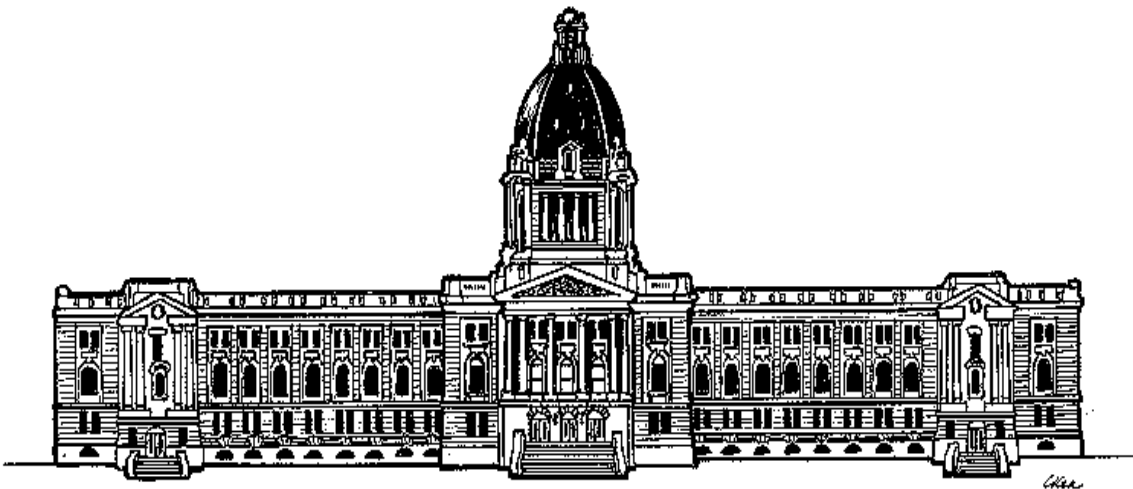




STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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Mr. Warren McCall
Regina Elphinstone-Centre

Mr. Randy Weekes
Biggar

[The committee met at 14:48.]

The Chair: — Good afternoon, ladies and gentlemen, and welcome to the afternoon session. We have a couple of substitutions. Ms. Deb Higgins is substituting for Warren McCall and Mr. Kevin Yates is substituting for Buckley Belanger. There are no other introductions or substitutions.

And I would like to table the following documents: CCA 338/26, Crown Investments Corporation of Saskatchewan (CIC) losses reported during the period October 1st, 2010 to December 31st, 2010, dated January 28th, 2011. This was distributed to members on February the 1st, 2011. And CCA 339/26, Ministry of Environment, response to questions raised on May 13th, 2010 meeting regarding revenue collected and paid to municipalities by SaskEnergy. This was distributed to members on March 14th, 2011. Addendum to CCA 15/26, Crown Investment Corporations, subscription to units between CIC Equity Holding Corporation and Apex Investment GP Inc. This document is being distributed to you today.

[Inaudible] . . . estimates that were referred to the committee, I would like to advise the committee members that pursuant to rule 146(1), current estimates and supplementary estimates were deemed referred to the committee on March 31st, 2011. Rather than me read out the estimates, a list has been distributed to committee members. This list of estimates is also available on the Legislative Assembly website.

**General Revenue Fund
Government Services
Vote 13**

Subvote (GS01)

The Chair: — Tonight's agenda includes consideration of vote 13, Government Services; vote 74, Information Technology Office; and vote 33, Public Service Commission. We will begin with vote 13, Government Services. We have with us Minister Ross and her officials. Ms. Ross, would you please introduce your officials and, if you would like, provide an opening statement.

Hon. Ms. Ross: — Thank you very much, Mr. Chair. I would like to introduce to you, and to the members of the committee, the officials from the Ministry of Government Services who are with me today. Mr. Ron Dedman, the deputy minister of Government Services. We have Greg Lusk, executive director, commercial services division; Shelley Reddekopp, director of financial services branch; Todd Godfrey, director of capital infrastructure management; and Dwight Milleker, Regina regional director. I thank them for appearing with me before the committee to help answer any questions about the ministry's estimates.

The Ministry of Government Services provides centralized accommodation and support services to government ministries and agencies. Accommodation is by far the largest area of activity, but the ministry also provides vehicles, air service, mail service, record management, and other services on a cost-recovery basis.

Government Services 2011-2012 budget focuses on the renewal of its infrastructure. This budget includes 14.5 million in capital funding for the Melville Crop Insurance capital lease as the addition and retrofits will be completed this year.

Our accommodations division will continue to manage other infrastructure building projects such as the Walter Scott renewal and the Weyburn Court House and the Kramer Building retrofits.

As part of managing its infrastructure, the ministry will look for opportunities to reduce space. Last year, an office standard was approved. We are working with all ministries to ensure the standard is followed on any new relocation. As an example, Social Services has capitalized on better utilizing its head office space and reduced its space needs by over 20,000 square feet. This year's budget provides funding for space design that will assist government in consolidating space. This will allow the ministry to let some leases lapse, resulting in an overall reduction in government's space footprint.

In 2010-2011 we implemented a revised cleaning standard in 14 of our provincial office buildings. This year we will implement a second phase involving an additional 22 buildings. Like the previous initiative, this will include implementation of the revised cleaning standards and added waste recycling centres for use by client staff. Government Services has demonstrated it can deliver cleaning services more efficiently, environmentally friendly, within the same range achieved by industry and other government jurisdictions. I am pleased to say the results achieved in the first phase show a 42 per cent reduction in waste, as well as electricity saving of 7 per cent. We fully expect to see similar results in phase 2.

In this budget the base funding for the central vehicle capital has been increased to 7.4 million. This increase will allow the ministry to acquire high priority vehicles that its clients need.

This budget also provides for an increase in 13 FTEs [full-time equivalent] to bring air ambulance service in line with industry standards of operating aircraft with two-pilot crew. There are many advantages to a two-pilot operation. The biggest advantage is to provide for a safer operation as the workload is divided between duties which require data entry for instrument changes and the visual operation outside the aircraft. There is also a second person to confirm the accuracy of information between air traffic control and the aircraft. It is also expected communication between the flight crew and the medical staff will be enhanced with a two-pilot operation.

The ministry continues to focus on providing cost-effective support services to government. As its commitment to ongoing improvement, the ministry currently has five lean projects under way which are expected to streamline its processes. As an example, a lean project is under way at mail services. The objective is to improve the timeliness of sorting mail by eliminating the waste of transportation and motions that are in the current process. This will be accomplished through reorganization of equipment and eliminating unnecessary steps in mail handling.

These are just a few examples of the work going on in

Government Services. My officials and I would now be pleased to answer any questions on the ministry's financial estimates.

The Chair: — Thank you, Madam Minister. Are there are any questions? Mr. Yates has the floor.

Mr. Yates: — Thank you very much. Mr. Chair. I'd like to start, if we could, with a greater explanation of the five lean projects and exactly what each project is and what you are attempting to accomplish and what you expect the outcomes to be.

Hon. Ms. Ross: — Thank you very much for that question. The Ministry has hired a consulting firm called e-Zsigma to help implement the lean projects to improve the process. And the consultants have provided training and guidance to Ministry staff as they learn about lean. And the Ministry has, as you have asked, five projects under way.

And the current status is, the Ministry has 15 staff which are facilitating and training in the tools and the techniques to use in this lean methodology. The five projects that we have — we have mail services, we have accommodation services, and purchasing branch for tendering goods. There's three in accommodations, yes, sorry. In the accommodation services, we have a space change process. We have a cash flow forecasting for construction projects, and we have contract administration for construction projects. And then we have, in the purchasing branch, we have tendering for goods.

Mr. Yates: — Thank you very much, Madam Minister. And my next question has to do with, what is the amount of money paid to e-Zsigma in their contract?

Hon. Ms. Ross: — I do apologize. I don't think we brought that number with us, but we would be more than happy to provide that information to you.

Mr. Yates: — Thank you very much. My second question is, with the 15 employees that are involved in the training, what's the total cost of the lean project initiative within the department?

Hon. Ms. Ross: — These employees that we have are already employed within the ministry so there is no additional cost for having them be mentors.

Mr. Yates: — Thank you very much. But my question is, what's the cost? They have been diverted from other services to the lean project, so their salaries would be a cost of the implementation of the lean project.

Hon. Ms. Ross: — We do not have that cost with us, but we would be more than happy to identify that cost and provide it to you.

Mr. Yates: — Thank you very much. This would be our only opportunity, I believe, today to ask questions of Government Services. Is it possible to get those answers sometime during the next two hours so that we would have them in case it brings up other questions?

[15:00]

Hon. Ms. Ross: — Well we can obtain the information for the consulting firm. I'm not sure if we could provide the other number that you asked for, but we can contact the ministry staff to be able to provide that information.

Mr. Yates: — Okay. Thank you very much. In mail services, has there been any contracting out or change in service delivery as a result of the lean service process or as a result of any governmental decisions in the last 12 months?

Hon. Ms. Ross: — Thank you very much for that question about mail services. I had the opportunity to tour the facility and observe the kind of work that was being undertaken at the mail services. And so the work that . . . There was excessive amount of steps. It was also the repetition of the kind of work that they do with mail sorting. The facility was not set up adequately. So what we have done there to ensure that the lean process was undertaken was to reconfigure the space, but that did not mean that there was a loss of or the change of employees, the number of employees.

But in fact what we did there was to improve the workflow of that process and also to create a workspace that was safer and more comfortable and that, in talking to the employees there, they expressed their appreciation for that someone finally realized that the work they do, the facility wasn't really allowing them to proceed safely sometimes. So they really did appreciate the removal of the extra steps and also providing workstations that allowed them to do their job more safely.

Mr. Yates: — Thank you very much, Madam Minister. What is your anticipated outcome, or what's the desired outcome of the lean process in mail services?

Hon. Ms. Ross: — Well the outcome was to provide safer working conditions that was respectful of the employees, and in fact I think that we have achieved that.

Mr. Yates: — And so there was no reduction in the number of employees or no shifting of responsibility to other areas or anything as an outcome?

Hon. Ms. Ross: — That was not . . . That's not the intent of lean. Lean is to ensure that the employees are working more efficiently in regards to themselves, so less steps and things like that. It does not focus on changing the number of employees in the mail but in fact creating a workspace that is, like I said, more respectful of them.

Mr. Yates: — Thank you very much. Going on to accommodation services, you said that there were three lean processes within accommodation services. Could you give us a little more detail of each of the processes: what was done, what was the desired outcome in each of those cases.

Hon. Ms. Ross: — In regards to accommodation services, space change process, the client requests for space changes need to be thoroughly reviewed on a timely basis by Government Services planning staff, and then the clients need the options that . . . They look at the options that are provided to them and make sure that they are within the scope of work that they're doing and the time frames for delivery and what needs to happen, the delivery process and the accurate cost estimates.

The initiative is expected to improve the process so that requests for space changes are thoroughly reviewed in a timely manner.

Mr. Yates: — Thank you very much. You had indicated earlier that the process is resulting in some 20,000 square feet difference in the Department of Social Services alone. What's the anticipated outcome of this process, and what's the savings to government?

Hon. Ms. Ross: — That's the space standard. That's not the lean initiative.

Mr. Yates: — Now but in reviewing this, obviously you're trying to look at putting the processes together in order to obviously accomplish things in a more timely manner and save, you know, save money and use space adequately for government departments. What is the anticipated outcome and advantage to government in this process? What square footage or how many dollars do we expect to be able to save through improving our processes and making sure that they're done in a timely manner?

Hon. Ms. Ross: — So in regards to this process, what it is, is it's, as I said earlier, it's to shorten the time frame from their request for us to do it in a timely manner. And this is not in regards to the space management. This is their requests.

Mr. Dedman: — The real goal of this one is from the time there's a request for a change of space, that we shorten the period of time that it's in our hands from when we get the customer's request to the time we give the customer back the information they need on the size of the project and the costs of the project and the time frame it would take to deliver that project. So it's really a standardization initiative within government service to do quicker turnaround on requests for space changes.

Mr. Yates: — Thank you. And that, in the end, will result in some savings as a result of being able to implement and move to more appropriate space in a sooner period of time. I'm trying to understand . . .

Mr. Dedman: — It's really just better customer service that the request doesn't sit with us for a long period of time, that we shorten the response time on requests from ministries asking for space changes or new space.

Mr. Yates: — So the corresponding . . . It doesn't necessarily then correspond with a cost saving as a result of a change in space?

Mr. Dedman: — That's true. That's a different part of an issue that we're carrying on.

Mr. Yates: — One leads to the other though. Correct? Like if you do this more efficiently in the front end, then it allows for change to be made sooner and more efficiently in the back end?

Mr. Dedman: — This would cover all requests that would come to the ministry. The space standardization of going to approximately 200 square feet per person generally would take place when you would have a major renovation or a move of

staff. That's where you would tend to capture the space on the space standardization. Certainly it would flow through this area but this lean project is not really focused on capturing that space saving through standardization.

Mr. Yates: — Okay. Thank you very much. Can we move on to the next area then, the cash flows?

Hon. Ms. Ross: — Thank you very much. The target is to report project cash flow more accurately through the fiscal year so that the forecast costs match the actual costs and budget targets are met. And the lean project is expected to reduce reworking and waste, and improve the quality of the forecasts.

Mr. Yates: — Thank you very much. In those areas where this has been able to be accomplished, has it worked? Has it increased the accuracy of the forecasting?

Hon. Ms. Ross: — This is an ongoing process that we are working toward achieving these kind of goals. So I mean, like I said, this is a work-in-progress.

Mr. Yates: — Okay. Thank you very much. Could we then talk about the third area in accommodation services?

Hon. Ms. Ross: — And this initiative is to improve the management of the contracts for construction projects. And the current process includes significant levels of rework to capture accurate information on the project's scope and timing. And the lean initiative is to reduce the rework and improve the processing time.

Mr. Yates: — Okay. Thank you very much. If I could just get on this lean projects, an explanation on the purchasing branch area, and then I would like to turn it over to one of my colleagues who has a time constraint here.

Hon. Ms. Ross: — The purchasing branch tendering for goods. The project is to reduce the time it takes for the purchasing branch to receive a client request for goods until the tender has been awarded. And the objective is to reduce the number of days in the request to award the process.

Mr. Yates: — Thank you very much.

Hon. Ms. Ross: — And I'd like to add that right now the average tender days is 29 days and our target is to reduce the time to an average of 18 days.

Mr. Yates: — Thank you very much. I have a number of other questions, but one of my colleagues has some time issues, so I'd like to turn the floor over to Ms. Junor.

Ms. Junor: — Thank you. Welcome to the minister and her officials. And I have a question first that may shorten this up considerably. I have questions on STARS [shock trauma air rescue service]. Is that through your ministry or through Health?

Hon. Ms. Ross: — The STARS is through the Ministry of Health.

Ms. Junor: — That will shorten up my questions.

Hon. Ms. Ross: — Well thank you for coming.

The Chair: — The floor recognizes Ms. Atkinson.

Ms. Atkinson: — Thank you. Minister, can you tell us how much Government Services paid for the Parkridge nursing home in Saskatoon?

Hon. Ms. Ross: — Thank you very much for that question. I'd like to give a bit of background on the Parkridge Centre in Saskatoon and maybe give some, the whole sequence of . . . because not everyone has an understanding of what the Parkridge Centre is and how long it's been with the province.

So an RFP [request for proposal] was sent out in the mid-1980s and Wolfe Group Investment Ltd. was successful in the evaluation of the process. A lease was entered in with Wolfe Investment Ltd. for 25-year lease and this commenced on June the 1st, 1987. And under the lease agreement, the developer built and fully equipped the facility. And under the lease arrangement, maintenance was the responsibility of the leaseholder or the operator of the facility. For most of the life of the facility, the Saskatchewan health region was responsible for the facility maintenance.

And the lease contained options allowing the government to purchase the facility. Now this final option was December the 1st, 2010, and the government of today exercised its option and purchased the facility and that was for \$5 million. The government has . . . And they also added an additional 7 million for renovations.

Now government practice on leasing or re-leasing, the lease cost is a long-standing practice of the provincial government that lease information is not made public. And the basis of this practice is the significant impact that government has over the rental market in the province.

In the mid-1990s, SPMC [Saskatchewan Property Management Corporation] strengthened the long-standing practice on non-disclosure by adding a confidentiality clause to all lease contracts. Now, however, public accounts does show the amounts paid to a supplier on an annual basis, and public accounts has shown the amount paid to the owner-developer of Parkridge Centre over the years.

Ms. Atkinson: — Well thank you, Minister. I am familiar with this request for proposal that was given by the Devine government in 1985. And it was a request for proposal for lease and purchase. Minister, can you, given that public accounts shows this, can you tell us what the people of this province paid to Wolfe Group Investments Ltd. for the lease of the Parkridge nursing home?

[15:15]

Hon. Ms. Ross: — As I said, that leases are not made public, and that is a long-standing practice of the provincial government and the lease information . . . The basis of this practice is because it has significant impact on the marketplace. And this was also strengthened in the mid-'90s with SPMC putting a non-disclosure clause into it. But I have indicated that the information is available in public accounts. It does show the

amount that was paid to the suppliers on an annual basis.

