously an increasing demand for bandwidth in both of those areas. And we just need to continue to work on it.

CommunityNet II and the work we're doing with BCOM is significant in terms of expanding access to high-speed Internet into rural areas. And we've done a fair amount of work with the Brand — broadband for rural and northern development — the federal program to make sure we've got more of this into the North. So we are continuing to work on that.

As well, I know SaskTel has been really focused on how it is that they can expand the infrastructure, make sure they've got the infrastructure in place to deal with increased demand.

Mr. D'Autremont: — You mentioned a federal program. I'm not familiar with it. I wonder if you could give a little bit of elaboration on a federal program, what kind of dollars they're putting in.

Hon. Mr. Thomson: — I can get you a note on it. I don't know if it still exists or not. We're still trying to sort out what still exists and what doesn't out of the budget. But I can get you a note on what the Brand program is.

Mr. D'Autremont: — One of the more interesting comments that I saw in the minister's advisory report deals with public sector competition with IT providers and the statement that many feel that SaskTel is a particular problem. And I know that in the past there has been some concerns about SaskTel being in competition with IT providers across the province, that it has tended to discourage for some period of time, investment. I'm not sure that that continues to be the case.

But what has the minister done with the commentary and the recommendation that SaskTel's role be clarified as to its involvement in IT?

Hon. Mr. Thomson: — We continue to work with SaskTel in terms of identifying opportunities where they can encourage sector development and work with private sector companies to expand the overall economic opportunity for the industry.

And SaskTel is, I think, both understanding of its role as needing to be a corporate leader and good corporate citizen and obviously its need to continue to perform and to compete in markets where we have an opportunity for it to derive new revenues. So this is a bit of a dual role that SaskTel works with.

We identify as much as possible with them where we think they can work in terms of supply or development initiatives and what they can do to secure a strengthened IT sector.

Mr. D'Autremont: — I think for the local IT industry it's more of a question what is SaskTel doing in Saskatchewan rather than what's SaskTel doing someplace else. And that's where they may feel somewhat threatened by SaskTel when SaskTel is providing commercial competition in other jurisdictions, and then maybe looking at bringing that commercial competition back into Saskatchewan where SaskTel has an overwhelming position.

And not so much maybe in the delivery right to the home of the

Internet connection but on the software development side of the industry that there seems to be a concern of what SaskTel's role was going to be on that. Is SaskTel going to be in some way the supplier to ITO and to government, or you know is . . . What availability do the other providers have in accessing government contracts? So I think that's probably part of the fear that the business side of the equation is concerned about with SaskTel.

Hon. Mr. Thomson: — SaskTel for us is certainly a potential supplier of IT services, and there's no doubt that they are one of many companies that we would call upon to deal with potential IT needs. But I want to be clear that they are not the sole supplier of IT services, and in many cases they're not the preferred supplier of IT services to government.

And so this is a case where we as a government agency on behalf of the Government of Saskatchewan look to which companies we believe are best positioned to provide services, and we seek those out. It's not a case that we look exclusively to SaskTel, nor do we particularly exclude them. But we're mindful of what their capabilities are and those of other companies within the province and try to find an appropriate balance.

With respect to the business situation with SaskTel itself, I'm not in really a position to comment on it other than to say that I think they are certainly interested in making sure that they remain commercially viable and continue to have a wide range of products that Saskatchewan people demand. And this is of course the long-standing debate we've had in this Assembly between the two parties on issues of core services versus the modern role for the Crowns.

Mr. D'Autremont: — Recommendation no. 5 in the report talks about the need to clarify the goals of Information Technology Office with respect to in-sourcing and outsourcing. Does the department have a stated policy on where sourcing is done?

Hon. Mr. Thomson: — I think it would be fair to say that we need to clarify what the position would be. It is a difficult one, in that the private sector obviously would like us to have a much larger outsourced approach. It is fair I think to say that SGEU [Saskatchewan Government and General Employees' Union] and the employees who currently hold those jobs would prefer not to be privatized and would want to see more development within the government. So we attempt to deal with both issues. We want to make sure that the employees that are within the government, that we are able to work with them and utilize their ability as much as possible while at the same time looking for continued opportunities to work for the private sector in terms of development.

Mr. D'Autremont: — So there is no defined policy within ITO then as to either in-sourcing or outsourcing. It's more on an ad hoc basis?

Hon. Mr. Thomson: — It would depend in part on the type of activity and what the history of particular projects are. Obviously we have a number that are migrating in that have had historically for one reason or another private sector involvement, others that have historically been done by

government employees. I'm advised that about 60 per cent of our work is done by the private sector, and about 40 per cent is internal.

Mr. D'Autremont: — One of the other recommendations was, and I know government does this with the Crown corporations and the term used here is first jobs program, to provide assistance for students and job opportunities. I can remember the member from Saskatoon Nutana standing up in the House talking about the student program within the Crown corporations. Has the government given any consideration to develop a similar program to that with private IT industry?

I know in the past that there was some of this at one point in time where students could get summer jobs with some assistance from government. Is the government considering that kind of a policy?

Hon. Mr. Thomson: — We have not looked at specifically targeting that into this sector. I think it is worth noting that in that regard, this agency is probably reflective of what the industry itself sees, and that this is the youngest government department in the government, I would note, headed by the youngest of the ministers in the cabinet and . . . although aging with every appearance before this committee.