Ms. Atkinson: — Mr. Chair, the minister has just informed the committee that information is available in public accounts. Could the minister please tell us how much money the people of this province have paid to Wolfe Group Investments Ltd. for the lease over the past 25 years. You say it's in public accounts. It's available. Can you tell us how much?

Hon. Ms. Ross: — And as I mentioned to the member, public accounts has shown the amount paid to the owner-developer of Parkridge Centre over the years. However, public accounts does not break down the cost or explain what is included or not included.

Ms. Atkinson: — Minister, we have in Public Accounts . . . Let me just give you an example. For 2007-08, which would have been the last year of my government, the NDP government, a payment for \$1,416,659 million to Wolfe Group Investments Ltd, is that the payment, the yearly payment for the Parkridge Centre which, by the way, is the only nursing home that I'm aware of that is leased through Government Services? Is that the payment for the centre?

Hon. Ms. Ross: — We believe that is the only payment, but we don't know if there's anything else with Wolfe Group.

Ms. Atkinson: — Mr. Chair, are you the Minister for Government Services?

Hon. Ms. Ross: — Yes, I am the Minister of Government Services.

Ms. Atkinson: — And in Public Accounts, we have payments made to all kinds of organizations. And are you telling me that your ministry can't advise us whether this payment is for the Parkridge nursing centre, however you want to describe it, or do you have other contracts with the Wolfe Group Investments Ltd.?

Hon. Ms. Ross: — What I'd like to let the member know is we will make sure and have that number checked. It is our understanding, my understanding at this point in time, that it could be the only . . . We want to make sure that in fact we are providing you with accurate information, so we will make sure that we have that number checked.

But as you know, in regards to revealing lease information, there's a confidentiality clause. And I know you felt that . . . you seemed a little frustrated and were a little disrespectful. I think that . . . [inaudible interjection] . . . You were. And I'm not going to become confrontational.

But I'm answering the questions in a manner that you would know, having been a member of the government for 16 years of that 25 year lease, you would know most of the information that is contained within that arrangement. So for you to then turn around and say to me you have to reveal that, when your government was the one that put in place the confidentiality clause with Olive Waller and their law firm . . . so because of that, you would know that it would be totally inappropriate for me to reveal lease costs to the public. That's just unacceptable.

Ms. Atkinson: — Well, Mr. Chair, the minister has just told us that this is all contained in public accounts. She says it's public information. She's given us the name of the group, Wolfe Group Investments Ltd. and she says it's there. But what she's not prepared is to add up the amounts that were paid to Wolfe Group Investments Ltd. and give us a total number.

And the numbers vary because I have . . . You know, you don't ask a question unless you've done your homework. The numbers do vary. Some years it's 1.2 million. Some years it's 1.4. Can the minister, given that this is the only nursing home in the province that Government Services leases, can the minister tell us why the variation in the amount of money that goes to Wolfe Group Investments Ltd. in the last years? Could you provide us with that information?

Hon. Ms. Ross: — Okay, what we will do is we will have the files pulled and ascertain exactly what was done for Parkridge and what may have been done for something else because you have to understand that the Wolfe company is a company that has done work for the government. So it could be because it would have been added together. So what we will do for you is pull out the information, and we would be able to then define what was with Parkridge Centre.

Ms. Atkinson: — Mr. Chair, I've looked at public accounts. There is Wolfe Group Investments Ltd., which I believe is the holding company that owned the Parkridge nursing home up until December 1st when Government Services purchased it. And then there is Quorex. Quorex is the construction company that was the old Wolfe brothers. So my understanding from looking at public accounts is there appears to be a differentiation between Wolfe Group Investments Ltd. and Quorex. But if the minister would like to do that, that would be acceptable.

And if the minister thought I was being disrespectful — I ask tough questions — I didn't mean to cause the minister any disrespect. I do want to know this. When Government Services exercised its . . . Actually I don't know if it exercised its option because if you go back to the discussion that occurred in this very Assembly in 1987 and 1988 with Paul Schoenhals, who was the minister responsible back then, Paul Schoenhals indicated to us that this was a lease-purchase proposal call. And what that meant was the government put out a call to build a nursing home. The understanding was that it would be leased, and at the end of the lease it would be purchased.

So my question is this. You say that this lease went into effect on June 1st, 1987. When the government exercised its, I gather, decision . . . not exercised. It bought the facility. Did that include any lease costs for this year?

Mr. Dedman: — The lease had provisions for purchase by the government every five years which was also the time when the developer's interest rate would be recalculated. So there were lease options every five years. And so the lease option that was exercised late in 2010 was for the purchase as laid out in the original lease agreement.

Ms. Atkinson: — So that gets us to 23 years worth of lease. Is that what you're saying?

Mr. Dedman: — Yes.

Ms. Atkinson: — So can you confirm that the people of this province paid 23 years of lease on this facility, and they paid \$5 million to buy the facility?

Mr. Dedman: — Two parts that, yes, that they did pay. They leased it for 23 years.

A couple of things I could add to that. One is that the government around 2002 considered whether they should buy the property or not. And so an agreement was made between the government and the developer to add six months to the lease so that government could do due diligence as to whether or not a purchase should take place. It was decided not to purchase it at that time.

Just to be clear, the purchase price, there's two numbers that are there. The purchase price was \$8.035 million. The \$5.1 million was the amount that the property was sold to the health region.

[15:30]

Ms. Atkinson: — Well now we're getting to some transparency.

Okay. So Government Services paid \$8.35 million for this facility. And then it was sold to the Saskatoon Health Region for 5.1 million. Is that correct? Or 5 million?

Mr. Dedman: — 5.1 million. It's 8.035 million.

Ms. Atkinson: — Okay, 35,000. Okay, so 8.035 million Government Service purchased this nursing home, and they sold it to the health region for 5.1 million? Okay.

Now according to the minutes of the health region, there is \$19.5 million with remediation. So when you were doing your assessment, I suppose, in terms of what the province would pay for this facility, can you tell us what sort of due diligence you undertook.

Mr. Dedman: — This did not include the maintenance of the facility, and so the deferred maintenance or the outstanding maintenance on the facility was the responsibility of the health region who operated that facility for the, I think, all but a very short period at the start of the lease.

Ms. Atkinson: — Well as far as I know, the facility has always been operated by people in Saskatoon. So I understand that the Minister of Health has pledged \$9 million to cover the remediation, and I understand . . . Can you tell me what process went into this? Because as I understand it, Government Services pays over \$8 million for the facility. The health region buys it, but they get \$5 million from the Ministry of Health to buy it. Is that how that worked?

Mr. Dedman: — I'm not entirely sure of the process, but I think that's the process. And can I explain the difference between the 8 million and the 5 million? This was a capital lease, and so in the course of the 23 years, the depreciation of the facility took the number on Government Services' books to 5.1 million. And so even though the purchase price that was

paid was 8 million as per the lease contract, the book value for Government Services was 5.1 million. And so in selling to the health region, that was the price of the sale.

Ms. Atkinson: — So tell me how this works. And what I'm really trying to get at is bad deals around nursing homes that are "privately owned" and then leased back to the public.

So here's how I understand this at the moment. The Grant Devine government enters into a, as Minister Schoenhals called it, a lease-to-purchase proposal call. There were four, there were four companies that entered into this. And Wolfe Investments got the contract to build this thing and then lease it to the government. So we know we've had 25 years, 23 years, actually 23 and a half years of lease. What we don't quite know, because Sask Property Management used to be there before Government Services, we don't quite know how much the public paid each year to the Wolfe investment group. But we do know that when Government Services took over, we started to see a number for the Wolfe investment group. It varied — 1.2 million to 1.4. You multiply, let's say, 1.2 million times 23 years — that's significant.

So then we have Government Services that pays \$8 million to Wolfe Investments. Then we have the Ministry of Health send \$5 million to the health region to buy it from Government Services. And then we know from the minutes of the health region that this nursing home needs \$19.5 million for its renovations. And we know that the minister, Don McMorris, on February 22nd he announced that \$7.1 million is being sent out to the Saskatoon Health Region to renovate the Parkridge nursing home. This is kind of significant, and so I think the public needs to know that this isn't necessarily a good business model when you're building public facilities that are there for the public.

And so my, I think . . . And I also noticed in your last platform, Minister, that your government promised to be open and accountable. And I understand, you know, you can talk about competitiveness, and you don't want to release lease information and whatnot, but you're the one that told us that this information is available in public accounts, and no doubt the SPMC annual report.

So when I add it all up, it's pretty significant. I think I get a little over 53, well, well over \$50 million for a facility that is 23 years old — oh, more than that actually — soon to be 24 years old. So I guess I would ask Government Services this. Is this . . . And I know you're all new; you weren't there in 1987. But is this the kind of model that we should look at when we're building public facilities for public use?

Hon. Ms. Ross: — I'd like to talk about that public facility because I have heard back from numerous people in Saskatoon about what a wonderful facility Parkridge is. Parkridge is a large facility. It's over 180,000 square feet, and it sits on just under 9 acres in the city of Saskatoon. Now the interesting thing is that if you look at the replacement cost of that facility, it's closer to \$60 million. So this is a very large facility located within a city that has . . . And costs of land in the city, you know, are fairly extensive. So when you've got close to 9 acres, this has a significant value for the city of Saskatoon but also for the residents of Saskatoon.

Mr. Dedman: — I think the only thing I would add is that we've been advised that the property alone would be worth \$5 million without the facility on it, 9 acres in that part of Saskatoon.

Ms. Atkinson: — Mr. Chair, if I could, I've been in the facility many times. This facility was built in 1987. Well actually it was started in 1985. It was opened, I believe, in April of 1987. At the time what was interesting is that the government chose not to open 38 beds that were left vacant for several, well a few years. So I'm familiar with the facility.

My point is that when you think about building a facility 23 years ago, I don't think we would have paid, you know, 50-some-odd million dollars for that facility, and that's what the public is going to pay for this facility or has paid for this facility. And so my point is, I guess we'll have to have a philosophical disagreement. It's my view that when you build public facilities for public use, you use public dollars.

And the government of the day chose not to do that. They entered into this lease-to-purchase arrangement that has cost the taxpayers a lot of money. Taxpayers pay for Government Services. It's our tax dollars that go into this. We have a facility that the public has paid through the nose for, and now we need to do \$19.5 million worth of remediation and repairs.

So I'll leave it there. I think if the minister would like to provide me with whatever information she can in the name of accountability and transparency . . . I know she wasn't prepared to answer written questions and the argument being that this would be problematic. But my view is this lease is over. We've purchased it, and we need to know what did we pay in total for this facility.

We do know this, that the government gave the developer over \$8 million for this facility. And we paid well over \$1 million each year for over 23 years, twenty three and a half years. And it needs nineteen and a half million dollars worth of remediation, and the government in February announced it was sending 7 million to the health region to start the remediation process. And with that, Mr. Chair, I'll conclude my remarks.

The Chair: — Are there any other questions? Mr. Yates.

Mr. Yates: — Thank you very much, Mr. Chair. I'd like to go back and ask a few questions about the lean project again, Mr. Chair. I guess the point I'm trying to understand out of the lean projects is hiring a company to facilitate the process and to teach people and involving assets of the department costs money. And as of yet, I haven't seen where any of the lean projects in this department do anything but cost money. You haven't indicated to me in any way where this saves money, where it is leading to a benefit to the public other than being a cost to the public. Now I may have missed that, but I've asked several questions. Speeding up processes that may or may not . . . like reducing the tendering from 28 days or 29 days to 18 days, what is the benefit to the taxpayer? I need to have some understanding as to what this expenditure on behalf of the people of Saskatchewan is doing to benefit the people of Saskatchewan.

Mr. Dedman: — One of the challenges in any workplace is

that there is a lot of top-down direction as to how the work gets done. And there isn't many or there aren't many opportunities for people at the front line to make recommendations about what makes sense in the way the job should be done or the opportunities to make improvements. The lean process is designed to improve flow and to eliminate unnecessary steps and unnecessary work and sometimes unnecessary inventory. So the process that we've used in Government Services is a process that gets the front-line people involved in the project and lets them offer advice and direction as to how the work should get done.

So if we look first at the mail services project, that was . . . Mail services have operated in a very large space on concrete floors. They've operated with makeshift equipment for a number of years and things that . . . The way it's operated has required employees to lift, to pick stuff up off the floor, put it down again, and carry it around. So the lean process as implemented is to try to make mail services a better workplace and to eliminate a lot of unnecessary steps in the process. So really that was the goal of that project, was to make significant improvements in the day-to-day operation.

[15:45]

On the accommodation services, the space change process, as I mentioned before, was really about better customer service. And I guess in terms of the money issue, when you're working on projects and when you're involved in a process of delivering projects, the longer the project takes, the more money that can be involved in terms of where the savings are.

On the cash flow forecasting, the goal of that project was again standardization in how we forecast. Part of that is to make sure that when it comes to year end, we know what we've spent and it matches what our budget has allowed us to spend. And in standardizing, we standardize the contingencies that people use across Government Services on project management, and our goal is to be more consistent in what we do and to eliminate a lot of reworking as people try to figure out exactly where they are on the forecasts of the projects.

Contract administration is again tied to construction projects that we do. And the current process that we have, which is a historic process, again requires a lot of people to redo their work a number of times to make sure the information is accurate. With the lean process, it's our goal to have a consistent process that will allow the, I guess, the outcome of the process to be consistent.

On the purchasing tendering for goods, that really is about speeding up the service to the customers, making sure that when they request something from us, we get it back to them as quickly as possible or we have the purchasing process handled as quickly as possible.

Mr. Yates: — Thank you very much. Mr. Chair, my concern is that these processes are costing the taxpayers money without necessarily seeing a benefit. Yet we saw the government and this ministry cancel contracts with CBOs [community-based organization] to provide vehicles, which was on a cost recovery basis, in the interest of saving money. And we're undertaking processes, which we have yet to determine what the costs are,

that probably exceed the cost of those CBO vehicles by a significant amount of money.

And some of the most vulnerable citizens in our society, those who live in group homes and those who needed the support of those central vehicle agency vehicles were discontinued. And yet in these lean projects, you've explained where there's benefit to employees having input. You've explained to where it makes employees' jobs easier. You've explained . . . But not once have you been able to explain a benefit to the people of Saskatchewan and those who fund Government Services. Yet at the same time we have seen services discontinued to the most vulnerable citizens in our province by this department. I don't know how you square that circle.

And I'd ask the minister to explain to me how you have money to put into processes that you've yet been able to explain any savings in, yet you will discontinue services to the most vulnerable in our society.

Hon. Ms. Ross: — Well I think that it's important to keep the two separate, in that you're talking about lean projects, and then you're talking about CVA [central vehicle agency] vehicles and CBOs. And I'll be more than happy to enter into a discussion with you in regards to the CVA vehicles and the CBOs.

But in regards to the lean projects, lean is not about job loss. It's about removing the waste of process and improving the workflow. And lean adds value to the jobs, and it enables employees to do a better job in delivering their programs and their service to their customer. It also has the ability to make people feel valued.

Mr. Yates: — Madam Minister, I'm not saying that it's about job loss, and I'm not saying it should be about job loss. But we have undertaken a contract with a company called e-Zsigma, which obviously costs money. We have 15 employees involved in the training of the lean projects throughout the department. I have yet to hear — and I've listened very carefully and I understand government well; I spent my life working in it before being elected — and I am at a loss to see where the benefit is to the taxpayers of the province of Saskatchewan in the lean processes within your department.

Why would we undertake an expenditure and bring in outside contractors to ask them how we can reorganize our work and involve as much expenditure as we obviously are in this when there's no benefit to the taxpayer? Where are the savings? And that I haven't seen yet. You haven't been able to indicate where the savings are. The bottom line of undertaking work redesign — and that's what this is, work redesign — is about savings. And where are we saving dollars? And that's the question I'd ask.

Mr. Dedman: — The lean process is in its early stages, but it is a process that is being widely undertaken in the private sector, in government sectors to look at how the work is done and to deliver the work in a way that better serves the clients or the customers. In Government Services our customers are other parts of government, but they serve the public. And the better we can serve them, the better they're able to serve the public.

So in taking time delays out of the system, we believe that will

allow us to serve our customers more quickly. There will ultimately be cost savings in that. There will be productivity gains. And I think there will be much greater employee commitment to the job because the employees have an opportunity to help design how the workplace operates.

Mr. Yates: — Thank you very much. So in your department, as the final outcomes of the lean process, are there going to be any savings, monetary savings at all?

Mr. Dedman: — I think over time there will be some significant savings. We will deliver projects more quickly, which will result in dollar savings to us and to our clients. We will have more consistent processes that our clients will better understand. And I think, again, in saving time we will save money on projects.

So as we get further into the process, we'll be better able to quantify dollar savings, but there are significant service quality issues around the lean process as well.

Mr. Yates: — Thank you very much. Why was e-Zsigma selected?

Mr. Dedman: — There was a tender process and a number of companies offered their services. And a selection committee of employees of Government Services set the criteria, met with those companies, and then selected e-Zsigma as the best choice.