But it is a young sector. It's one that's vibrant. It's one that attracts a lot of young people, and I think in terms of an incentive, I don't know that we need to be there as an incentive. It is a sector that attracts a lot of young people. It's really a question of just expanding opportunities through more growth for economic activity.

Mr. D'Autremont: — I know some of the other ministers are perhaps questioning the age consideration. You know I think they're maybe commenting on not just chronological age but perhaps on appearances as well as to who's younger and older. But I'm not going to get into that.

One of the other comments that is made within the report deals with public-private collaboration and the need for more trust to be built between public and private. What moves has the government made to build this because obviously within the report here that type of a comment comes up from time to time. I know comments that have been directed to me from industry have a concern with that as well. And I think government needs to step forward to try and alleviate any of those concerns, not just in words but in actions as well. So what has the government been doing specifically to alleviate that?

Hon. Mr. Thomson: — We have been pleased to host two symposia in the last two years to invite private and public sector companies to come together to talk about IT sector development. There are, I think, two issues that still need to be addressed. One is the recognizing that there is a concern within government about outsourcing and that sees every expansion that goes to the private sector as a threat to the jobs that currently exist. On the other hand, there is a view within the private sector that believes government does not have a legitimate interest in providing its own IT services.

Somewhere between those two is where the trust will come and where the real opportunity for growth will come. And this is

what we've been trying to do with the, in fact, with the minister's advisory committee, with the symposia that we've established, with the ability for us to move forward with consolidation to provide a more consistent approach to dealing with IT service delivery with competition for various programs and with the build-out of new services.

It is a difficult issue to deal with because there are . . . These are very strongly held views and deeply held fears, and really remain issues that are, I think, not healthy for the sector and simply are going to need to be worked on over time. But I believe by providing stronger leadership and a clearer direction that we can bridge some of the divide that is there.

Mr. D'Autremont: — Thank you, Mr. Minister. That's one of the comments made in the summary of the IT summit. And another was that Crown sector competition can be an inhibitor to growth, which goes back to fears about SaskTel and those kind of things.

I think a major part of the problem is that both sides of the equation are looking at the pie as a finite amount, that there's only X number of dollars available. And then it's a question of how those dollars are distributed rather than looking at this as a growing entity, that there is opportunities for both in there. And then it becomes a question of percentages rather than real fixed dollars for both sectors. So that if there's \$100 and each is getting \$50 now, there is always going to be competition for either side to try and get more of that piece of pie. But if there's \$200 in the pie and then it becomes a question . . . well who gets more of the additional \$100 because they still retain the 50 that they hold.

So I think that's where we need to be going in this province, is not simply looking at this as a limited amount of opportunity, but rather a growing amount of opportunity where everybody can benefit. I think that should be the role of ITO, is in developing a bigger pie rather than simply distributing a small piece.

Hon. Mr. Thomson: — I would agree in a large part with what the member has said with this caveat. I think that there's still a greater efficiency that we can drive into the system and the current expenditures. And I am not of the view that simply because a company or an agency, a government agency, currently undertakes work of a certain value that they are forever entitled to it.

I think as protectors of the taxpayers' money, we need to always seek that efficiency also. So what we have been trying to do is, in some cases through consolidation, shrink expenditures in some areas so that we can then use that money for new service delivery or expanded application development or improved services in areas like helpdesk or whatever else we may have.

Every time you deal with these issues, you upset the apple cart a little bit. And I know that there are a lot of companies who have not been happy that we have wanted to go back out, and through rebundling of packages, wanted to seek a better price point for the Saskatchewan government. But we have both a responsibility to taxpayers and a responsibility to the industry, and we try to find an improved balance to it. I do believe that

through the consolidation initiative that we will be in a better position to spend money more wisely and hopefully, as a result of that, enable industry to be able to attract more jobs, private sector jobs, more private sector investment, and other private sector contracts into their book of business and expand.

Mr. D'Autremont: — I would certainly agree that there is a need for efficiency in the wise expenditure of public funds. And those funds obviously come from one place, and that's the taxpayer. But with a growing tax base, when we have a growing economy and a growing province, then everyone will benefit. And I think we need the efficiency, but we need the growth as well. So I think that's all the questions I have for the minister.

The Chair: — Thank you, Mr. D'Autremont. Minister Thomson and your officials, thank you very much for answering all the questions so thoroughly today and thank you for appearing before this committee today.

Hon. Mr. Thomson: — Thank you very much, Madam Chair.

The Chair: — We'll take a five-minute adjournment . . . Well actually it'll be 10; I'm sorry. I meant a recess, sorry. A 10-minute recess and we will commence with the next consideration in front of the committee today at 4 o'clock.

[The committee recessed for a period of time.]

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

Subvote (PS01)

The Chair: — Good afternoon and welcome to the Standing Committee on Crown and Central Agencies. We'd like to welcome Minister Pat Atkinson who is the Minister Responsible for the Public Service Commission and her officials here today.

We have one substitution that I'd like to make mention of and that is Judy Junor sitting in for the Hon. Kevin Yates.

And before we get started, I'd like to table one document which is from Investment Saskatchewan. And Minister Atkinson, perhaps you'd like to introduce your officials here today.

Hon. Ms. Atkinson: — I will. To my right is Clare Isman, the Chair of the Public Service Commission. And next to Clare is Rick McKillop, executive director, employee relations, policy and planning. To my left is Ron Wight, executive director, human resource client service. Behind Mr. Wight is Lynn Jacobson, director of corporate services. And beside her is Ken Ludwig, director of organizational development.

The Chair: — Thank you, Minister Atkinson. Do you have any opening remarks you wanted to make or should we move straight into . . .

Hon. Ms. Atkinson: — I don't have any opening remarks. I think what we'll do is move into the questions.

The Chair: — Thank you very much. So moving right along,

Public Service Commission, vote no. 33, central management and services (PS01). Mr. Elhard.

Mr. Elhard: — Thank you, Madam Chair. The last time we met to consider estimates for the Public Service Commission, we covered the topic of criminal record checks and the policy surrounding fraud and some of the implications for the public service commission. I went through the *Hansard* record of our conversation that day and realized that there were some questions I overlooked. Maybe it was because of the nature of the discussion that I didn't follow up on some of those, but I'd like to do that now, if I may.

The issue of criminal record checks is an important issue especially in view of the most recent cases of fraud appearing once again in the public domain. And we talked at that time about the number of positions that were deemed necessary to be covered by criminal record checks out of the total number of Public Service Commission employees.

If I remember correct that number ranged somewhere between 4,000 and 6,500. I think we had determined that 6,500 was probably the upper limit of necessity to cover. I guess the question that I did not ask specifically, at least I can't find it in the record is, how many criminal record checks have been conducted to date? And what is the anticipated goal for criminal record checks completion over the next 12 months?

Hon. Ms. Atkinson: — Until the last week, we have conducted 1,636 criminal record checks.

Mr. Elhard: — And, Madam Minister, do you have a projected number of CRCs [criminal record check] that you anticipate completing within this next fiscal year?

Hon. Ms. Atkinson: — We anticipate, based on our past experience, that we will do 200 criminal record checks each month for the various positions that we're staffing for. In addition, for those employees that will require a criminal record check within the five-year window, we anticipate that we will continue to have people voluntarily provide criminal record checks to the Public Service Commission.

Mr. Elhard: — Just for my own clarification, the 200 that you anticipate undertaking per month, that would be among existing employees, or would that include existing and new hires for positions where CRCs are required.

Hon. Ms. Atkinson: — It would be both. It would be new hires, people who are coming into the public service, and it would be people who are within the public service but moving to new positions where the position requires a criminal record check.

I can give you some hard numbers up until March 31, '06, where — of the criminal record checks — 398 were for positions entrusted with the care of vulnerable clients; 399 were for positions entrusted with the handling of public funds; 34 were for information technology positions where the person could modify a system, 34; and 28 were for positions involved in law enforcement and administration of justice; and 259 were for positions where the person would work with third party service delivery systems.

I can tell you up until the end of March, of the criminal record checks completed, 444 employees were in permanent full-time positions, 417 were term and part-time positions, 117 were for employees that are within the CUPE [Canadian Union of Public Employees] bargaining area, 35 were practicum students, and 83 were permanent out of scope, and 16 were non-permanent out of scope.

Mr. Elhard: — I know as part of our discussions previously, we talked about the sensitivities of invoking criminal record checks as a standard of employment, that there was some difficulty in terms of it being a new provision in an agreed labour agreement. Does the government, does the minister and the Public Service Commission foresee the likelihood of criminal record checks becoming standard procedure across the board? I know that when we talked about this previously, the minister indicated there were certain positions that it just wasn't felt that that was a necessity for all positions at this point. But is there the belief that it may become standard procedure for hire with the public service?

Hon. Ms. Atkinson: — I think that that certainly is a possibility, that everyone coming into the public service would undergo a criminal record check at some future time. I think it gets back to a discussion that we had prior to the launch of our policy on criminal record checks, and that had to do with the need to ensure that people who may have a criminal record that occurred, you know, some time ago where the criminal record was not relevant in terms of the work that they were going to do on behalf of the public, that we didn't want to prevent very bright and capable people from considering a career in the public service because they had engaged in some sort of stupidity when they were at a particular point in their life.

So at this stage I think what we try to do is identify those positions where people handle money, people can adapt systems, people have interaction with third parties, people are in the Justice system where they may carry firearms — and as you know there are some public servants that carry firearms as part of their duties — that these kinds of positions would undergo the criminal record check. And that for those people in the public service that are already in those positions, we would give them an opportunity to undergo voluntary criminal record checks, and at the end of five years they would have to provide us with a criminal record check. And as we said earlier, there is some labour law or grievances that, you know, may provide us with some difficulty in this because we're changing the terms of employment of people who are already in existing positions.

Mr. Elhard: — So, Madam Minister, was the five-year window of opportunity primarily driven by the existing labour agreements, or was there another reason for that particular window of time being selected?

Hon. Ms. Atkinson: — Well as we've indicated, this is a significant change in an employment practice which we think requires some notice because we are changing the conditions of employment for people. We think that it's a balanced approach in that it couples the long-standing, good service of employees with the implementation of other financial controls and education initiatives around fraudulent, potential fraudulent behaviour.