Mr. Yates: — Is the lean process across government coordinated between departments, or is each department on its own to move forward with its objectives? And is the selection of each of the consultants used in each department the responsibility of each department or agency?

Hon. Ms. Ross: — Thank you very much. Government Services is what we would call an early adopter of this, so in fact was first ministry to adopt utilizing a lean initiative. Minister Draude, who is the Minister of the Public Service, is responsible for the lean process throughout the government. But Government Services, like I say, looked upon this early out and, like we said, was an early adopter for this.

Mr. Yates: — Thank you very much. Now as stated earlier, that this was not about job loss or job changes, I asked if any work had been contracted out or would be contracted out as a result of this. So I just want to ask again, at the end of this process, will we see changes in how service is delivered by the department, how things are accomplished in the sense of whether it's done by the Department of Government Services or third parties? Is that all part of your lean process review?

Hon. Ms. Ross: — Thank you very much. The lean initiative is an internal process, and we do not anticipate any job loss. This is, like I said, the purpose of lean is to remove waste and improve the work flow. That is why we are undertaking this in Government Services and throughout government.

Mr. Yates: — Thanks very much. My colleague has a few questions, and I'll be back in to ask questions later.

The Chair: — The floor recognizes Ms. Higgins.

Ms. Higgins: — Thank you very much, Mr. Chair. Madam Minister, I've got a couple questions. Kind of interested in the space change initiative, I believe was the one that you were speaking about, and I guess generally aimed at better utilization of space. And you talked about some, I think you said, better utilization of office space. I believe you said Social Services was the example you used. Now did that also mean a reduction in space or was it just rearranging . . . I mean through this whole space change initiative, has Government Services reduced the footage that it leases for government and across government?

[16:00]

Hon. Ms. Ross: — Okay, the office space standard for executive government was approved in 2010. And we've gone from 200 square feet per employee equivalent, FTE employee, and the target utilization rate for ministry overall space allocation for general office space is in each location. Government Services is working with all ministries to review the tenants' current space allocation and compare it to the new space standards. As well we seek out strategies and feasible opportunities to reduce space because my mandate is to reduce the footprint of government.

Government Services will be working with executive government clients to ensure the standard is followed on any new relocation, and other feasible opportunities will be examined including the procurement of open office space to assist in meeting the office space standard.

Ms. Higgins: — Madam Minister, I would appreciate it if you could provide a written copy for the committee of the new space strategy, the policy booklet, if it is down to square feet per person, yada yada, you know, all of the other initiatives. But I guess the question was, has the space change initiative resulted in a reduction in square footage of use and office rental or space rental by the Government of Saskatchewan?

Hon. Ms. Ross: — Utilization of the standard has saved the government over 36,000 square feet of office space with various moves in 2010-2011.

Ms. Higgins: — And that's '10-11? So could you provide the committee a breakdown of the space savings, the square footage, and a general cost saving. I don't want to get into the whole what's a lease, what isn't.

Madam Minister, I'm sure you're well aware as a Regina MLA [Member of the Legislative Assembly] that there is a new office tower being built in downtown Regina. Is Government Services leasing any space in that new tower or negotiating for any other government departments or agencies to be in the new office tower in downtown Regina?

Mr. Dedman: — Government Services is committed to taking some space in Tower III. They're in the process of negotiating a lease at this point in time.

Ms. Higgins: — And it's for Government Services, or will it be for other government departments?

Mr. Dedman: — It will be for other government departments.

Ms. Higgins: — And how much space are we looking at? How many floors?

Mr. Dedman: — I think the . . . I'm not sure the number of floors, but it's in the 50 to 60,000 square foot range.

Ms. Higgins: — So we do the space change initiative to save, better utilize space, and then we are heading out the door. Are we just getting rid of old space? Are you selling off any owned buildings to move into this new tower? Or is it a requirement? I mean obviously if you're moving into a new tower and you're negotiating space already while you're in the middle of a space change initiative, you're either moving on up or you're expanding. So I guess the question is, which is it? And are we at the end of leases or are we selling government-owned buildings?

Mr. Dedman: — Two or three points impact on that. One is that there's very little office space available in Regina, vacant space. And the challenge that puts Government Services in is when it comes to negotiating for lease extensions or leases, the landlords know that Government Services doesn't have many options to move a large block of space, a large number of people from one location to another location. There just are not many options in that regard. So over a number of years probably . . . that we've experienced some quite significant increases in lease rates because landlords know that we don't have many options. So the two initiatives are kind of separate. There are a number of leases that are going to become available in the next three or four years that we will either renegotiate the space or find new space for the government departments.

On the other side of reducing space and to use the example of Social Services, Social Services moved, had a couple of floors in the Victoria Tower and they . . . The process will be we will move them back into their building on Broad Street and that will create a significant block of vacant space that we can utilize in Victoria Tower. So over time we will give up some inefficient or high-cost leases as we consolidate space. Within government, space allocations have ranged up to 300 square feet per person and under the new arrangement we will work to average 200 square feet per person.

Ms. Higgins: — I'm having a difficult time understanding this. When you're going through this space change initiative to reduce and better utilize the space the government has, but yet you have already negotiated or in the process of negotiating rent or space in an as yet unbuilt tower, and you're saying they're separate initiatives? Madam Minister, we have heard many comments from this government about departments working together and across departments and not being in silos and operating separately. But yet within your department, you are operating separately from one initiative to the other.

I'm not quite sure when you're looking at reducing space and better utilizing space, but you're going through a fairly complicated . . . by the sound of it, costing money. We're not seeing results yet, but we're expecting sometime maybe down the road to see savings when we're talking about the lean initiative, but yet we have gone out and have, I would assume, committed in some way or another to renting space and leasing space in a downtown office building that is in the process of construction right now.

I'm not quite sure how this all fits. But I guess part of the question was also then, are you looking at selling government-owned buildings that are deemed surplus? You talked about the Victoria Towers to be space vacated there down the road. There's a multitude of government-owned, and outside of leases, but government-owned buildings. Are you looking at vacating any government-owned buildings?

Mr. Dedman: — 1840 Lorne is the old Workers' Compensation building where Government Services was located, and it's been used as swing space. It is in very poor condition, and because of the size of it, it's not a practical building to rehabilitate. But with that exception there are no government office buildings or government office space that we would be anticipating not utilizing into the future.

Ms. Higgins: — But we're going through the space change initiative. We are going through the lean process, but we're renting more space. Someone explain how this all fits together.

Mr. Dedman: — At the end of the day we will continue to reduce the amount of space government leases.

Ms. Higgins: — So when we are looking at the new office building in downtown Regina, Tower III, how long of a lease are you looking at? There are a number of government leases in downtown Regina that have very long-term leases attached to them, that at many points in time have been some of the most expensive square footage in downtown Regina because of leases that were inherited by the former government.

Mr. Dedman: — I believe the lease term that we're talking about is 20 years.

Ms. Higgins: — Here we go again. So 20 years locked in? Like a locked-in, solid, 20-year lease, nothing renegotiated in between, nor out clauses or anything? So you're looking at ending up with more government office space in space that is similar to what WCB [Workers' Compensation Board] pays in downtown Regina, and other government offices or agencies?

Mr. Dedman: — I believe the WCB space is a condominium space, not a leased space. But yes, we would add new space but in total the space would continue to decrease.

Ms. Higgins: — Yes. Is there any guarantee being negotiated into this long-term commitment by the taxpayers of Saskatchewan to make sure we are within market rates that are appropriate, or are you looking at a set rate?

Mr. Dedman: — We are still in the process of negotiating the terms of the lease, but it will be competitive and especially on the basis of the cost per FTE at a new space standard.

Ms. Higgins: — So I'm still, I'm really stuck on this. We are going through this space change initiative. We are spending money. We are expecting changes to be made, better utilization of space. We are going through this whole lean process across government, but yet we are looking at a long-term lease in downtown Regina in an as yet unbuilt office tower, and I would assume it's committed to. It was probably . . . Well I guess I will ask you: was that one of the requirements and criteria for a go-forward on this office building, was that the Government of

Saskatchewan lease a certain portion of it?

Mr. Dedman: — I think that any developer in today's environment is wanting to try to have a commitment for a full building before he moves ahead, so discussions have been . . .

Ms. Higgins: — So then, Madam Minister, I'm not asking for release of the details. I am not asking for any of the prior discussions, but I would like to know how much space you have committed to for this project to go ahead.

Mr. Dedman: — It's in the 50 to 60,000 square foot range.

Ms. Higgins: — Yes, that's quite a difference. So can you narrow it down a little more precise?

Mr. Dedman: — Well it depends on the floor arrangements and which floors Government Services ends up leasing. And that's in the discussion now.

Ms. Higgins: — What ministries or what offices are expected to move into the tower?

Mr. Dedman: — We have a number of options that we're looking at for that in terms of when the building is actually going to be completed and as leases expire.

Ms. Higgins: — What is the total size of that building?

Mr. Dedman: — I'm not certain, but I think it's around the 200,000 to 220,000 square foot size.

[16:15]

Ms. Higgins: — So the Government of Saskatchewan is looking at leasing a third of that building?

Mr. Dedman: — I'd say between 25 and 28 per cent, somewhere in there.

Ms. Higgins: — At a 20-year lease, and we're not sure who is going in yet. That was your comment. There's a number of options out there as to who may occupy the space.

Mr. Dedman: — Yes.

Ms. Higgins: — I'll turn it over to my colleague for right now. I've got to mull through my little scribble notes here first.

The Chair: — Mr. Yates.

Mr. Yates: — Thank you very much, Mr. Chair. I want to ask a few questions on this arrangement prior to moving to another area of questioning. Clearly new space is generally more expensive than existing space because the capital cost of new construction, as we know, is considerably higher than the cost of renovating a property or, you know, as a building gets older, you've returned a great deal of your capital in your lease. Why would the government undertake a lease of some 50 to 60,000 square feet in what is likely the most expensive lease property in the city of Regina on behalf of the taxpayers at this time?

Mr. Dedman: — As I mentioned earlier, there is virtually no

vacant space in the city of Regina and as in terms of the challenges that presents is very significant increases in the lease costs that government has to pay. So you mentioned that, you know, or I mentioned the 50 to 60,000 square feet. But in 2010-2011, we've reduced by 36,000 square feet the amount of space the government has. And we continue to work to do that.

Mr. Yates: — Thank you very much, Mr. Chair. The two things don't necessarily . . . they're not the same. And I guess my question was new construction, the cost of new construction is obviously . . . You're not going to have a company lease to you — new — the most expensive space likely in the city of Regina for less than what we can lease other properties for. The challenge would be there on leasing property space.

But why would, at this time, the government undertake a 20-year lease in what will today, or at the time of finish of construction, likely be the most expensive commercial lease in the city of Regina on behalf of the taxpayers? If we're continuing to reduce our footprint, we may not need that space at all . . . [inaudible] . . . pardon me, the two arguments don't make much sense.

We reduce by 36,000 this year, and we're going to continue to reduce. The market for commercial space, I think we all understand but this will . . . I would have to be convinced otherwise that this will not be the most expensive commercial space in Regina because it's new. And new construction has, as we all know, exploded over the last number of years, the costs, and so this is going to be extremely expensive space. And why are we undertaking a 20-year lease and locking ourselves into an expense?

We've seen this before, I guess. I've been elected long enough to have seen some of these leases and looked at what it's cost the taxpayers of Saskatchewan over time. I'm very concerned that we'd undertake to lock ourselves into a 20-year lease at very expensive space.

Mr. Dedman: — Even at this point, with the new building being built, there is, I would say, a changed attitude among landlords about the rates that they may be prepared to charge. So a new building being put on the market in Regina has a positive impact for us as the largest renter of space in the city.

The second thing is that moving into a new building, we will apply the space standards and we will, on a per employee basis, be much more competitive in a new space or in space that's redeveloped than we will be in some of the other buildings that we now have. And so at the end of the day, it's not the cost of the lease. It's the cost per employee housed that's really the measure of how expensive space is. And some of our older buildings, some that we lease and some that we occupy, even if you redeveloped it, you would have a challenge meeting the 200 square foot per employee space standard because some of them don't have heating and air conditioning systems that are really up to looking after that density of employee.

Mr. Yates: — Thank you very much. You're correct; it really is a cost per person that is occupying the space that is the definitive end cost. I guess paramount to this is one what . . . I always have concerns when we're looking at 20-year leases and locking in to long-term costs because in the past there have

been leases that have been for extremely long periods of time that have not been in the public interest. And secondly it really does depend a great deal on the policy and the development of the space allotment. We'd like to have that tabled with the committee so we can review it.

But we do need to register concerns. These are taxpayers' dollars, people's money, in locking in to long-term leases for space in what we still need to be convinced there's going to be an overall tax saving or an overall saving for the people of Saskatchewan because ultimately that's what our responsibility is: to ensure that the people of Saskatchewan get value for dollar.

With that, my colleague has a few questions he'd like to ask. Mr. Belanger would like to ask a few questions.

The Chair: — Mr. Belanger.

Mr. Belanger: — Thank you very much and welcome to the minister and her officials. Just a confirmation before I ask a few questions. Your department is primarily responsible for the administration and ongoing evaluation of the CVA, the Central Vehicle Agency pool. Is that correct, madam?

Hon. Ms. Ross: — That's correct.

Mr. Belanger: — And as you are aware and as we are aware and many other people are aware, there was a transition that began last year in terms of lessening access to CVAs by the CBO sector, the community-based organizations. And how has the transition worked out so far in terms of complaints versus people that were happy with the transition? How would you characterize, and if you can give me some numbers as to how many groups may have complained and how many groups may not have complained?

Hon. Ms. Ross: — Okay. Thank you very much. As you know, there was a change on how CVA vehicles were no longer being offered to the CBOs in the same standard. And the change was about equity and fairness because in the past CVA had been providing services to some but not to all CBO groups. There was little consistency of who was served, and there was no evidence based on how clients were or were not accepted, and no policy or authority to enter into these agreements was in place.

So what we did was sat down and Greg, who will be able to help us maybe elaborate on some of this, has worked very closely with the CBOs to ensure that they would be able to move into the next phase. And that was that CBOs were given the opportunity to either purchase the vehicles that they were using . . . and this purchase would have been done on the same price because CBO vehicles, the CVA vehicles to the CBOs, were not free. They paid for the use of them. So what Government Services did was worked with the CBOs to ensure that they would be able to decide what was best for them. And some of them in fact have purchased the vehicles. Others opted to not because they in fact felt that they could find other options or other avenues for them.

And so in working very closely with the CBOs . . . and it wasn't just, you know, sending out a letter. In fact Greg has worked

very closely to ensure that we could accommodate them and make sure that their needs were being met. And if you'd like to elaborate on the number of resolutions that we have been able to accommodate.

Mr. Lusk: — Certainly, I'm pleased to. I'm Greg Lusk. I'm the executive director of commercial services. First of all, there was 105, probably 108 community-based organization groups that were affected. A hundred and six of them are resolved, so have either determined that they will be buying some or all of the vehicles or returning some or all. The other two we're in negotiations with to get them resolved. In fact one of them has said yes, we'd like to buy but give us a little more time, and the other one we have to have further discussions with.

It's about 66/33 per cent split. About 66 per cent of them — or if you like, 71 organizations — have chosen to buy some or all of their vehicles. The other 37— or 33 per cent of them — have returned the vehicles.

Mr. Belanger: — May I get a copy of all the groups and organizations that had the transition that you made reference to, the 108, in terms of which ones were actually offered to purchase a CVA versus which ones that kind of said no, we don't want them?

And the reason why I'm asking that is because no matter how you look at it, I noticed that the headline had some of the information on the department, Madam Minister, talking about the environmental footprint, reducing the environmental footprint. And I'm assuming greenhouse gas emissions is part of that assessment. So simply transferring CVA ownership of a vehicle from your department to a CBO is really not reducing the environmental footprint. It's just transferring it to a CBO sector.

[16:30]

And the reason why I'm saying that is because I know a number of CBOs are disappointed with that decision. And in northern Saskatchewan some of the CBO sectors, some of the CBOs that I've been dealing with, a couple of them had expressed some concern. In fact one of them, I'm not sure whether — how would you characterize? — whether they accepted this or not was the Gary Tinker Federation. And I'm sure the minister is fully aware who Gary Tinker is. And apparently Mr. Tinker was in negotiations with Mr. Neault, who at the time was the executive director of the Gary Tinker federation. And they had a CVA, and they weren't pleased with the decision basically, on what I've heard. And in fact they were quite concerned about the condition of the CVA.

So in evaluating the transfer of the CVA, how do you go about saying well, this vehicle is worth X amount of money or X amount of dollars because it's this many years old and so on and so forth. How do you determine the value of a CVA when you want to transfer it over to the community-based organization? Like how do you do that?

Mr. Lusk: — What we did is we used Red Book low, which is one of the industry standard calculation books. Then what you do is you would adjust it for condition and mileage and the like.

As a matter of fact in the case of the Gary Tinker Federation, they had transmission problems. And so as part of getting that vehicle ready for them, we replaced that transmission because the guarantee we made to all the CBO groups was that those vehicles would be turned over to them in complete, proper, and full working condition. So that the only thing we weren't prepared to do would be cosmetic work, so we wouldn't put paint jobs on. But if there was something wrong with the vehicle, whether be a transmission or brakes or steering, that that would be addressed before a transfer occurred.

Mr. Belanger: — Okay, and the other question I would ask is, the minister alluded earlier that these CVAs weren't free, that based on their budget they paid a certain amount to use the CVAs. But the CVAs — correct me if I'm wrong — the gas cards come with CVAs and the maintenance is provided by the CVA services. Now I don't know if that's all incorporated in the net costs to them, and I'm assuming that it isn't. And the reason why I'm assuming that it isn't is because often you'll find in northern Saskatchewan the price of gas is much more expensive than it is in the southern Saskatchewan. So if there is a uniform cost to lease a CVA, given all the maintenance and the gas purchases, you'd assume that the North is probably getting a bit more of a service, given the fact that there is greater distances and higher gasoline costs and so on and so forth. So the maintenance and the gas purchases, is that all part and parcel of the monthly fee that they would pay to CVA?

Mr. Lusk: — As matter of fact, there's really two elements to the price. One is the fixed monthly payment which covers the capital cost of the vehicle, licence, insurance, and those kinds of costs. Then there's a mileage-based charge which covers fuel and repairs. And yes, the fuel, there is a bit of subsidy between the South and North because you use the same mileage rate. However organizations that put extremely heavy use on a vehicle — you know, because they're driving on very rough roads or very heavy service duties — well we charge a premium because the vehicle will wear out more quickly. And so you have to recover the cost of the vehicle to reflect the fact that as opposed to it lasting say 10 years, it will only last seven.

Mr. Belanger: — Now the other point I'd raised as well is that when you inspect a CVA for transfer to the CBO, who does that inspection? Is it like, I'm assuming that, in example of Gary Tinker Federation, that there'd be the La Ronge office would have the control of the CVA pool that's in the region. I'm assuming.

Mr. Lusk: — Well actually what we would do, pardon me, what we did is we asked them to take them to a service centre of their choice to have them looked into, so that in fact they have the confidence that the assessment that was being done was independent. Because we felt that was quite important that when they got this vehicle they had the confidence that they knew everything that was with it. Plus of course we were able to provide them with the service records for those vehicles as they required. And unfortunately sometimes you do run into a situation where something does go wrong. And in those cases, because there were a couple where vehicles were taken and very shortly thereafter something happened, and in those cases we did those repairs as well because, you know, the expectation was they'd get those vehicles in good working condition. And we honoured that.

Mr. Belanger: — Right, and it's probably appropriate that point that you raised, that I certainly talk about the other incident that occurred with Mr. Tinker. But before I go there, like for the record, it's obviously that the service of any service station in Canada or Saskatchewan varies. Some are really good and some are not that great and so on and so forth.

But Mr. Tinker had an accident with a CVA that was appointed to his federation. Fairly serious accident, and they rolled on a northern road. And we don't have all the details, nor do we have the police report. But I'm sure the questions around his rollover and given Mr. Tinker's condition — he's a very aggressive young guy, but he's also very fragile — the rollover certainly created some problems for him like ongoing pain in a number of other areas where he's had injuries from that accident. And he's been having a difficult time with SGI [Saskatchewan Government Insurance], so we're going to be looking into SGI fairly quick here if he doesn't get resolution to this.

But he can't say for sure, but from what I gathered from the accident, road conditions were not a factor. The driver was driving very careful. And could there be a vehicle problem, a flaw, or some incident involving that CVA that Mr. Tinker assumed? Well not Mr. Tinker, but the federation assumed from CVA.

Now if that's the case, if there's some serious injury, especially in Mr. Tinker's case, is CVA or your ministry going to do something to investigate the matter further to completely eliminate vehicle failure? Because if that is the case that there is vehicle failure in some way, shape, or form that attributed to that accident, then I think the ministry's responsible. Now do we have your co-operation on that because we need to find out what went wrong?

Hon. Ms. Ross: — Thank you very much. I know Gary very well, and I respect the work that he does. So I knew and heard of the accident. And you know, it caused me great concern because I do know of Gary's physical disabilities. One of the things we did was we cooperated very fully with the Gary Tinker foundation by providing them the records, the maintenance records up to just before the accident that occurred. And it is our full understanding that in fact there was no vehicle deficiency that would have caused that accident.

Mr. Belanger: — Well and based on that, I think there's still a lot of questions. And I think, I'm not certain if he's got legal counsel on this matter, but I'm assuming that he does, based on some of the conversation that he's had. He's not happy with SGI's response. He's very unhappy. And so I'm assuming that your ministry would assist him in relation to moving the SGI case along, by either consultation with the Minister Responsible for SGI to like get with the program because this was an accident.

And this is a guy that is very, very sturdy in terms of his activity walking from La Ronge to Regina and on crutches. You know I can't even do that two or three blocks, but he done that. And jumping out of a perfectly good aircraft, just to highlight, you know, doing some parachuting just to highlight the need for disabled people not to be restricted by their disability. And then he gets involved with a rollover, and he's been having grief

ever since.

So I don't know the status of his injuries, nor do I know the status of the vehicle condition. But the point that I would raise, and I do it in a very straightforward way, but if ministers are able to get Jeep Libertys in good shape, I think that Mr. Tinker and his federation and his valuable work should get vehicles just as good in shape because the northern roads demand it. So again I point out that if ministers get Liberty Jeeps for some of their work — which is important work, I'm not denying that — I think a lot of the CBO sectors that may receive vehicles that are in very poor shape and also vehicles that need to be replaced should have been afforded that opportunity.

No matter what happens under the CVA transfer program, you are transferring more responsibility and more costs to them — any way you cut it, even under the CVA transfer program. So that will be the only point I would make, Madam Minister, is two simple points: it needs a lot of support and co-operation from SGI to resolve these matters; and secondly, I think we should replace that vehicle that was lost with the Gary Tinker Federation with a Jeep Liberty, same fashion as the cabinet ministers are afforded or the same vehicle as the cabinet ministers are afforded.

And the two final questions I would have is I would like a list of lands or commercial properties sold by SPMC or Government Services over the last couple of years in northern Saskatchewan. Of particular interest is the properties around La Ronge, but more so all throughout the North. And the final question I would have is that of the 755 FTEs that you had last year, you're going down to 738. That's a loss of 17 jobs. Where are these jobs being lost? Thank you very much.

Hon. Ms. Ross: — Well I would like to share with the member that in fact Gary Tinker does have a Jeep Liberty. So I guess your wish is granted and a little bit earlier than you had planned on because he does have a Jeep Liberty. And you wanted to also discuss the FTEs? Is that what you . . . Okay.

In regards to the change in FTEs in Government Services. No layoffs are planned for FTEs reduction included in the budget. The ministry's total change in FTEs is 17.0 from the previous year restated amount. One position was transferred to the Ministry of Health and is included in the restatement of Government Services FTEs in the estimates. And 30 FTEs have been identified as part of the workforce adjustment strategy. Now some of the positions affected were already vacant. However most of the FTE reductions will be achieved through attritions as vacancies occur.

Mr. Yates: — Thank you very much, Mr. Chair. I have a couple of questions. I just wanted to ask and make sure that I'm accurate on this: that the CVA program and its utilization of vehicles by the community-based sector or community-based organizations was on a full cost-recovery basis. It cost the taxpayers nothing.

Mr. Lusk: — Our charges were designed to collect costs across the province. And so individual sectors, there might have been some cross-subsidization going on, but overall CVA recovers its costs. Because what we do is we charge the same rate across different clients, so different clients may have slightly different

cost variables. So the CBOs might have, there might have been a small subsidy occur in there.

[16:45]

Mr. Yates: — Thank you very much. So the decision to discontinue the program — and I heard the minister's explanation of fairness because some got, some didn't get, and so on and so forth — didn't save the taxpayers of Saskatchewan anything but yet passed on cost to . . . Because you know, clearly CVA can operate on its volume basis at a lesser cost than an individual agency can, without doubt. You know, we all have enough experience in government to understand that passed on costs to community-based organizations.

I need, and I think the people of Saskatchewan deserve, a more fuller explanation as to why that decision was made. Was it an ideologically driven decision or . . . Because it cost the taxpayers nothing but caused concern to some of the most vulnerable in the province of Saskatchewan.

Hon. Ms. Ross: — As I stated earlier, the policy was decided upon to create some consistency. Our understanding and what we have been able to ascertain was, this program was started in the '90s of some CBOs getting a vehicle, CVA vehicles. Not all. And this program continued until 2006 and no other CBOs were added in. However one of the problems is, is that there were a lot of CBOs that were not, did not have CVAs that were allocated to them. So one of the things we believed was to provide some equity and consistency to how CBOs had access to CVA vehicles. So that's why that decision was made.

Mr. Yates: — Thank you, Madam Minister. My understanding was the program was in place through 2007 and to the election. But my question is simple, next question. Was this a decision made at a departmental level, the ministerial level, or the cabinet level?

Hon. Ms. Ross: — This was a cabinet level decision.

Mr. Yates: — Was there any examination of expanding the program of your concern with fairness to provide greater access to other CBOs if they were denied access?

Hon. Ms. Ross: — Okay. Until this year, CVA provided vehicles to 108 of 460 CBOs in the province. For CVA to serve all of these groups, we would need to spend between 26 and \$36 million buying vehicles. In addition CVA would have to increase its operating budget by 9 to 16 million to cover the incremental costs of these vehicles. So to handle the increase of the volume and the high support required by many of these clients, CVA would also need to add full-time staff and restructure its operations.

Mr. Yates: — Well thank you very much, Madam Minister, but for many years the program operated and the need was there. Those numbers are based on assumptions that might be taken up or might not be taken up. But nonetheless if it's on a full recovery basis, which includes your capital cost as the program always has been, the net cost to the government would be zero.

But with that, we'll move on from CVAs to . . . I'd like to ask a couple of questions about the properties for sale. Specifically

my understanding is the courthouse in Assiniboia is for sale, and the provincial government is offering \$100,000 to the purchaser of the property, for \$1, for renovations. Is that an accurate? That's what's been reported to us.

Hon. Ms. Ross: — I just want to make sure we have all of the ... [inaudible interjection] ... No. I just want to make sure we've got all of the right information for you here. It's not straightforward.

Mr. Dedman: — The Assiniboia Court House is a heritage building built in 1930, and in 2004 the Ministry of Justice advised Government Services of the closure of the Assiniboia Court House as a circuit point and that court services might only use the facility once or twice per month. In 2005-2006, Government Services went forward with a request for proposals to sell the Assiniboia Court House and had no success with that sale. The facility needs major work to re-life the building, including accessibility and fire code issues that need to be looked at.

Government Services was approached by a prospective buyer, and the buyer has a plan for the building but requested that there be an incentive for the rehabilitation work to bring the building up to government standards — not our standards, the code standards. And the purchaser has agreed that he would maintain the building to heritage standards. He, the purchaser, said that the only interest is in the building is if it's brought up to standard. So we agree with the purchaser that it would cost 100,000 to bring that building up to standards. So the building, the purchaser's prepared to pay \$5,000 and take over the building if we bring it up to standard.

Mr. Yates: — What is the purpose of the future utilization of the building? Is it a benefit in the public interest of the community and Saskatchewan?

Mr. Dedman: — The plan is that it's a community centre kind of development so that it could provide different types of accommodation for use in the community.

Mr. Yates: — So is it the community purchasing the building or an individual?

Mr. Dedman: — The rooms would be rented.

Mr. Yates: — Like an apartment or condo?

Mr. Dedman: — Public use building for meetings and community events and those kinds of things.

Ms. Higgins: — Can I ask for clarification then? So it will be the responsibility of Government Services to bring this building up to provincial code. I need to understand that a little bit better. What exactly will be the obligations of Government Services? What codes are we going to bring it up to, or is it just money in lieu of whatever development the purchaser decides is appropriate?

Mr. Dedman: — The agreement would be that if the purchaser brings the building up to the appropriate building codes, which would include the fire code and accessibility codes and, you know, electrical, plumbing, and whatever as well, then we

would pay \$100,000 as part of turning that building over.

Ms. Higgins: — Okay. Thank you.

The Chair: — It being 5 o'clock, we will recess and reconvene at 7 o'clock.

[The committee recessed from 17:00 until 19:00.]

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

Subvote (IT01)

The Chair: — Good evening, ladies and gentlemen. Being the time 7 o'clock, I will start. And next on the agenda is consideration of vote 74, Information Technology Office. We have with us Minister McMillan and his officials. Mr. McMillan, would you please introduce your officials and if you'd like, provide us with an opening statement. And we have a couple of substitutions. We have Mr. Kevin Yates for Mr. Warren McCall, and Ms. Joceline Schriemer replacing Randy Weekes. So, Mr. McMillan, the floor is yours.

Hon. Mr. McMillan: — Thank you, Mr. Chair. Good evening. Tonight I am joined by Gerald Fiske, the deputy minister. To my far right is Robert Guillaume, the assistant deputy minister; Richard Murray, executive director of corporate services. To my immediate right and sitting behind us is Rebecca Sengmany, director of finance.

Before we go to questions, I would like to make brief remarks. The theme of this year's budget is *The Saskatchewan Advantage*. That advantage can be defined as the economic and social benefit that make our province such a great place to call home. The Saskatchewan advantage is enabling our province and its economy to grow like never before in history.

I'm proud to say the ITO [Information Technology Office] is playing a role in helping us, as a government, maintain and build the Saskatchewan advantage. The ITO vision for the coming year focuses not just on meeting the needs of our ministry customers, but also ensuring that IT [information technology] investments are made with the entire province in mind. There is also a focus on financially sustainable IT for government, the use of proven and simplified technologies with clear returns expected from our investments. Ultimately, improving services for citizens is a key thread that runs through everything we do. I know that many of the committee members are familiar with the good work of the ITO and its employees. As our IT supplier, most of us simply couldn't do our jobs without the services they provide.

The ITO's 2011-12 expense budget is 16.37 million. That is a zero per cent increase from last year. The ITO budget includes 500,000 in new funding to conduct an in-depth risk assessment of IT systems used by the ministries. There is 500,000 in capital funding to commence infrastructural renewal initiatives to help address some of those identified risks.

There is 1 million in capital funding that will allow ITO to continue to improve government networks running in many

government buildings around the province. And there is 2 million in capital funding for the phase 2 and a portion of phase 3 of the criminal justice information management system, CJIMS for short. This is a partnership between ITO, Justice, and CPSP [Corrections, Public Safety and Policing]. This project is using a new technique that are expected to save 25 million, or 50 per cent of the original estimated cost.

Finally, the ITO has taken great steps in the past year to streamline and reduce costs. Four data centres were eliminated, overtime was reduced by three FTEs, and overall FTE levels were reduced by 14 FTEs last year and another 15 FTEs in the coming year, while improving services to our ministry customers.

We would be pleased to answer any questions that the members of the committee now have.

The Chair: — Mr. Quennell.

Mr. Quennell: — Thank you. And thank you for the minister, too, for his statements and for the officials who are out in the evening, as they often have to be for these kind of things. We appreciate it.

First question. I notice that there wasn't a minister's salary attached to Information Technology Office last year, but there is this year. I assume that is because last year and with the former minister, the salary was covered by a different department, and in this case the minister's salary is being picked up by ITO.

Hon. Mr. McMillan: — That is correct.

Mr. Quennell: — Right. Secondly CJIMS, the project that the minister referred to, that's a partnership between ITO, Corrections, and Justice. Is that a court scheduling system? Or what is being replaced here?

Hon. Mr. McMillan: — A couple of comments. That is a fairly major project that's being undertaken by our government. The first budget allocations came last year. Last year it was \$1 million through the ITO, and it is a three-phase project. This year's budget allocation is to get us through phase 2 and into phase 3. I will ask my deputy minister to talk about the precise nature of the investment.

Mr. Fiske: — There's a number of systems within the ministry that will be replaced with this new modern system. You know, I'm not sure of all the various systems that are in Justice, but our role in that is to make sure that we can bring the most economical solution to bear. So it is replacing a number of systems that are in both Justice and Corrections.

Robert, you got any more that you can add to that or is that, I guess . . .

Hon. Mr. McMillan: — Maybe I could speak to the reason that we have a budget allocation through the ITO.

The specifics of the programming, what it will do for those ministries, is probably best asked of those ministries.

The reason the ITO has a budget allocation for this project is

because part of the value of the ITO is adding to government is being a partner that ensures that there's a common platform among ministries; that when decisions are being made, that the ITO has a central role to ensure that there's common platforms that they operate together; that the value to government is greater than its individual parts. And by having a direct allocation through Treasury Board, through the budget, it puts us on the ground level to ensure that this piece of technology interacts with technologies around government.

Mr. Quennell: — Okay. Well I'm not done Corrections yet and I haven't started Justice, but it's always interesting to see if the answers line up. I thank the minister for that.