I think one of the things that I note is that every time there is some public servant or someone engaged in the public service that does something that leads to criminal record, I guess, and being charged by the police or is in the public domain, that this really casts a pall over the public service. And I just want to put again on the public record that the vast majority of people who work in the public service are honest, trustworthy citizens who try and provide services on behalf of all of us.

And I also think that it's important to note that of the incidents that have been provided to the legislature and to the public over the last two-year period, that if you put in . . . You know, if you think about the numbers of people that work in the public service, work in the Crowns sector, this represents a very small, very tiny percentage of all of those people who do provide services on behalf of us all.

Mr. Elhard: — Well I would agree with the minister in her comments. And I guess that's one of the reasons why I'm somewhat concerned about the length of the program to undertake and complete the criminal record check proposal because as I see it, that length of time gives opportunity for these very kinds of questions to be asked every time there's an incident. And if we've had 45 to 50 incidents out of 11,000 employees, that's not a very high percentage in terms of the overall employment, but it is also an opportunity, I suppose, for the media to make these stories, you know, much more a matter of public record and for the public confidence, I suppose, to be undermined to some extent by these incidents from time to time.

So I guess I'm thinking that if there might have been an opportunity to accomplish the criminal record check initiative in a shorter time frame, it might have tightened up some of those problem areas that could result. And I guess that's the other side of the coin you know, that I don't know if the Public Service Commission or the government weighed that option or not. But understanding the sensitivities of imposing this on the public service in a shorter time frame and the difficulties that might have created, there's also the downside to sort of an ongoing, long drawn out process.

Hon. Ms. Atkinson: — I think that what's important to note is that we are being challenged on this policy through a grievance procedure. So that's one point. There are other jurisdictions where they have tried to really amend the terms of employment, and they have been challenged through the grievance procedure or in labour law.

I think what we're trying to do here is to understand that there will be many public servants that feel that their integrity is being questioned and that this is a real plight to them because they provided service to the public for decades or years. They've had no difficulty; they're honest as the day is long and that this is a real insult that their very integrity is being questioned.

I think what we're optimistic about is that public servants who are in these positions will come forward voluntarily and provide a criminal record check, and in fact we see some evidence of that, that there are people in certain positions — in positions that have been identified in this policy — and they are coming forward voluntarily with a criminal record check.

Mr. Elhard: — You know for that matter, Madam Minister, I don't like criminal record checks either. I find it an affront to my honesty and integrity and my track record, but I've had to undergo them. It's a changing world. The reality is the circumstances under which we live and work are changing rapidly. And most of the changes that are brought about come that way not through pleasant circumstances. They're unpleasant. And unfortunately it doesn't become an issue of my personal integrity. It is a matter of public confidence now. And that's unfortunately the reality we're living with.

Hon. Ms. Atkinson: — If I could just make one point as well because this has certainly been raised with me, that there are no guarantees that a criminal record check will prevent something from occurring in a workplace, and in fact that there are people who have been honest for most of their life and for some reason or another — it could be an addiction; it could be, you know, poor circumstances — they find themselves in a situation where they are essentially stealing from their employer. And so I think that we need to also realize that it's our intention to renew the criminal record check every five years. So people are to renew it after the criminal record check occurs.

Mr. Elhard: — There, I assume, is a cost associated with conducting criminal record checks. Can the minister or her officials identify what that cost is?

Hon. Ms. Atkinson: — We anticipate that we will spend about \$80,000 conducting the administrative work around criminal record checks.

Mr. Elhard: — Thank you, Madam Minister. One of the other things that would arise as a result of this whole new area, this whole new undertaking, is the possibility that somebody may have had a criminal record but received a pardon. And I'm wondering, does the Public Service Commission anticipate having employees, you know, indicate that? Are you undertaking any procedure by which those pardons might be recognized?

Hon. Ms. Atkinson: — One of the ways that you can determine whether or not someone has ever been charged with a criminal offence obviously is to ask. And I note that having taken a nephew of mine around to various places to get a summer job that one of the questions that is asked, particularly for young people that are going to be bonded, is: have you ever been charged with a criminal offence? Now that doesn't necessarily mean you've been convicted. Or you may have been convicted and you may no longer have a record.

I do note that there are lots of people that have had drunk driving charges and so on and they may have been able to get that criminal record expunged. I mean it is possible that there will be people in the public service who have a criminal record, go through a process with lawyers and whatnot to get their record expunged. That is possible and likely.

But that could happen anywhere. That happens all of the time. There are young people trying to get into law school that might have had a drunk driving charge. And they've waited and gotten it expunged, so they can get into law school. So this is not unusual.

Mr. Elhard: — That leads me to another question. If you undertake a criminal record check on an applicant for a position and find that the individual has a criminal record for something that wouldn't necessarily directly relate to their job, how does the Public Service Commission view that set of circumstances?

For instance, if somebody was applying for a job as an accountant with the government but had a liquor rap from his days of youthful indiscretion, but it carried a, you know, a record, a criminal record, how would the department, how would the Public Service Commission view that circumstance?

Ms. Isman: — Within the policy that we've established, we've established some guidelines to help assess the relevance of a conviction or a charge to the position assignment, actually. And what we've identified is first of all the relationship of the offence to the level and to the nature of the position assignment, the number and the nature and the seriousness of the offence, when the offence occurred, and what the person's done in the intervening period. So those four things would then be assessed against the position for which the candidate is being considered. And then a determination would be made if it is relevant, and thus would be included or excluded from the process.

Mr. Elhard: — So really it's not categorical. It's not black and white. It's not hard and fast or cut and dried, whatever description you want to use. Will that decision, those mitigating circumstances, be decided by one person or a committee of the Public Service Commission? How is that decision taken?

Ms. Isman: — The initial phase is that it will be done by . . . The coordinator of criminal record checks within the Public Service Commission will make that determination first. And if for any reason the individual believes that there is relevance, then they would then have a conversation and a discussion with the designated person within the department that was doing the hiring, if they thought there was something of relevance.

The reason we did that is because we're very conscious of the need to protect the information of the individual, particularly in cases where it is not relevant, that this becomes and it remains as private information and is held strictly in confidence.

Mr. Elhard: — Thank you. The discussion previously indicated that there were criminal record checks required for individuals involved in third party transactions, I believe is how they were labelled. Does the Public Service Commission take responsibility for criminal record checks of individuals who are hired on a contract basis?

Ms. Isman: — There's two different ways to approach that. If we're hiring people on a contract basis in government and they are doing work that would be the same as the ones that we have already identified as requiring a criminal record check, then we would require that individual to have a criminal record check.

If we are contracting work with an external company to do that work, then within the contract of that company we would require their staff to have criminal record checks, and they would be responsible for meeting that obligation.

Mr. Elhard: — That describes two sets of circumstances. A third possible circumstance would be similar to the one that was

just reported in terms of fraud. And that was as a result of an individual who was hired by a government agency, or maybe it's an extension of a government agency, to do work and was found to have undertaken fraudulent activity or deemed to have.

And in a situation like that, if we're talking about a government agency that contracts with an individual to undertake certain work, that I would consider to be — and maybe I'm wrong — but that's a third party, is it not. It's sort of one step removed from the Public Service Commission directly. But does the PSC [Public Service Commission] have jurisdiction over those types of hires or does it have any interest in doing criminal record checks in those situations?

Hon. Ms. Atkinson: — Right. Here's the tricky part. When you think about a housing authority, the housing authority will have money from the federal government, the provincial government, and the municipal government. When you think about a tribal council, they will have funding from the federal government and the province. And when we established our policy, it was our intention that that policy would be considered by those third party groups that where our funding might be a minor portion relative to the other revenues that they receive from other funders.

So while these three particular cases have been brought to our attention, the tribal council, as the minister said this afternoon, receives a small portion of its funding from the province. The housing authorities — and there're literally dozens and dozens of housing authorities all across the province that look after lower rental housing for seniors, to single people, and families — the money comes from the province, but I believe that there also is some federal money involved and municipal money.

So I think the thought was that third parties would also undertake criminal record checks particularly given the incidents that had the . . . you know, that were in the press.

Mr. Elhard: — In the case of a housing authority, the contracted person might also be responsible for the collection of rents. So revenue would be coming from the public directly and that would be, you know, a source of temptation maybe. Is it the position of the Public Service Commission and the government that when housing authorities at the community level hire individuals, that if they have any concerns, that they undertake a criminal record check? Is that the recommendation that would be coming from you?

Hon. Ms. Atkinson: — I think that would be a fair recommendation given the experience and given the scrutiny, that if you have people that handle money directly — which is certainly the policy of the government in terms of what we expect from our public servants — that they undergo a criminal record check. And it would make good business practice I think to have a similar record check conducted by the various housing authorities where people are handling rent and that sort of thing.

The Public Service though would not direct . . . We don't have the authority to direct them. But through extension we think that it makes good public policy sense to implement this policy in public institutions where certainly money is being handled, vulnerable adults are being looked after, and that sort of thing.

Mr. Elhard: — Would the Public Service Commission at the minimum be prepared to offer advice or, you know, a policy guideline that some of these agencies could follow in the event that they want to undertake criminal record checks?

Hon. Ms. Atkinson: — I think that that would be a very good suggestion that we could offer advice, because we've had some experience since September 7.

Mr. Elhard: — Just moving off of the criminal record check topic but in a related manner, I'm wondering if the minister can go through with the committee this afternoon the step-by-step process that is undertaken by any department or any government agency when an issue of fraud is suspected.

I just want to, for clarity's sake and for the sake of the record, to understand this process thoroughly and clearly because it is a new undertaking that the Minister of Finance provided for government agencies as a result of his guidelines instituted in March of this year. So can the minister elaborate for us basically how this works?

Let's use a hypothetical situation. We have an agency or we have a department where someone is . . . who's not performing the job to a satisfactory standard. The decision is made to release that individual from their job. And I'm sure that there has to be probable cause or at least a track record, a paper trail of some kind to have arrived at that point. But when that point is reached, when that paper trail's established, when that just cause or reasonable cause has been established and the person is let go, if there is suspicion beyond that, how does . . . when does that whole process kick into gear and what happens after that?

Hon. Ms. Atkinson: — And just for clarification you're not talking about someone who's failing to perform their duties. You're talking about someone who, there is some significant suspicion that they have been engaged in fraudulent or illegal activity.