In the, or following the first year of the new Saskatchewan Party government in referring to 2008 — which I appreciate is two ministers ago, but still under this government — the auditor noted a failure to, I think it was service reviews, conduct service reviews with clients across government. And I assume — but I'm asking — that that hasn't been repeated since that failure back in 2008.

Hon. Mr. McMillan: — Thank you, Mr. Chair. In '09-10 the ITO had meetings with all deputy ministers. They developed a strategy and set a baseline after those meetings as to customer satisfaction. The ITO had early on I guess in our government's mandate a situation where many ministries were going in different directions and the central value of the ITO as a central body of ensuring there's consistency across government, there was a potential that that was going to be lost.

From the auditor's recommendations, it was recognized by the minister at the time that this was a value to ensure that there was customer buy-in that they were getting value. And these one-on-one meetings set the baseline of customer satisfaction at a 6.1. In 2010 the system was further developed and a system known as COS [conditions of satisfaction] or the COS card was put in place, and in 2010-11 the customer satisfaction level rose to 7.3. And in this year, 2011-12, our target is 8.0.

Mr. Quennell: — So I guess the answer to my question is, we don't expect the auditor to be returning back to this as an area of concern.

Hon. Mr. McMillan: — This has been addressed.

Mr. Quennell: — Right. Okay, thank you. Now I want to avoid some of the back and forth we had in question period last fall on this issue if we can, so I'll try to avoid using names. But the issue arose as to someone who was on the website for ITO as an employee, but was in fact not an employee, was the principal of a corporation that the company was contracting with, contrary to what was on the website. And the description that minister gave — of what the person was doing as a consultant working for this company that ITO was contracting with — in the Assembly was different than the employee description on the website for ITO. And I appreciate that sometimes even ITO doesn't keep websites up to date.

My broad question is, of these 280 FTEs, are they all employees in the traditional sense? Or, and I think the term is employee augmentation, but that's the wrong term. That's a term ITO is using. I stand to be corrected.

But do these FTEs include contracted consultants or are the contracted consultants in addition to the staff component?

Hon. Mr. McMillan: — On the 280 FTEs, those are full-time employees. The consultants are augmented. So 40 consultants, 280 full-time equivalents.

Mr. Quennell: — Okay. So the 40 consultants would be in addition to the 280?

Hon. Mr. McMillan: — That's right.

Mr. Quennell: — And would it be usually the case that those would be corporations, even one-person corporations? Or would those usually be individuals?

Hon. Mr. McMillan: — I'm going to have my deputy minister answer that. But before I do, in particular to the back and forth that we did have in question period in the fall, I am happy to discuss the name if that is of interest. Because I am still of the belief that it was the name that was more of a contentious issue with the opposition as to the position that it was.

Mr. Quennell: — Yes, the minister's mistaken. I don't know how to reassure him on that. I mean the name caught the attention of people, but what the opposition was interested in was how much the consultant cost compared to an employee. And what I'm going to want from the minister or from his office is a list of the 40 contracts and who they're with, what they're for, and what the annual cost is.

And we can have a general discussion about what the purpose of employee augmentation is and whether it's achieving that purpose. Because if it's to save money, I wonder if the office and the minister is convinced that it's actually doing that. But I think we need to . . . When there's as many contractors . . . Let's see, 15 per cent contractors to full-time employees. I mean it's a fairly significant number. I don't know if there'd be another agency or ministry of government where there would be such a high proportion of contractor consultants as there is here. But can the office provide us with a list of those contractors and the amounts involved?

[19:15]

Hon. Mr. McMillan: — Maybe to put a little reference on that, the number of contractors have been decreased consistently in the time we've been in government. From 2005 there was 100 down to currently in the 40s — 47, I believe. That's a 53 per cent reduction in 10 years.

So you're correct that using contractors and consultants can be an expensive proposition. In certain circumstances, they are the best option to get the skills required and the expertise that's needed on certain projects. To get you a list of the contractors that we currently have, I think that that is something that we can acquire for you and we will provide those to the Chair.

Mr. Quennell: — And if you want to do a year by year, provided, you know . . . Go back to whatever you want. Go back 2006 or 2007 and show the decrease in the number of contractors because that's not necessarily the final answer. I mean if we had 150 contractors at \$5,000 a year and you have

40 contractors at \$200,000 a year, we're not . . . Decreasing the number of contractors doesn't necessarily show that we are spending less on . . . I will yield the floor to the member from Cannington if he wants me to . . . [inaudible interjection] . . . Okay . . . [inaudible interjection] . . . Well if you have something apropos, Dan, go ahead.

An Hon. Member: — Are you wanting me to ask questions?

Mr. Quennell: — Well if you can wait till I'm finished mine, I wouldn't mind.

An Hon. Member: — I'm ready to go anytime.

Mr. Quennell: — Yes, apparently. So if the minister wants to provide a year by year, but not just on the number but on the cost of the individual contracts and the purpose of them, the intent of them.

Hon. Mr. McMillan: — Mr. Chair, to get a year by year going back that far, that would be somewhat more difficult. In last year alone though I can let the member know that expenditures on consultants went down \$2.6 million or 26 per cent. So in last year, we had a great savings.

Mr. Quennell: — The year before.

Hon. Mr. McMillan: — I do not have those in front of me tonight.

Mr. Quennell: — Well, the only reason I suggest it is because the minister raised the issue, saying that, well we used to have a lot more contractors and now we've decreased them. If the minister can't provide that information, then it sounds a little anecdotal to say that you've decreased them. You either can provide that information or you can't. But what's most relevant, I suppose, would be the last two or three years. The number of contracts, but the annual value of the contracts I think is as important as the absolute number of them, and of course what purpose they're for.

Hon. Mr. McMillan: — Mr. Chair, the member wants the most relevant. I believe that last year's reduction of 2.6 is very relevant, a 26 per cent decrease. Going back years before that, we will endeavour to see what information we can get to the committee, but the most recent year we have the absolute numbers and it is a 26 per cent reduction or \$2.6 million.

Mr. Quennell: — A 26 per cent reduction between last year, that's 2010-2011 over 2009-2010, is that right?

Hon. Mr. McMillan: — That is correct. And we will endeavour to go back as far as we can.

Mr. Quennell: — I'm sorry. I didn't mean to interrupt. Do you anticipate a decrease over this year, this year over last year — that is from 2010-11 to 2011-12 — or an increase or similar expenditure?

Hon. Mr. McMillan: — Mr. Chair, our goal is certainly to run as efficient a system as possible and at this point it looks relatively flat, but if there are efficiencies to be found we will certainly find them.

Mr. Quennell: — Now I appreciate that some of the contracts are for different purposes, but in the case of the consultants, a decision has been made by the office to contract perhaps at a considerably greater amount than what it would cost to employ somebody, if somebody was available for employment to do that, to do the same job. And there seems to be a significant number of contractors compared to employees for the office. And I assume that that has a purpose, that there's a strategy behind that decision. And if the minister could outline what that is, of employee augmentation, if I have that term correct.

Hon. Mr. McMillan: — Mr. Chair, the utilization of contractors in the ITO is largely to get the skills that are unable to be hired. If the network for the Government of Saskatchewan cannot go down, servers must be maintained. Security is extremely important. And where it is a cost savings to have employees, they are hired. Where it is only where we have contractors, it is where we need them, where we cannot hire someone to do that job.

Mr. Quennell: — And how are consultants selected? Is there some kind of a tendering process?

Hon. Mr. McMillan: — I'll ask Gerald Fiske, deputy minister, to talk about the technical arrangements with suppliers.

Mr. Fiske: — So we basically go to RFP or an ACAN [advanced contract award notice], go to the market for an ACAN if we need a resource. Basically an ACAN is a shortened version of an RFP. The RFP basically lays out what the requirements are and firms can then submit their list of capabilities, and we select from that based on references.

Mr. Quennell: — And if firms don't have those capabilities but think they can find subcontractors that have them? Has ITO found itself in the situation where they end up with sort of an alliance or a subcontracting situation that . . . I mean they did end up having those skills, but they had to subcontract part of the deal.

Mr. Fiske: — What we went out and got a general supply . . . supply arrangement, so firms, you know, a number of firms were able to apply or submit to that. And we selected a number of firms. I think there was a dozen firms that we can hire from. So if we have a need for, say, a project manager or a database expert, we would go to those firms and ask them to submit some capability that they would have, and we would select from that list.

Mr. Quennell: — That list of a dozen, when was that put together?

Mr. Fiske: — I'm sorry?

Mr. Quennell: — That list of a dozen, when was that put together?

Mr. Fiske: — It's done annually in terms of . . . I couldn't hear you. Getting an echo or something.

Mr. Quennell: — I'm sorry. The list of 12, a dozen firms is the language you used, when was that put together?

Mr. Fiske: — It's done on an annual basis where we allow firms to either opt in or we opt them out if they're not up to standard. So we do it every year so that new firms that maybe didn't exist before or are interested in now can get in on this.

Mr. Quennell: — So there's an annual review. Some firms will have been on for a number of years. When would the practice have started?

Mr. Fiske: — I think it started just about the time I got there, so just about two years ago or a little less . . . '09.

Mr. Quennell: — One annual review since the practice started?

Mr. Fiske: — We've had two since, yes.

Mr. Quennell: — So about two years ago the original dozen firms, to use your word, would have been selected. And so a year ago and then two years ago, there would have been some changes to the makeup of that dozen? Okay. And if the minister could highlight those 12 firms in the list of contracts so we know which ones they are.

Hon. Mr. McMillan: — Yes. Absolutely.

Mr. Quennell: — Mr. Chairman, I'm done, but I believe the member for Regina Dewdney, Mr. Yates, might have some questions.

The Chair: — Mr. Yates.

Mr. Yates: — Thank you very much, Mr. Chair. I want to go back for a moment to the selection of what work you would send out to consultants and what work you would do in-house with employees.

I have a list — on my BlackBerry unfortunately — of the current consultants' contracts and there seems to be a number . . . There's really two categories. Those that are, you know, 75 to 100-and-some thousand dollars and then those IBM [International Business Machines Corporation], CGIs in the millions of dollars, right? So is it fair to say these contracts that are 114,000, \$135,000 are — as an example, Adnam Information Management Inc. — are consultants that we would be hiring, individuals we'd be hiring?

Hon. Mr. McMillan: — Mr. Chair, this is just rough, but we can certainly get a hard list for the committee. But an initial look at the list of suppliers over 100,000, about 80 per cent of them are large firms with multiple contractors that they're contracting. About 20 seem to be individual firms.

Mr. Yates: — Thank you very much. Then there's a couple companies on the list that stand out: CGI, which is a larger national or international supplier, and of course IBM. It appears that over the last number of years the contract from IBM in '07-08 was 6,330,000; '08-09, 7,900,000, just about 8 million dollars; and then in '09-10, a little over 9 million, \$9,375,000. Is there any particular reason why IBM's contract seems to be rising at that rate if we're doing less contract work as a percentage? Is there a particular expertise they bring to the table?

[19:30]

Hon. Mr. McMillan: — Mr. Chair, I think that the member's confused as to contracts that we have with different firms and consultants that we hire from different firms. The IBM, we have consultants with, slightly just under \$3 million worth of consultants.

Mr. Yates: — Excuse me, when I was asking about IBM, I wasn't splitting out consultants. I was asking why that amount was going up when we're saying contracting out or contracting was going down 2.6 per cent, and it appears that the largest contract continues to go up.

Hon. Mr. McMillan: — Again the number of consultants that the government hires, if that number's going down, that doesn't necessarily affect the contracts for a company's services that we hire. So, those are two different and distinct things.

Mr. Yates: — What types of services would we be contracting with IBM?

Hon. Mr. McMillan: — Mr. Chair, many of the systems that we're currently using are legacy systems. Many of them are on IBM mainframes. Now that doesn't mean that IBM is the only company that does that type of work, but there is a fairly limited group of companies that operate these legacy IBM mainframes. IBM is one; CGI is one.

When these contracts come due for renewal, there are RFP processes that are put out to the market, and the best-value company is chosen to provide that service to the Government of Saskatchewan. Two that are kind of top of mind right now are the MIDAS [multi-informational database application system] system, and Social Services has a very large contract with IBM as well.

Mr. Yates: — Those contracts, the departmental contracts run through you. And that money would be shown then in your budget for the operation of the mainframes and the storage capacity for those systems. Okay.

Hon. Mr. McMillan: — That was correct.

Mr. Yates: — Thank you very much. One of the concerns I guess that continues to be raised by some individuals in government and across government is the amount of consultants and contracting out that goes on in the ITO compared to other departments or agencies of government. Now some of it is I think very easily explained, as an example, the fact that you have to contract out the mainframes that you require for the storage for some of these programs and information and data.

Today, in moving forward, how many companies that have Saskatchewan-based operations could perform or provide that service for the Government of Saskatchewan?

Hon. Mr. McMillan: — Which service exactly are you asking about?

Mr. Yates: — I'm talking about the larger mainframe storage services that apparently are done, I believe, by only CGI and IBM.

Hon. Mr. McMillan: — Likely there would be less than a half-dozen that would be capable of doing that mainframe work.

Mr. Yates: — Thank you very much. And has the government ever looked at, I know at one point years ago, the government provided those services themselves. Have we ever done a cost analysis to see whether or not there's any opportunity or any value moving forward in providing those services ourselves, or does the model indicate that it's more efficient and cost effective to outsource that activity?

Hon. Mr. McMillan: — Mr. Chair, in the past year we've seen two data centres become operational that are contracts with ITO. Those two data centres will do all of the servers' and mainframe work for the government. We have a business case, and we can demonstrate that it is more cost effective to contract that work out.

Beyond just the cost effectiveness, Mr. Chair, I think it is important to maybe look at where we've come from. Just a few years ago, very sensitive computer systems with very sensitive government data on it — of individuals of our province to companies of our province to systems that deal with revenue generating in our province — have been in locations that wouldn't be acceptable in a private industry. In certain situations servers would be needed. There wouldn't be floor space, and they may find them . . . Plug a wire through a closet, and you'd have a server in a closet to meet your needs on that given day.

And the ITO in a situation like that I don't think is serving its purpose or its mandate by having them in a central climate-controlled setting. It ensures, one, integrity of the machines, integrity of the information. And then there's security risks. When you have servers spread all over a government, all over an enterprise, just with multiple points of access, that is not a secure environment for any of the work that any of our ministries do. By having them controlled centrally with a very limited and targeted access to the users around the province, be them government agencies, it serves security purposes as well as it's an environment that that sort of technology is meant to be worked in, and by the people that it's meant to be worked on and exclusively worked on by the experts. So it makes a cost-effective case, but it comes with many advantages.

Mr. Yates: — Thank you very much, Mr. Minister. You indicated two contracts. With which two companies were those contracts?

Hon. Mr. McMillan: — The two companies that participated successfully in the RFP process for those two data centres were ISM [Information Systems Management Corporation] and CGI.

Mr. Yates: — Thank you very much, Mr. Minister. What steps are taken to ensure that proper audit and checks on their backup systems and their liability are done in the interest of keeping those records both safe and the information of the people of Saskatchewan safe?

Hon. Mr. McMillan: — Mr. Chair, there is monthly reporting by both of the companies that are operating the data centres to

us, to ITO, to ensure that the systems are operating as they are meant to and are meeting the integrity and reliability requirements.

And on the security side, both companies partake and are in compliance with the ISO [International Organization for Standardization] standards. And those are a very stringent IT standard that is more stringent than government standards.

Mr. Yates: — Thank you very much. Mr. Minister, you had indicated that the Information Technology Office had reduced its FTE count by 14 last year and would be reducing its FTE count by 15 in the coming year. How does the ministry plan to do that?

Hon. Mr. McMillan: — Mr. Chair, those FTE reductions are achieved through attrition and efficiencies of finding ways of doing the same work with less people, utilizing technology, and not through . . . Yes, well through attrition.

And additional to that, 15 people moved across with the data centre that were ITO employees were then hired, accepted contracts to move across to the data centre. Of that 15, 7 of those FTEs were accounted for last year, and 8 of those were accounted for in this coming year.

Mr. Yates: — Thank you very much, Mr. Minister. So 15 employees are transferred to the database. Which company were they transferred to and was dollars transferred with them? Because if dollars are transferred with them as additional contracts, there's no savings to the government.

Hon. Mr. McMillan: — I think it's important that we clarify. These people were not transferred. These individuals accepted contracts, accepted jobs, employment with the new company, and there's a reduction of \$420,000 in salaries last year and this year.

[19:45]

Mr. Yates: — But is there a corresponding increase in contract with the companies that accepted the employees?

Hon. Mr. McMillan: — No, there is no corresponding charge for employees. We have put out an RFP for a service that two companies were successful in their bids for that RFP, and we are now engaged with those companies.

Mr. Yates: — Was the work the 15 employees were doing transferred to those companies? Did we run our own database prior to that?

Hon. Mr. McMillan: — The jobs that these individuals were doing, Mr. Chair, the work these individuals were doing did go over to the new data centres, but the employees were not required to go. They would have been utilized in the ITO. And had they chosen to stay, they would have had employment with the ITO. And I think it's important to say that five individuals did stay at the ITO that were doing work on databases.