Mr. Elhard: — Well we could draw all kinds of scenarios here, I suppose. But I guess I'm looking at, let's say there's an individual that is not performing up to standard and the decision has been made to release that person from their employment. They're terminated under whatever circumstances. Does the department, does the Public Service Commission take the initiative to evaluate the work of that individual, maybe not looking for wrongdoing or criminality but just undertaking a review of the performance of that person to assure the Public Service Commission and the government generally that that there has been no malfeasance?

Hon. Ms. Atkinson: — Okay. What I can say to you is the Public Service in a sense acts as a central agency in that we undertake the hiring for the public service along with people in the various line departments. Well I think I will ask . . . well I'll ask Rick McKillop to give you an outline of how a manager might start the disciplinary process for an employee that for instance was underperforming. Does that work for you? Okay.

Mr. Elhard: — I wish I could have said it that simply.

Mr. McKillop: — If there's an issue of poor performance on

the job, one would expect that this would be managed at the department level by the immediate supervisor and more senior managers as the process moves along. But first, we'll begin with the identification of the performance problem. That will start then with the discussion between the employee involved and the immediate supervisor identifying whatever the problem is and a discussion of it, and an expectation set out for the employee as to what needs to happen in order to improve the performance, and some kind of monitoring system set up to ensure that that happens.

As that moves along, if performance improves, marvellous. If it doesn't, it will continue to be monitored. The fact that performance isn't improving will be noted and probably will move to the first step of a progressive discipline process which would be a verbal warning at this point, where now we're talking about the fact that we've talked about how things should improve. They haven't yet. So we're going to now verbally put you on notice that we expect things to improve, again setting out what the expectations are, providing appropriate coaching and help along the way in order to repair the behaviour, and the continuing monitoring of performance.

If that improves performance, marvellous. If not, the next step would probably involve sitting down and providing a written warning that things are not progressing as we had hoped, again setting out — now in written form — what the expectations are, what the problems are, how the thing is going to be monitored going forward, and again a process of monitoring, coaching along the way to help. If things work, marvellous. If not, we then will advance perhaps to another written warning — now more serious — laying out consequences of continued poor performance. And the process carries on until ultimately it's decided that the performance simply isn't going to improve. It's continuing at an unacceptable level and one would expect then that termination notice may be given.

If this is a unionized employee, in all of those steps along the way the employee will be supported by union representatives in all of those counselling sessions. If it's an out-of-scope employee, they may bring someone to those sessions as an advocate but not a union representative. So at that point the case is made. They may seek the local manager, and I assume with the support of their more senior managers as they move up along the process, and ultimately at the time of final decision to terminate that requires the approval of the deputy minister of the department.

Along that step they may consult with the Public Service Commission as to the nature of the disciplinary problem they're having, the process that they're using trying to encourage its repair, and the various steps along the way.

So our role then is as a consultant. We have a policy of corrective discipline and performance improvement that is there and available to the departments to use as they move through these various steps, and we have labour relation consultants to advise them as they move forward.

Mr. Elhard: — So if there is a decision taken that this employee is removed from his or her position and there is some suspicion about the way the job was undertaken previously, who then makes the decision to dig into the performance of that

employee with an audit of some sort? Who makes that decision? The manager or the minister of the department, the deputy minister? I guess not the minister; I meant the deputy minister. But where is that decision taken and . . .

Mr. McKillop: — If this issue revolves around some level of financial impropriety or some suspicion of financial impropriety, that would be identified early along the process one would expect, and in all likelihood would have the immediate manager of the job reporting to a more senior manager in the department, identifying the potential or the suspicion of that. If there's really a belief of financial wrongdoing, I'm sure that it would go immediately to the deputy minister of the department in the form of a report. And ultimately a decision would be made including the most senior levels of the department, including the deputy, to engage in an investigation of the financial aspects of it. And at that point they would almost certainly engage the comptroller's office in some discussion of how that investigation might be done.

Mr. Elhard: — So really the suspicion of wrongdoing could exist for some time before it was actually identified.

Mr. McKillop: — I suppose so, although I fully expect that at this point given the level of sensitivity around these issues in the public service at this time, that a suspicion of financial impropriety wouldn't go very long at all without prompting some further look into it by those who have a better understanding than the immediate line manager might.

Mr. Elhard: — Okay. So we've gone through sort of the initial stages of the process. The decision's taken. There is an audit undertaken in certain instances. Some discrepancy is found in terms of the financial records. And then what? What happens at that point?

Hon. Ms. Atkinson: — If there is a financial discrepancy found then I suspect that the person is immediately suspended while further work is done in order to understand the exact nature of the detail. And that's when the comptroller is involved, and we have increased the numbers of people available in the comptroller's office as well. So the person would be suspended. They might be fired if there's just clear evidence. That file would be turned over to the RCMP [Royal Canadian Mounted Police] or the city police.

Mr. Elhard: — I guess that was my next question. Is it possible to fire an employee prior to having confirmation, absolute final confirmation of malfeasance?

Hon. Ms. Atkinson: — Yes.

Mr. McKillop: — Once the employer has satisfied themselves that the employee has improperly behaved in the workplace so as to warrant termination, they may act and allow the legal processes associated with that to sort themselves out.

Mr. Elhard: — So would it be fair to say that the difference between firing, immediate firing, and suspension is uncertainty of the evidence.

Hon. Ms. Atkinson: — You're correct.

Mr. Elhard: — Okay. And once the evidence is substantiated or verified, that individual's case goes to . . . I mean the Provincial Comptroller has looked at it. Is there a step in there that I've missed?

Mr. McKillop: — They would likely be engaged earlier than, they would likely be engaged earlier than you suggested they might. The comptroller's office would likely be engaged earlier.

Mr. Elhard: — So the Provincial Comptroller has the documentation, has the evidence. And then the process is to report it to the Public Accounts Committee.

Hon. Ms. Atkinson: — Well I think if there is clear evidence that an illegal event has occurred, I think that the evidence will obviously or the information would be filed with the RCMP or with the police. And I think this is to be filed quarterly. I'm trying to remember. It's the Minister of Finance's policy. Because the comptroller's office, it comes under the Minister of Finance, my understanding is that on a quarterly basis the information is to be filed with the Public Accounts Committee.

Mr. Elhard: — So following up on that set of circumstances, if an individual is fired, is terminated from his or her position because of this set of circumstances, does that firing become public knowledge? Does the government release that as public knowledge at that time? Or is turning the file over to the RCMP the issue that triggers the public awareness?

Hon. Ms. Atkinson: — You're asking me a question that I can't answer in terms of the process. And I think that's a question that should be put to, you know, the Minister of Finance. I don't know if his estimates are back. But we will get you that information.

My understanding is that the information is to be . . . The process is that if you suspect an employee, you call in the comptroller's office. They undertake a investigation. If there's clear evidence, two things occur. The employee is dismissed, and it's filed with the RCMP. You file a report with the RCMP because clearly it's a criminal activity or alleged criminal activity — I'll be careful — alleged criminal activity. And that that information as I understand it is to be filed with the Public Accounts Committee on a quarterly basis. That was my understanding. I wasn't clear that we were going to have a press release every time someone was fired for alleged criminal activity.

Mr. Elhard: — Well I guess that's the question I'm trying to determine. I'm trying to — for my own understanding — clarify exactly what happens and when and at what stage, I guess, and for what reason. If somebody's fired, I don't suppose there's going to be a press release. But if there is a case turned over to the RCMP, there appears to be a standard by which that's the expected outcome. If they're just put on leave of some sort, that doesn't become public knowledge apparently. So it looks to me like there's two or three different possible processes that are followed for different types of circumstances. And I'm just trying to clarify that as best as I can.

Hon. Ms. Atkinson: — I think we'll get you that information because I'm not clear, in the context of the question that you raised, on the answer to the various scenarios.

Mr. Elhard: — The Public Service Commission does not play a role beyond the stages that Mr. McKillop identified though.

Hon. Ms. Atkinson: — No.

Mr. McKillop: — Just managing the employees.

Mr. Elhard: — I'm sorry.

Mr. McKillop: — Just managing the employee questions related to the issue.

Mr. Elhard: — Good. I'll look forward to getting that information because I think that would be helpful for the opposition, for the public generally, to know exactly what the process is and how it's been identified and defined, and what we should expect in the future if any of these other or these types of situations appear again.

I think there are some other areas that we need to touch on today, and we don't have a lot of time left. But I want to ask a few questions arising out of the survey of the Public Service Commission employees on how they view their employment circumstances. And well it's a mixed bag.

And I know that I kind of skirted this issue once before in question period, and the minister indicated that the government ranks very high in the area of balancing work and family. But while I accept that, I'm also troubled by some of the other findings of this particular survey that are not nearly as complimentary. And I guess I would like the minister to respond to the results of this study and to give us an indication of what the employer is going to do to address the concerns of the several thousand employees working for the provincial government.

Hon. Ms. Atkinson: — Well this is our second government-wide employee survey. The surveys conducted try and understand employee views when it comes to key strengths and areas of improvement in the public service. So we try to understand where employees are at.

In a sense it's not unexpected when you are trying to engage in organizational change with people who have been long-term employees. So this is not unexpected. What I can say is that we have . . . The results have been shared with each deputy minister. And when you dig deeper into the results, the results have been shared with each executive director of every branch in government. And employees in that branch know the detail, as I understand it, of the survey in terms of how that branch feels about a number of questions.

There are some areas where we need to improve. And I think one of the areas where we need to improve, from my understanding of the results, is what's expected of employees and employee direction — in essence leadership, leadership.

Now when you are . . . Large organizations, and I'm talking about large departments. There will be various branches where there are clear expectations. Employees understand precisely what is expected. And I think that what we need to do . . . and what I've suggested is that we understand which executive directors obviously are providing clear expectations, clear

leadership. Everyone knows what they're supposed to be doing. They have goals. They have outcomes. They have work plans. And then take that leadership, really, to other parts of government so that we can really design leadership in executive management.

Mr. Elhard: — Madam Minister, I would say this is an urgent task. You know we've talked at length previously about the impending turnover of public servants because of the baby boom and bust issue. And we've talked at length about the need to recruit aggressively to replace some of the retirees that are about to leave the public service.

And in my own experience in the personnel field, offering somebody a permanent position and, you know, a fairly decent pay packet and a good retirement benefit and all the rest of that is only part of the equation. People want to know they're launching into careers in which their services are recognized, their capabilities are almost taxed. They want to know that they're going to be given the opportunity to perform and do well and contribute in an effective way to a dynamic organization.