Mr. Yates: — Well thank you, Mr. Minister. Well then could you explain to me how you had planned to reduce by 14 FTEs last year and 15 this year? I haven't heard a plan other than you

say it'll be through attrition. And the reality is that the jobs went with work that was transferred to a third party in one I've heard so far. So what's your plan for the upcoming year? And you just, you know, there's accountability to the public of Saskatchewan. If you're going to reduce by 15 FTEs, pick a number out of the air, you have to explain how you're going to do it.

Hon. Mr. McMillan: — Mr. Chair, to clarify how these 15 FTEs are accounted for by government, when the 15 left their employment at the ITO, Finance counted seven of them in last year's numbers and held back the wages for seven full-time employees. ITO retained funding for the other eight that left, and they were considered vacant positions. As of this year's budget, the funding for those eight positions now don't flow through. And as far, from a government's point of view, they are considered reductions in this current year, and the funding that corresponds with them is also in this current year reductions.

Mr. Yates: — Well then could you explain to me the 14 reductions in last year because you said there were 14 reductions. And there are 15 reductions in this current year. And if you held back funding on eight, could you provide us the position numbers of each position so we can cross-reference and check this information please?

Hon. Mr. McMillan: — I'll restate that last year's 14 reductions were seven that Finance recognized as reductions in last year, and the other seven are through attrition and efficiencies. And this current year are the remaining eight of that same group of 15 that left, and the other seven are through attrition and efficiencies this year. And we can certainly get you a list of the positions that correspond with all 29.

Mr. Yates: — Thank you very much. When it's done in multi-years like that, it's a little bit confusing to see what exactly has occurred. All right, Mr. Minister, looking at the upcoming year, what is your expectation in the reduction in consultants in the 2011-12 year?

Hon. Mr. McMillan: — Your counterpart on the committee asked actually the same question about 25 minutes ago. The expectation is that consultants will be flat this year. However if there are a way to find efficiencies or to do the same work for less money and more savings to the government, those will certainly be taken advantage of.

Mr. Yates: — Now I had asked what the plan was for the 15 jobs this year. You had said some of them were a holdover from last year and the others would be through attrition. The difficulty with that is the attrition may be in positions that you need to backfill or require backfill in. It's not always as simple as saying every person who, for whatever reason, has reached his retirement or chooses to move on isn't necessary or needed in the organization. That's why I also asked the issue of the consultants because an increase in consultants is just a transfer of dollars if that were to occur in the upcoming year.

Hon. Mr. McMillan: — Mr. Chair, I guess first off, we have reduced consultants substantially in the three and a half years of our government and will continue to do so as we see efficiencies or find efficiencies.

As far as if individuals . . . Again with the 15 positions that we are shrinking this year, down to 280, eight of them are accounted for through the employees that took employment elsewhere and the others are through attrition. If there is a situation where somebody retires or finds employment elsewhere, in a position we can't fill internally, we will hire to fill that position. And the plan, 15 reduction is where we're going and is the plan of the ITO. And it can be achieved without hampering the security or integrity of the network or the system, and that is the plan for this year, 15.

Mr. Yates: — Thank you very much, Mr. Minister. My last request would be, if at all possible, you could provide us a list for, say, from 2007-08, '09 and '10 of consultants so we can verify whether or not, you know, the reduction is as significant as . . . And that's very possible. You can get that through your MIDAS pay processes and so on and so forth. That's not a difficult process or difficult for us to check once we have the information. So thank you, Mr. Minister, that concludes my questions.

The Chair: — Thank you. If there are no further questions . . . Mr. Belanger.

Mr. Belanger: — Yes, just very quickly a couple of questions. In terms of . . . You mentioned the service to the ministries. Is that primarily the area that you provide the bulk of your services, just primarily to the ministries within the government?

Hon. Mr. McMillan: — That is correct.

Mr. Belanger: — You don't do any other work for the private sector or any of the Crown corporations or any affiliated colleges, any other affiliated entities that may be connected to the government?

Hon. Mr. McMillan: — Mr. Chair, there are a couple small agencies: the Grain Car Corp., Sask Legal Aid. There are a few small related agencies of that nature that do get ITO service. But outside of that, no.

Mr. Belanger: — And when you speak of protection of the confidential information or sensitive material that the ministries may have — because confidentiality, a case in point would be the Social Services workload or casework — you know, that's all highly sensitive. Health is another department. So your primary role is to protect that information as best as possible for anybody that may be hacking into the ministries' services and so on and so forth?

Hon. Mr. McMillan: — That is certainly a component of the value that ITO has added in the past with . . . The data security is something that is obviously extremely important to government. But I think that the services provided by the ITO are far broader than that, ranging from expertise in the IT field and in this year's budget the CJIMS program, ensuring that governments are getting the biggest bang for their buck and using common platforms. I guess everything ranging from an intellectual value-add for ministries right up to ensuring that the data they collect and use every day is kept in a safe manner. So I would say it's far broader than just the data itself.

Mr. Belanger: — So would you characterize your role in terms

of the provider of information technologies to the government as more of a defensive role, or is there a bit of search and destroy? Some of the examples I would use is, somebody may want to use the computer to defraud the government. Is there ways and means that you can track that down as opposed to just defending against somebody coming into the data bank to look after or to look for information?

Hon. Mr. McMillan: — Mr. Chair, I guess, the member asked if we are primarily a defensive role. I think I know where his question is, but I'm going to say I view ITO's role as one of service to government because we do do the defensive role you speak of but also the customer service of people working on their laptop or their personal computer at their desk. And if there's a problem, the ITO has the role of solving their problem. So it's one of service to the customer as well as one of defence for the data of the people of Saskatchewan and the ministries.

[20:00]

So to go a little further with that, there are multiple layers of security on that defence. And to the point of hiring an external firm to attack our system would be the wrong . . . But we hire an external firm to poke around our system, to find vulnerabilities that we can fix pre-emptively.

You ask if that has happened do we have a policing role to catch these people that are doing that? We aren't a policing agency. However if somebody is, if there is an attack detected, we do capture information by the nature of these systems. They leave a trail. And that data would be passed on to the policing agency, which it would be expected would pursue anyone that is trying to compromise the security of the Saskatchewan databases.

Mr. Belanger: — But you're not in the business of spying on your employees, so to speak? Like obviously there's no spyware being put on any of the employees' computer. Or some guy checks on his hockey pool, you're not down there with seven or eight technicians ripping apart his computer system. That was kind of where I was getting along because obviously there is certainly some flexibility. Somebody's just checking on a stock and see how it's doing in the stock market during their break, that's not really a criminal activity. It's just taking advantage of the computer in front of them.

And there isn't kind of a spyware or you're not Big Brother watching because technology is such an amazing, flexible tool. And I know a lot of employees that are very diligent and very vigilant in making sure there's no abuse and no criminal activity and untoward behaviour. But simply checking on your hockey pool and seeing how well you're doing in the office pool, well that's a different story obviously.

Hon. Mr. McMillan: — Absolutely not. There's no spyware whatsoever put on. There are three blocks however that are, one for hate or racism sites will be blocked if any individual tries to access them, gambling sites will be blocked, and adult sites will be blocked. With your hockey pool analogy, there has been people advocating that the Toronto Maple Leafs website be blocked, but to this point that one still is accessible.

Mr. Belanger: — As a Montreal Canadian, I would suggest

having the Toronto Maple Leafs site blocked. It's probably pretty intelligent along with the sex sites and so on and so forth, just as bad.

Not to diminish the crimes that could occur when it comes to a number of other areas, but certainly I think that's the whole notion is just to make sure that Big Brother is not spying on their employees. That's not the manner in which employees could function under. Thank you.

Hon. Mr. McMillan: — Just to reaffirm, no. There is no software or ability to spy on employees. Thank you.

The Chair: — Thank you. One last question, Mr. Quennell.

Mr. Quennell: — And my apologies. I was a little distracted about the hockey websites. And I guess it's a good thing Mr. Harper wasn't here because I know he would have strong views probably similar to the minister's, it sounds like.

It used to be an ask of ITO, and it was surely an ask of the member from Cannington when he was the critic before he was the minister, for a secure site. This is only vaguely related, I think, to the previous line of questioning. But a secure site for ITO outside of an urban centre to protect the system in case of natural or other disaster, a very expensive ask I think. And two successive governments haven't done anything. But is there any prospect of such a project being undertaken, or has that finally been put to bed?

Hon. Mr. McMillan: — Mr. Chair, to the member's question. I think this is part of the redundancy that is built into the data centres that we spoke about earlier. There is two data centres that geographically are separated from each other. If there is a fire in the building in one data centre, the other one is still left operational. At this point they aren't backing each other up, but that is likely the capability. And if the will of the government is that that is to happen, that is a very easy technological thing to do and would provide I think the security that both members have spoken to, to ensure that the data would be in place if there were a damage to one of them.

Mr. Quennell: — Are they both in Regina?

Hon. Mr. McMillan: — That's correct.

Mr. Quennell: — Okay. How far apart are they?

Hon. Mr. McMillan: — Ten miles.

Mr. Quennell: — Thank you, Mr. Chair, for your indulgence and the indulgence of the committee.

The Chair: — Gentlemen, if there are no other questions, Mr. Minister, thanks to you and your staff for being here and answering the questions. And we will recess for a few minutes to move into our last item of the evening. Thank you.

Hon. Mr. McMillan: — Thank you.

[The committee recessed for a period of time.]

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

Subvote (PS01)

The Chair: — Thank you ladies and gentlemen. Our last item of business is consideration of vote 33, Public Service Commission. We have with us Minister Draude and her officials.

Madam Minister, would you please introduce your officials and, if you'd like, provide us with a short opening statement.

Hon. Ms. Draude: — Thank you very much to the Chair and to the members that are here. I'm pleased to take this opportunity to explain the role and the work that we do with the Public Service Commission. And I'd like to first introduce the officials I have with me tonight. Don Wincherauk is the Chair and the deputy minister of the Public Service Commission. Karen Aulie is the assistant Chair, human resource client service and support. Shelley Whitehead is special advisor to the Chair, and Mike Pestill is the director of corporate services.

Mr. Chair, I would like to say that I am very proud of the work that the Public Service Commission has done over the past year. This organization has been instrumental in leading change right across the public service. It's ensuring that government is able to provide the services that the public wants and that the public needs.

The Public Service Commission has had many accomplishments over the past year and I'd like to list some of them. It's developed a long-term strategic workforce adjustment strategy that's going to enable our government to reduce the size of the public service in a sustainable way.

The public service has also developed a framework for public service renewal. We provided central coordination for the corporate lean initiative that goes right across government ministries. And it's launched a review of the accounts payable process in government which has led to the consolidation exercise and will create significant increased efficiencies.

The Public Service Commission has launched a major review of staffing and classification processes to ensure that the front-line positions that provide service to the public are filled quickly.

It's developed a strong and productive relationship with our unions. For example, the Public Service Commission has partnered with SGEU [Saskatchewan Government and General Employees' Union] once again this year on the campaign to support the food banks of Saskatchewan. The Public Service Commission and the union also worked together on a recent business process improvement event that looked at how grievances are handled.

The Public Service Commission has undertaken research and analysis that led to the introduction of legislation for the Public Interest Disclosure Commissioner.

The Public Service Commission has proposed and managed the corporate productivity fund to increase the efficiency and the

effectiveness of government. We've implemented a talent management strategy for government, including the creation of a senior talent pool.

I'm very pleased to say the Public Service Commission has also kept a very strong focus on the youth in our province. The campaign to hire students resulted in opportunities last summer for more than 600 students. The Public Service Commission started a youth advisory committee to provide input for senior leaders on public service issues.

And the Public Service Commission will very soon be launching a mentorship program for new employees. The PSC [Public Service Commission] has continued to optimize the new human resource client service team model and the employee service centre, which has created value for taxpayers' dollars. It's been a very busy year.

[20:15]

And I'd like to look at where the Public Service Commission is going to go over the next, over the coming year. We have five major strategies. The first is to drive organizational performance and capability right across the service. The second is to build effective public service leadership and management. The Public Service Commission will also work to ensure we have a fair and balanced labour relations environment that respects the rights of the public service employees and the needs of the public service. And the Public Service Commission will improve the effectiveness and the efficiency of its own programs and services to ensure the best use of public funds. And finally we'll continue to work to establish and maintain transparent and accountable human resource processes and practices.

There are many important projects, initiatives, and strategies that relate to these five areas of focus, and they're all outlined in our plan for 2011 and '12. I'm going to touch on just a few.

I am very pleased with the tremendous progress that's being made on public service renewal right across our government. The focus of renewal is a commitment to the people we serve and we support: that's the people of our province. We are revitalizing the programs and the services that are offered to the public. We are focusing on citizen-centred service delivery. We are identifying government's core business streams and simplifying through lean. And we're working across ministries to manage common and cross-government issues, and the underpinning of all this is our people management strategy for the public service.

Our government relies on a strong professional public service across all ministries and at work in all parts of our province. The commitment and the work ethic of the public service provides our government with a solid foundation for building a better future for the citizens of Saskatchewan. Employees and managers right across government are coming together to plan for improvements and change. Many program improvements are growing out of the corporate lean initiative that's being implemented across government, and they show great promise and great potential.

Our government is committed to ensuring its programs and its

services are delivered effectively and efficiently, and the lean methodology and approach is helping ministries deliver on this commitment. We started work on lean right across the entire public service in June of 2010. The first phase is now complete, and we are proud of the accomplishments. Employees are also very proud of what they have accomplished together. They are excited that they are being asked for their insight and their knowledge. And they are committed, and they want to make a difference. And I am very proud of them.

The third important strategy I'd like to address is the workforce adjustment strategy. The Premier committed to a smaller government. We believe we can continue to provide excellent programs and provide them more efficiently with a smaller and more flexible public service.

Last year we challenged the public service to come up with a plan for reductions, and they developed the workforce adjustment strategy. We announced that plan last year at budget time and our four-year strategy to reduce the size of the public service by 15 per cent. In the 2010-2011 fiscal year, we achieved a 4.1 per cent reduction, 528 FTEs, towards the overall 15 per cent reduction. Already we have identified 273 FTEs, 2.3 per cent, for reduction in this fiscal year, and we'll continue to work to identify other reductions for this and upcoming years. Altogether that's a 6.4 per cent reduction, the most significant reduction government has seen. There has never been a two year back-to-back exercise of this magnitude.

We are making significant progress towards our goal, and we're confident that we can achieve the 15 per cent reduction over four years. And because of our employment security agreement with the SGEU, this has had a very low impact on the employees. We're taking a thoughtful approach and a planned approach, one that will succeed without hurting our services to our people. We are well on the track to achieve success without affecting front-line service and without disrupting employees' careers.

Those of you who have been following the news lately will be aware that governments right across Canada and around the world are striving to renew and to transform their organizations. Many other jurisdictions are experiencing significant financial restraints, which is leading them to cut public services and their public service itself.

You may have read the headlines about officials vowing to cut salaries. Here's what the *Toronto Star* recently said about Ontario's Finance minister: "Duncan vows to cut salaries of public sector executives." We've also seen news stories about government departments facing reduced budgets. In New Brunswick, recent headlines warned "Many government departments impacted by cuts." Other jurisdictions are being hit very severely by wage freezes and other actions. Recent news from Minnesota for example says, "Senate passes plan to freeze state worker pay, deeply slice government agency budgets."

I'd like to share one final headline, this time from *The Economist*: "Taming Leviathan." "How to slim the state will become the greatest political issue of our times." This *Economist* article says, and I quote, "Slimming the state is not an easy conversation. But consider the alternative: an ever fatter state, ever less freedom and ever higher taxes."

That's what's happening in other places, but that's not what's happening in our province. In Saskatchewan we are thoughtfully planning for the future. And the Public Service Commission is working to ensure that we have a strong, sustainable public service for the future, one that is smaller and more flexible and that can provide the services the people in our province continue to need and to want.

In closing I want to stress how important the public service is for this province. Government employees are professional. They're service providers that we all want and need. They are the ones on the front line, delivering excellent services to the citizens, and I thank them. And I now will be pleased, along with my official, to answer any questions the committee may have.

The Chair: — Mr. Yates.

Mr. Yates: — Thank you very much, Mr. Chair. I am going to start . . . In one short hour there's a number of areas I want to cover off, but I want to start with the FTE reduction. I go to page 169 of the Estimates booklet, and the reduction in FTEs that are shown on page 169 is 273, which would amount to a 2.26 reduction, 2.26 per cent. Now the minister's referring to a greater than 4 per cent reduction. That's not at all shown in the actual FTE accounts for the province of Saskatchewan and the ministries of government on page 169.

Hon. Ms. Draude: — Thank you to the member opposite. I think the 4 per cent that we had talked about was for last year at 4.1 per cent. And this year it's 2.3 per cent.

Mr. Yates: — Madam Minister, so you're saying there was a 4 per cent reduction in the '09-10 year to '10-11?

Hon. Ms. Draude: — To the member, in the fiscal year '10-11 we achieved a 4.1 per cent reduction. And for this coming up year, in the '11 and '12, we have already identified a 2.3 per cent reduction.