And, Madam Minister, I don't get that feeling having looked at the results of this survey, that the people in the employ of the provincial government feel that they are able to contribute in a satisfactory way. And when they do, their contributions aren't recognized adequately.

I noticed that one of the components of this survey asked about the treatment that they received. And it said to them that . . . Let me just go back here. Less than half of the people surveyed responded favourably to the statement that "All in all, my Department is effectively managed and well-run." And that speaks to what you just responded to a moment ago, effective leadership and dynamic leadership. And the condemnation is pretty serious if less than half of the people working for the provincial government thinks that their department is effectively managed and well run. That speaks to frustration and stagnation.

And so I guess the challenge I offer the minister and the Public Service Commission is, not just what are we going to go about it, but how quickly can we turn this boat around?

Hon. Ms. Atkinson: — Well I think what's interesting from the results is that employees in the public service take pride in what they do. That's clear. And that they practice professionalism and integrity in the workplace, that's clear from the results. Employees indicated favourable scores on supervision.

Now where we needed to have some clarity, I think was on leadership action, which gets . . . and particularly on survey results. And what's interesting as I understand it, every executive director in every branch of government basically has had the results shared with them in terms of how their branch feels on all of the questions that were asked. And I think it's incumbent certainly upon the deputy ministers to work with their associate deputy ministers, assistant deputy ministers, and those executive directors to improve the results.

And I think it's fair to say that we can't conclude the whys, why is this. I can't tell you why this is. But I think what we need to

do, and certainly I've said it to my own deputies that I have and I know that my colleagues have said it to their deputies, that they need to drill down into the results and work to improve the results.

And I think there is some areas of government where the results were very encouraging when you drill down into those results where executive directors are performing well, their staff are performing well. There's clear goals, clear expectations. There is leadership. And the people in those work units feel that there's leadership. And what we need to do is take that, what I call the best, and have them, you know, suggest some tactics in a sense. You use some tools to start developing others.

I think one of the things that we've struggled with, certainly at the Public Service Commission, is developing our executive teams and managers. And there are people . . . I don't know if you're born to be a manager — I think maybe you are — Clare was a born manager. I'm not sure you're born to be a manager, maybe you are. But I think one of the challenges and in fairness to the public service we haven't spent a lot of money on the development of our executive management team and the people who become managers.

It's sort of like becoming a cabinet minister. You know, you're sent upstairs. Here's your office. Here is some staff and good luck. And I think when you think about employers in the province and attracting young people, we have to change that. I mean young people expect clear goals and expectations. They want to know precisely what their work will be. They want leadership. And if we're going to recruit people and then retain them, we're going to have to have those skill sets.

But in fairness to the public service, I would say that we haven't spent a lot of time in terms of training, training dollars for the public service . . . a lot of money either because that's not necessarily where you want to spend . . . we haven't really spent our money there.

Mr. Elhard: — I guess the question that comes out of that naturally is, why not?

Hon. Ms. Atkinson: — Oh I think that there are always other priorities. You know when you go to — to be very blunt — when you go to Treasury Board and you put forward proposals for, let's say, \$5 million to do significant training in the public service — let's just use that as a number — when people have to balance off \$5 million to do training and supports to the executive team and you have all of these other pressures in Health for new drugs or you know, new doctors' wages or new nurses' wages, to be blunt, they get put on the back burner as you try and fund these other things that are in the public domain and where you're getting the political pressure. And the public service doesn't apply huge political pressure to say hey, what about training us?

Mr. Elhard: — I just noticed the time is after 5 o'clock, and it's really unfortunate that we don't have another hour or two of these estimate sessions to finish this dialogue because you know I think this is absolutely critical to the success of our public service, of individuals within the public service, and to the people of the province to have a public service that feels well regarded, that feels like it's part of a dynamic organization that

they can contribute and be rewarded for their contributions, that they would recommend their employment to anybody else who is wanting or looking for a job opportunity.

And I guess I'd just like that on the record that I don't think this is an area that we can choose to ignore going forward, given the challenges facing the public service as we've alluded to previously. We need to make our public service the most attractive place possible in which people would want to work and would gladly give their skills and their capacities to the benefit of the people of the province.

So I wish, as I said, we had more time to discuss this. But in the meantime, one of my earlier comments was not thought to be complimentary to the public service. That isn't what I meant. When I said the public service and the government only have so much time to turn this boat around, I think that that's true. I think there's a critical element that's required here and time is of the essence, and we need to attend to this problem. And if I can encourage the government and can offer my support in getting that funding for the public service, just ask me.

Thank you, Madam Minister, and to your officials. I appreciate your time again this afternoon.

Hon. Ms. Atkinson: — Before we adjourn, Madam Chair, I'd like to thank the officials for being here. And I would point out that from how I understand the results of the government-wide survey, the Public Service Commission obviously — because of the results for the Public Service Commission — has much to offer in terms of leadership on this file.

The Chair: — Thank you, Minister Atkinson. And I too would like to thank you and your officials for answering all the questions so diligently, and thank the members of the committee for posing very good questions today.

And that bring us to the adjournment of today's committee meeting, and we will stand adjourned until tomorrow at 5 o'clock. Thank you.

[The committee adjourned at 17:03.]