Mr. Yates: — Thank you very much, Madam Minister. I don't have last year's book in front of me, so I'll have to look at those numbers.

Madam Minister, what is your workforce adjustment strategy? What does it entail? How is it being implemented? And what is the impact and affect on the civil service?

Hon. Ms. Draude: — Thank you very much to the member. And this is a very important question, and I thank you for it because it gives us chance to talk about the commitment that the Premier made to making sure that we have a smaller government. And that's what we have with all the ministries working together. We've actually challenged the public service themselves to come up with a plan for reduction, and they've developed and implemented what they call the workforce adjustment strategy.

We're making a significant progress towards our goal without affecting the front-line service and without disrupting the employees' careers. I think we're taking a very thoughtful approach, and because of our employment security agreement with the SGEU, they've had a very low impact on employees.

I said in my opening remarks that we'd achieved a 4.1 per cent towards our goal for '10-11, and that was 528 FTEs. So that means we've already achieved a 6.4 per cent towards our planned 15 per cent goal and the most significant reduction that the government has ever seen in a two-year back-to-back exercise.

This strategy was developed with the support of the deputy ministers as they looked at their own ministries to see what they could be doing, making sure that they worked within the guidelines of honouring our public service agreement and making sure that we can continue to provide the services that the public wants and needs. So all ministries were asked to develop a four-year plan. And it all has to be passed through a committee that had a number of deputy ministers to make sure that we could indeed carry on the work that the public expected and honour our agreement as well.

Mr. Yates: — Thank you very much, Madam Minister, but that didn't answer my question at all. I asked what, the process that was being used for the workforce adjustment strategy, what was being done internally to departments to . . . What process was being used? If you could answer that, that would be helpful.

Hon. Ms. Draude: — Okay. Thank you to the member. I'm just going to go over a higher answer, and then I'm going to ask Don if he will give some of the details.

But we know that there has been about a 48 per cent or 256 employees that were back office or managerial and support positions, and 194 of those were vacant. There was 24 per cent was reduced FTE utilization — that means less paid time on the job — and 23 per cent were front-line service areas. And that was a total of 528 FTEs and resulted in an estimated 30.6 million in cost savings. But I'm going to ask Don if he can give us some further information.

Mr. Wincherauk: — The process by which we use is that each one of the departments must pull together a plan for each one of the fiscal years. That plan is then brought to a oversight committee of deputy ministers chaired by the deputy minister to the Premier. We then review those plans to see whether or not they're feasible and what are the risks with each one of the plans. And then at that point in time, the departments are either given the approval to go ahead with the plan and start staffing or we ask them to come back to the committee with some additional information. And then we monitor this on a quarterly basis.

Mr. Yates: — Thank you very much, Madam Minister, I heard you indicate that of the reductions, 194 I believe were vacancies. So those aren't really reductions. Those are simply decreased dollars that have been in departments. So what I clearly want to understand and . . . What are real numbers and what are paper numbers?

Mr. Wincherauk: — The reduction that the minister was referring to, the back office manager and support positions, our strategy is based on the use of attrition to achieve our numbers over the four-year exercise. So by holding a vacant position and then eliminating it, it actually is an FTE reduction. And that's what you'll see within the blue book, that we've reduced last year by 528, and we're targeting 273 this year. So they are real,

solid FTE reductions at the end of the year. And I don't know, Karen, if you wanted to add anything to that.

Ms. Aulie: — Because of the commitment to use attrition, what it really means is when a position becomes vacant, we look at options for having other people take on duties, changing the way duties are performed, looking at whether functions are necessary. So all kinds of options are considered before proceeding to staffing. And so in this case, we were able to actually decide that 194 back office positions would not be staffed because we found other ways of achieving the work and were able to make those reductions through attrition.

Mr. Yates: — Thank you very much. How many of those positions were vacant prior to this exercise commencing?

Mr. Wincherauk: — The vacancy rate usually runs at around 4 to 5 per cent, and I think it has traditionally run, ever since I've been in government, roughly at that amount. So there's always a fair number of vacant positions out there. What we did last year was, when direction was given to us to proceed toward the 15 per cent target over four years, was freeze all hiring until we could actually review, and then that actually allowed us to accumulate even more vacant positions. I think what was important here was to honour our collective agreement and that making sure that we weren't terminating or laying people off like what has occurred in the past.

[20:30]

Mr. Yates: — Thank you very much. I absolutely agree with honouring your collective agreements. And I, as you know, have been part of these exercises myself many times over the years. I also am well aware that there are vacancies held in every department — vacancy management — sometimes for years on end in order to deal with finances. So what I am trying to really get to the bottom of, of how many of these were actual filled positions prior to the exercise starting, and how much of this is the initial vacancy management that you can pick up in entering into a process like this? And if somebody tells me there wasn't very much, I would question that because I've seen it myself, know first hand the amount of vacancies that are held in government.

Mr. Wincherauk: — When we would have started the exercise in '10-11, it's clear that a lot of those positions, just because we were preparing for the budget exercise, did become vacant. What we have now with the 273 that we have in front of us for this fiscal year, a lot of those positions will not be vacant but just simply through attrition will become vacant throughout the year. And then we will capture those, either reallocate those to front-line positions or simply take them off the books.

Mr. Yates: — Thank you very much. I know it's difficult even for the Public Service Commission to know what's vacant in departments and what isn't vacant because it's, you know, there is a position number with each of these positions and so on and so forth. The point I guess I'm making is that the first year is easy because you have the vacancies, you have the . . . And the pain comes in as you move forward. And it becomes more difficult to continue service delivery at levels as you start to cut real, real encumbered positions where there are in fact people delivering service.

I have been through this exercise, and in any given year there are probably 500 available vacancies that you can seize without touching a person generally. So the first year, as I said, is easy. It will become difficult in outer years as you move forward.

I'd like to turn to another area then. I had the opportunity to now discuss with a couple of departments their lean processes, and the Public Service Commission has responsibility for the overall lean process service in government. Could you explain to me what the objectives of the lean process are and what criteria you establish with departments as you're moving forward?

Hon. Ms. Draude: — I would be pleased to explain that to the member, but I just want to make a comment about the workforce adjustment strategy. He's right that the process that was in place when they were government was still in place, and we understand that there is . . . Back-to-back downsizing or changing is something that has never been done before, and that's what we are talking about. I think it's important that we talk about there was no layoffs on budget day. Budget day used to be a time of dread for everybody that worked in the Public Service Commission because they were afraid that they were going to be losing their job if government had change in plans in some area. But this budget, instead of worrying about this, they were celebrating the good news about the economy and the opportunities we have. And they were pleased to be able to read the budget speech or to listen to it.

The Premier . . . The Public Service Commission is meeting the Premier's challenge. They see it as an opportunity. We know that in 1996 and '97 there was 435 FTEs that were laid off. And in 2002-'03 there was 271; '04-'05 there was 116. We know that this has been something that had happened, and it's going to, and it's going to make sure that we can work within the challenge the Premier gave us.

And one of the things that we will be doing is to make sure that through a process called lean . . . something that's committed to ensuring that our programs and our services are delivered as efficiently as possible means that we're undertaking a methodology called lean. This is something that's not new when it comes to industry or to the private sector, but it is something that's new to government.

We know that companies like Toyota has been using the lean technology and things like men in their manufacturing plants. And health care has even used it when it comes to the work that they've been doing. Brandt Industries here in Saskatchewan is a firm believer in the lean process. But our government is the first one that we're aware of in Canada that's actually undertaken the lean technology and committed to it right across government.

It's the opportunity to putting needs of the people that we serve in the forefront and improving the quality and effectiveness of the work they're doing. And we do this by making sure that the people on the front lines can come to us and say there is a better way to do what we've always been doing. It's time to do things differently, and because I'm there and doing the work every day, I can give you an idea of what we can do differently.

So, Mr. Speaker, to the member opposite, I'm telling you that this is something that the people that work with us in the

government are seeing that their voice is finally heard and that we have an opportunity to hear their voice. And members opposite don't really want to hear about change, and I guess they don't want to hear about the ideas from the people in the public service.

But what I'm telling you is the people in the public service are saying to us there's a better way to do some of these jobs. They've been done the same way for years and years, and just because we've always done it that way doesn't mean it's the right way to do it.

So we have, we've seen things in, we've seen gains in areas like the Ministry of Energy and Resources. They are projecting a 97 per cent reduction in the review time for horizontal well applications from 30-plus days for an application down to one day. Now somebody might think that that is boring or not important. I don't. I think it's something that makes a difference to governments.

The Ministry of Social Service is projecting a 94 per cent reduction in the time it takes to pay caregivers and vendors. That's 16 days to one day. That's important because it gives us an opportunity to hear the front-line workers say we can do it in a different way.

Saskatchewan Crop Insurance Corporation is another example. They've improved their processes in their call centres, which is not a laughing matter, by enabling 99 per cent of the calls to be handled in less than 15 seconds.

So to the Chairman and to the members, we have provided an opportunity for the people that work with us in government to say, how can we do it better? How can we continue to provide the service to the people of the province efficiently, effectively? By hearing your voice. And this is what I'm excited about and the people that work with us in government are excited about. And I'm sure that we can discuss it further.

Mr. Yates: — Thank you very much, Madam Minister. Mr. Chair, I'm going to move to straight statistical questions now. Grievances. How many current grievances are there in the public service?

Hon. Ms. Draude: — I'm going to ask Karen to look at these grievances issues. And while she's looking up the information, I just want to congratulate the people that work with us in the public service by telling the people in the public that we have approximately 250 senior managers and over 600 managers and supervisors with 36 lean teams that have made a difference in every ministry of government. I'm excited about the work they're doing, and I am sure that the people in the province are excited too. So, Karen, can you give some stats please on the grievances?

Ms. Aulie: — Currently we have outstanding grievances, 579 outstanding grievances. This year we received 372 new grievances and we've resolved 382.

Mr. Yates: — Thank you very much. How many of those current 579 outstanding grievances are greater than 12 months?

Ms. Aulie: — I don't have that information. I can tell you that

we've resolved 100 more than we've received. So we're gaining on the backlog. But I can provide you statistics if you like about the age of those grievances.

Mr. Yates: — Now could you run through the original statistics? You said 579. You said new are 372. And how many did you resolve this year?

Ms. Aulie: — 382.

Mr. Yates: — That's 10 more, not 100 more — 372 to 382. It's 10 more.

Ms. Aulie: — Right, but we also have received new ones, and we have some outstanding arbitration scheduled.

Mr. Yates: — Okay. How many of the current grievances of the 579 grievances are termination grievances?

Ms. Aulie: — I would need to get you a breakdown of the types of grievances. I don't have that information today.

Mr. Yates: — Okay. How many termination grievances are beyond the required period in the collective agreement?

Ms. Aulie: — Well as I mentioned, I didn't bring the dates of the grievances with me, so all of that information we can provide you.

Mr. Yates: — Thank you very much. The number of total grievances, is there an agreement between the Public Service Commission and the union as to the total number that are outstanding?

Ms. Aulie: — The Public Service Commission and the union are currently working on a project to improve the grievance process, and one of the key elements of that is developing some common database so that we can get to agreement on the number of grievances. So currently our systems do not agree, but we've got good agreement on going forward and reconciling that difference.

Mr. Yates: — Thank you very much. For the last half a dozen years I guess there's been some agreement in expedited arbitration process with Vince Ready as the arbitrator. Is that process working, and is the resolutions coming out of that process satisfactory to both parties?

Ms. Aulie: — The Ready process has allowed us to deal with a lot of our backlog, and when you mentioned backlog earlier, that really was what the Ready process was designed to address. We have 60 arbitrations currently scheduled that flow from that case management agreement, so it really is making a difference in the backlog.

Mr. Yates: — Could you briefly explain that process to committee members?

Ms. Aulie: — It's really an expedited process of getting the parties together, putting attention to hearing the grievances in a . . . almost like a blitz where you get all the parties together, prioritize which grievances are going to be held, hear them, and then decisions are made and we move forward with

implementation of those decisions.

Mr. Yates: — Thank you very much. Are witnesses allowed? And is it the normal process, or is it an agreed-to statement of facts? Or how to you proceed in an expedited process?

Ms. Aulie: — Yes, witnesses are allowed. And in many of these cases there were already agreed-to statements of fact, so it's a matter of just getting them through the process. A lot of it was just scheduling and this is helping to address that.

Mr. Yates: — Thank you very much. How many of these . . . Historically, looking over a ten-year period, are the total number of grievances reducing or is it about the same number?

Ms. Aulie: — So the number of grievances received did come up over a ten-year period and is now about stable. Our outstanding grievances has been reduced in the last couple of years since the Ready process has been put into place. And our grievances resolved is the highest this year that it has been in the last ten.

Mr. Yates: — Thank you very much. How many . . . Of any number of grievances to go in, a number are not actually grievances. You know the . . . What percentage of grievances being filed today are, after a discussion with the union, not proceeded with?

Ms. Aulie: — Well again I don't have those statistics with me. But certainly there's goodwill amongst the parties when it's discovered that perhaps there isn't a violation of the collective agreement but rather just a workplace issue that needs to be resolved. Part of the grievance process is to have that upfront discussion and try to remedy the situation without using the grievance process.

Mr. Yates: — How many of the grievances . . . A good grievance process has a larger percentage of grievances resolved at earlier stages. What percentage approximately of grievances are resolved at step one or two of the grievance process?

Ms. Aulie: — Again, those are statistics we can provide you. But there's quite a number that are resolved before they become grievances and that's really the goal. Throughout the process, I think both parties would like to see an improvement in the number of resolutions in the first and second stage, rather than taking them to arbitration. And that's something that we've discussed with the SGEU.

Mr. Yates: — Thank you very much. The reason I'm asking this, I've asked this information year after year and I'm trying to get some sense what is working and what isn't working.

You wouldn't keep records of things that are resolved prior to a formal grievance being filed, so it would be difficult to know just how many disputes or whatever are resolved between managers and employees on the floor of the workplace. Or at least there wasn't those types of records kept traditionally.

The current grievance process, my understanding is that termination arbitrations are still a year, sometimes two, three in arrears of the agreed-to time frames in the collective agreement.

Have you examined any processes to try to expedite that and bring it to meet the original time commitments?

[20:45]

Ms. Aulie: — Yes, well a couple of things. Termination grievances do take priority over most other grievances, so they are given priority by both parties. But we acknowledge that the timelines are not where we'd like them to be. So there has just been a recent value stream mapping done with the union and management together to try and identify what some of the barriers are to meeting the timelines. And the parties have arrived at an agreement on some quick wins to solve some of the timeline problems and also some longer term strategies to try and speed things up. So I think there's some good agreement on that.

Mr. Yates: — Thank you very much. The concern with long-term grievances, of course, is the liability issues amount. And if somebody is several years or even a year or 18 months and then returned to work, that's a significant cost to the taxpayers and obviously often creates other problems with return to work.

Is there been any processes put in place internally in the government prior to terminations to ensure that we're not getting terminations that are not likely to be upheld at arbitration?

Ms. Aulie: — Yes, the process typically is that . . . Well as you're probably aware, a permanent head makes the final decision on termination. And so prior to termination, the permanent head would receive a briefing which would be, obviously, reasons for the termination but also advice from the Public Service Commission on whether or not a termination is the appropriate remedy for the situation. And so that's based on our experience in what sort of discipline suits the situation.

Mr. Yates: — Now is it mandatory for the permanent head to take direction from the Public Service Commission in terminations or on a proposed termination, or is it still the decision, ultimate decision of the permanent head?

Ms. Aulie: — It is the decision of the permanent head.

Mr. Yates: — Thank you very much. Who would provide that information to the permanent head? Is it the Chair of the Public Service Commission or a labour relations consultant? Is it somebody of equal authority providing that advice to the permanent head, or is it someone of a lower authority? Is it a peer or somebody of a lower authority providing that information?

Ms. Aulie: — That advice would flow through the executive director of human resources, and they would receive advice from the labour relations branch of the Public Service Commission as well as legal counsel.

Mr. Yates: — Thank you very much. When we're looking at employee staffing in the Public Service Commission today, how many positions would be staffed on an annual basis? What's the turnover percentage?

Ms. Aulie: — Our annual turnover is around 8 per cent. And we typically staff . . . It depends on the year and where the turnover is, but this year to date we've staffed 750 positions. And we're usually between that and probably the highest number in the last few years has been 1,500.

Mr. Yates: — Thank you very much. With an average about 8 per cent turnover, what is the time from vacancy to hiring? What's the total amount of time? Is it one month, two month, three months? And is it improving?

Ms. Aulie: — Well last year at this time we did some statistics, and our average length to staff was 85 days. And we felt as an employer that that was not fast enough, and so we undertook a lean initiative to examine our staffing process. And we haven't implemented all of the changes yet, but our most recent statistics showed us that we are around 58 days to staff. And of course some are longer and some are shorter, but that's our current average.

Mr. Yates: — Are there any patterns in those jobs that . . . As an example there's a variety, as you know, we all know, of jobs in the public service. Are highly technical or professional jobs more difficult to staff? Do they take longer on average, or is the reduction more or less across the entire breadth of hiring?

Ms. Aulie: — Yes. The goal for staffing as we mentioned is to get much quicker. The highly technical positions, where we're recruiting outside the public service, tend to take longer. We take longer to find candidates, longer to assess them. The internal competitions we can run a little quicker. And certain occupations, we've gone to the use of eligibility lists so that we can assess candidates once and then reuse those assessment results into the future.

Mr. Yates: — Thank you very much. The current number of managers in government, do you have the breakdown of total in- and out-of-scope this year?

Hon. Ms. Draude: — While Karen is again looking for some information that I . . . I appreciate the question the member asked on the classification because this is another example of the work that's being done within the government, especially within the Public Service Commission. Karen noted that we went from 85 days that it took to require a classification just a year ago down to 58. And the goal is to get to 35 days which is absolutely beneficial for the people that work with us in the Public Service Commission. And I'm pleased with the results of the work they're doing in this area.

Ms. Aulie: — So the data that I have with me right now is as of March 31st of 2010, so we haven't run this year's year-end statistics yet. But our total out-of-scope, we had 1,027 male and 957 female. That was the out-of-scope. SGEU, 4,257 male, 5,522 female. And so the total was 5,434 male and 6,914 female.

Mr. Yates: — Thank you very much. I want to get into some statistics around employment equity now, if you don't mind. How many employment equity employees are employed in the public service of Saskatchewan? Or are they identified in one of those categories?

Ms. Aulie: — So the data that I have is in percentages, and as of March 2010: 11.8 per cent of our workforce was Aboriginal; persons with disabilities encompassed 3.1 per cent; visible minorities, 3.6 per cent; women in senior management, 37.6 per cent; and women in other managerial roles was 39.3 per cent. And youth, although it's not really an employment equity group we do track the number, and it's 13 per cent.

Mr. Yates: — What is considered in the youth category?

Ms. Aulie: — Under 30.

Mr. Yates: — Well for an aging civil service, that's an improvement. Mr. Chair, of those employees who are in these designated groups, do we have a breakdown of how many are full-time and how many are part-time, term, casual?

Ms. Aulie: — I don't have that breakdown with me, sorry.

Mr. Yates: — Thank you very much. Could you provide that if possible? I don't know if we're keeping those stats, but I just like to keep track of these things from year to year and see what is occurring.

My colleague, Mr. Belanger, has a couple of questions here before we move forward.

Mr. Belanger: — Thank you. Thank you, Mr. Chair. I thank the benevolence of my House Leader for his kind allocation of time to ask some very iffy questions.

The one point I wanted to raise, and I found it absolutely astounding in the budget document, was the fact that the Premier made a point of identifying that one of the targets within each ministry is the reduction of 15 per cent of the public service. Now I find it awkward and I find it contradictory when as a minister responsible for public service, the Public Service Commission, the employees that work for this government, that you have to reduce your staff by 15 per cent. You know, and I don't think that's a very good signal to the governance of this province.

And I go to the history, right back to, in particular Blakeney. Blakeney set up a fantastic bureaucracy made of very capable professionals. And we're seeing the standard that was set in the '70s of how you have to have a very effective, efficient, dynamic, and a well-educated public service, right from deputy ministers down to maintenance workers, and all are equal certainly in the service to the people of Saskatchewan.

But if history serves me correct, I've never seen a Premier being quoted in a budget document stating, our goal is to reduce our employees, as a government, by 15 per cent. It lends credence to our argument as an NDP [New Democratic Party] Party in the Official Opposition that your government is going to war with the working people in many ways. Why would he, as the Premier, put in a goal of that sort and how does that make you feel as a minister that's supposed to be defending the Public Service Commission? That I can't understand. Can you explain that to me, Madam Minister?

Hon. Ms. Draude: — Mr. Chair, and to the member, I have no doubt that the member can't understand that because most of

the discussion he has, has been going back to the '70s. We are working with the SGEU and an agreement that we are proud of. The responsibility that both sides have is to make sure that we have an efficient and effective government. Our job is to make sure that we can revitalize and make sure that other people that we have working with us in government are proud to go to work in the morning, that they feel like they're doing an effective job, and they have an opportunity to show how they can shine in government.

Our Premier committed to a smaller government because we want to make sure that we are efficient and effective and accountable for the dollars that we spend for the people of the province. We have challenged the public service to come up with the ideas. They are the ones that are saying, this is what we can be doing. And the people that I have been speaking to at the renewal . . . The Premier had an event at Conexus. It was called the public sector renewal forum where we had over 400 people that work for the public service come to a forum to discuss some of the work that they've been doing in government and showing how they are progressing and changing with the new type of government that we have. Just because the numbers are going down doesn't mean the people aren't proud of the fact that they are working for government.

That's what we need right now, is to have the professionals that is needed to make sure that government policy is adapted. It's one thing to make policy, but it's another thing to make sure that the people that work with us — not for us, but with us — in government can follow through on the policy and make sure that, as front-line workers, they are meeting with the people in the province and providing the best service they can.

The member opposite seems to think that it's numbers that are important. I commented earlier that there was no pink slips on budget day. There was an opportunity for people to renew and to work through government differently because of their own ideas. I agree with him when he said that there's a fantastic public service. I agree. There's an opportunity for us as government to say, how can we do things differently? I'm proud of the work that's being done, and I'm proud of their plan as we go forward to make sure that we can implement the Premier's goal of making sure that we spend our money in an effective and efficient way. And I'm proud to be the minister that's in charge of the Public Service Commission.

Mr. Belanger: — Well, Madam Minister, I was confused by your statement. First of all I think going back to the '70s and looking at the model that Blakeney created in terms of the Public Service Commission, the point was that I think he began a lot of work to set the standards of how you have an effective, dynamic public service, and he sought and actually, I believe, recruited some top quality people from many places of Canada and certainly throughout the world. And that was a fantastic model. We saw just a quality of people come here and we still see that quality and the standards amongst the bureaucracy being talked about and being certainly explained as to why it was so dynamic.

[21:00]

And no, we're not going back to the '70s because that would be considered youth in the '70s by your standards. But I would say

that it's important to learn from history. And now you come along and this is what I kind of find amazing — the Premier being quoted in a budget document as saying we are going to reduce our civil service by 15 per cent. Like what is that about? I don't know why he would even do that. Because it's obviously his plan to go to war with the working people and with labour and now with the public service.

So my point is I don't . . . I know he doesn't know what he is doing when he comes to the whole notion of respecting the public service, public servants that have worked for this province and the labour movement. And then you come along and say well we're really proud of our public servants. We really want to do well for them. They are dynamic and they are teaching us a lot of things and we like them, but we are going to fire them. And that doesn't make any sense at all.

I think that from our perspective, as the world begins to change in many ways and many contexts, we need to have a solid base of government services, government direction, government leadership, and a solid group of people that are dedicated to public service. And I find it absolutely astounding that the Premier wanted to be quoted on a cabinet document or a budget document that his plan is to fire 15 per cent of the public servants that work for this province. And you come along and saying, well we value them too but we're going to fire them as per the direction by your Premier, your leader.

Now for the life of me, I can't understand why the Saskatchewan Party is always advocating to be government, and you want to get rid of government. You want to reduce government. You want to eliminate positions within government. So if you are anti-government, what are you doing trying to be government? And one of the things that's important to me is, part of the governing aspect in Saskatchewan, that you've got to have a good solid public service base.

Because despite some of the egos of some of the MLAs across the way, there is a lot of things they don't know, as we don't know. And we lean heavily on the people that we hired to work on behalf of the people of Saskatchewan and those people are called the Public Service Commission. Those are who we count on, whose counsel is sound and who has gone to work and who has gone to school for years and years to achieve their status as, in a most respectful way, as a bureaucrat, the term bureaucrat. So no matter how you cut it, you value them. They're great workers. They do things well. We seek their advice, but are still going to fire them. It just doesn't add up.

And my only point is, if you guys want to have a war at labour and a war at Public Service Commission, call it like it is. Don't call it attrition. Don't call it negotiation. Don't call it appreciation night. Just say we're going to war with labour. We're going to war with the public service. You want to eliminate these jobs. We're going to have a stated objective of 15 per cent. Just say it. Never mind all the fluff.

And when you see advertisements against the working people, in particular some of the labour groups in the province, and I'm positive some of that advertising is labour groups are probably the result of financing from the province. So I'm not totally convinced, as you're patting yourself on the back saying how well you're doing for the public service, why are you

eliminating 15 per cent of their numbers if you value them so much, Madam Minister?

Hon. Ms. Draude: — Mr. Chair, thank you for allowing the member opposite to go on a rant that doesn't make absolutely any sense to anybody in the province. He's confused, astounded, and totally — I can't remember the other word he used — because we are asking for the people that work with us in government to come forward and bring forward ideas.

He talked about former Premier Blakeney and the work that he was doing. I don't think, and I've just talked to some of my officials, former Premier Blakeney never had an event where, as Premier, he stood in front of over 400 public service employees and talked about the good work they're doing, how they were valued, and got a standing ovation from over 400 people who said this is the best . . . that this is a chance to be working for government that values them.

The word "fired" has been used on that side of the House because they know all about firing. That's what they used to do. Whether it was a single mom on Christmas Eve, they were fired. She was fired under those people, under the NDP.

And under this government, we've worked through attrition to make sure that people . . . that there is people that we have in government, they're fulfilling the opportunities we have. We have had the opportunity through some of the lean processes and the discussion that I've had personally and that people that work in the Public Service Commission have had, to have discussions from comments like, I've been here for 28 years and no one has ever asked me for my ideas on how to make things better. That's from somebody who works in Saskatchewan Liquor and Gaming Authority.

I have a quote from a financial analyst in Education who said, "There's so many things that we do just because we've always done them." The members opposite would really prefer to just keep on doing things the same old way they've always done them because then you don't have to learn anything new.

We have a program coordinator with the Labour Relations and Workplace Safety that said:

When I first heard I was going to be involved in a lean project, I was hesitant because I thought lean meant finding ways to cut jobs. Once I learned more about lean, I saw first hand that it was not at all about cutting jobs, but about finding ways to work more effectively to serve our clients.

And I have a fleet service staff member from Highways and Infrastructure that said, "We know that our turnaround times are faster and the quality of our work is up, so costs have to be down."

You know what this says to me? The people that work with us in government are on the same page as us. They want to be supplying a service to the people that they work with, the citizens of this province, that is up to the expectations of the taxpayers and the people of the province.

Mr. Speaker, I am so proud of the people that work with us,

knowing that we can do things differently, that their voice is important, and we don't have to go back to the '70s and get a lecture about shag rugs every time the members on the other side want to talk about the way we should be governing.

It doesn't take more people. What it takes is people who are really . . . [inaudible] . . . care about their job, know they can work, work differently and do things better because we are listening to them. Twenty-eight years somebody has been working for government and nobody ever asked them if they could do things . . . ever asked them if they had an idea on how to do things better. We are asking them. We're asking them in every ministry of government. We have 32 lean projects that our people are saying, this is a chance to do things differently.

I have no idea why the members opposite aren't pleased for not only the people that are working for government, they're also citizens of this province. The people who work for government are taxpayers as well, and they are saying that this is efficient and effective and it's a good use of my time and I finally have a voice. This is something that the members opposite don't get, they don't want to get, because they'd rather use the old words back in the '70s and the '80s and they're not looking forward to tomorrow at all.

This government is not looking in the rear-view mirror. What we're doing is looking through the window to talk about what we can do tomorrow. This is a growing province. This is a province of advantages. It's a place to be, not to be from, as it was under the previous government. The members on the opposition side of the House are still dreaming of the days when they could put some fear into the hearts of people so they wouldn't dare think outside the box. That's not what this government does. We are openly asking people of this province that work with us to say, how can we do it better? I'm proud of them. I'm proud of the work we're doing, and we will continue doing it.

Mr. Belanger: — Well, Mr. Chair, just to rebut what the minister has been pointing out, she was, you know . . . And if she loves them that much, why is she firing them? And the other point is, is if the whole notion of the Public Service Commission is appreciation — they're saying, they're fantastic; we work with them; everything's going great — why are they taking ads out against them? Why are they firing them? And quite frankly, why are they trying to decimate their numbers? You know, it just doesn't add up.

Her leader and herself as the minister is supposed to defend these public service employees. Well their logic and their direction, I just don't buy one bit. The opposition doesn't believe one bit what the Premier or this minister has to say when they come along saying, we're trying to defend the working people; we're trying to defend the public service. And, Mr. Chair, the point of the matter is a lot of people share that sentiment, a lot of people share that sentiment.

If she loves them so much that today she's firing them and putting them on notice and decimating their numbers, I hate to see what she'd do if she's mad at them. You know, that's the problem. You know, and as you're giving me a hug, you slip a pink slip in my back pocket. Like that's kind of what I think a lot of the Public Service Commission is starting to think of

these guys. And the unfortunate part is that, you know, it's the good old hug and I'll show you out the door and thanks for your years of experience.

And guess what? I watched a show one time where Saddam Hussein was the leader of Iraq, and he made a speech, and all of a sudden there was 3, 4,000 people just cheering. I thought he was a pretty popular leader, president. And then I found in the back of all those people, there was about 50 or 60 soldiers with automatic weapons. Well I'm sorry, you . . . [inaudible] . . . if the Public Service Commission gave your Premier a standing ovation, there's probably a bunch of guys in the back loaded with pink slips seeing who wasn't standing.

And I think one of the things there, Mr. Chair, is that again, if you appreciate and respect the Public Service Commission to the degree you say you love them, well stop firing them and stop decimating their numbers. Stop taking out radio ads. And stop trying to convince the opposition that is not going to be convinced in any way, shape, or form that you're going to protect the working people. And the member from Cannington yelps from his seat. His job . . . [inaudible] . . . it's been from day one is get rid of the Public Service Commission. Every man, woman, and child for themselves — that's his philosophy.

Well in Saskatchewan we believe that there's a good role for government to play — a solid role, a good leadership role — and you can't do that from the places that we come from without a good, solid civil service. You can't. It's a calling.

So as I mentioned to the point again — and I'll close on this point — Madam Minister, you've got to stop hugging them and slipping them a pink slip in the back pocket as you leave them. You want to respect them and build them up. You don't fire them. Thank you.

Hon. Ms. Draude: — To the member, I agree with him. We wouldn't . . . we shouldn't fire people and we don't. That's what the members opposite did, and that's not what we are doing.

Mr. Speaker, I don't want to convince the opposition of anything. It's not really my job. What I want to do is make sure that the people that work with us in government know that they're valued.

The public service is really intelligently managing the exercise of the workforce adjustment strategy to make sure that we are achieving an orderly reduction by focusing on the core government programs. We're integrating programs and services where feasible. We're developing a citizen client centre programming and service delivery mechanism. We're undertaking process improvement projects. We're aligning organizational structures.

One of the . . . I know that the members opposite are getting antsy and want to call it quits tonight, but I want to make sure that I put on the record one of the other works that's going on that's different with our government. We have under the child and youth agenda actually aligned seven ministries to work together, and not only work together but to align a budget together so that we can go to the people of the province and say, this isn't about ministries. This isn't about any one individual

except for the child.

And that's the kind of work that has to be done through government if we're going to meet our targets, and that is being effective and efficient. This isn't about core government organization. It's about the people of the province. We started by aligning seven ministries, seven ministers and the people that work with them in government, to make sure that we can look at the needs of a child. I'm hoping that this type of service delivery to the people of the province can be carried out through other ministries. This is an opportunity to look at things differently.

Our government, our Premier, the people that we're working with as heads of government are saying, you know what? This is a chance with the Saskatchewan advantage that we have to do things differently and lead. The lean project that's being carried out in our government is looked at right across the nation. We have provinces . . . like some of the Maritime provinces are calling us and saying, how are you doing it? How are you making sure that you're still providing the services that the people of the province need with fewer people that are engaged? The comments that I read earlier talk about people who are going to work in the morning and saying, I like what I'm doing because I'm actually being efficient and my voice is being heard and it's an opportunity to be proud of your job.

[21:15]

We need to attract and retain professional people. As the province grows, there's opportunities for people to go to the private sector, and we need to keep them in the public sector. We need them to actually develop the foundation the government needs as we go forward to provide government for the people. We need government to be a basis of people's lives that they can count on, and that requires a professional, trained public service that I'm proud of.

The members opposite aren't on the same page as our government when it comes to that issue. I'm sorry about that. But I can tell you that our Premier and our government respect and are proud of the people that work with them to get the policies that we are implementing, that we've implemented right across government.

The Chair: — If there are no other questions, since we have completed our business for this evening, I would ask a member to move for a motion of adjournment. Mr. Allchurch moves this meeting is adjourned. All in favour? This meeting is adjourned. Thank you, Madam Minister, and all your officials. Thank you.

Hon. Ms. Draude: — I'd like to thank the people that I have with me that came tonight to answer questions and the members opposite for asking some of the questions that I think are important for the public. And I especially wanted, the people that are back in the offices thinking about the work that they have to do tomorrow, thank them as well.

[The committee adjourned at 21:17.]