



Legislative Assembly of Alberta

The 27th Legislature  
Second Session

Standing Committee  
on  
Public Accounts

Service Alberta

Wednesday, April 29, 2009  
8:30 a.m.

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**Legislative Assembly of Alberta**  
**The 27th Legislature**  
**Second Session**

**Standing Committee on Public Accounts**

MacDonald, Hugh, Edmonton-Gold Bar (AL), Chair  
Quest, Dave, Strathcona (PC), Deputy Chair

Benito, Carl, Edmonton-Mill Woods (PC)  
Bhardwaj, Naresh, Edmonton-Ellerslie (PC)  
Chase, Harry B., Calgary-Varsity (AL)  
Dallas, Cal, Red Deer-South (PC)  
Denis, Jonathan, Calgary-Egmont (PC)  
Drysdale, Wayne, Grande Prairie-Wapiti (PC)  
Fawcett, Kyle, Calgary-North Hill (PC)  
Jacobs, Broyce, Cardston-Taber-Warner (PC)  
Johnson, Jeff, Athabasca-Redwater (PC)  
Kang, Darshan S., Calgary-McCall (AL)  
Mason, Brian, Edmonton-Highlands-Norwood (ND)  
Olson, Verlyn, QC, Wetaskiwin-Camrose (PC)  
Sandhu, Peter, Edmonton-Manning (PC)  
Vandermeer, Tony, Edmonton-Beverly-Clareview (PC)  
Woo-Paw, Teresa, Calgary-Mackay (PC)

**Department of Service Alberta Participants**

Laurie Beveridge	Assistant Deputy Minister, Registries
Brian Fischer	Assistant Deputy Minister, Financial Services
Paul Pellis	Deputy Minister
Kate Rozmahel	Assistant Deputy Minister, Enterprise Services
Dale Silver	Public Service Commissioner
Mary Ann Wilkinson	Assistant Commissioner, Workforce Development and Engagement

**Auditor General's Office Participants**

Fred Dunn	Auditor General
Vivek Dharap	Assistant Auditor General
Teresa Wong	Principal

**Support Staff**

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Liz Sim	Managing Editor of <i>Alberta Hansard</i>

**8:30 a.m.****Wednesday, April 29, 2009**

[Mr. MacDonald in the chair]

**The Chair:** Good morning, everyone. I would like to call this Standing Committee on Public Accounts to order, please, and welcome everyone in attendance.

I would advise our guests this morning that they do not need to operate the microphones as this is taken care of, again, by the *Hansard* staff. Please note that this meeting is recorded by *Hansard* and that the audio is streamed live on the Internet.

If we could quickly go around the table and introduce ourselves. Perhaps this morning we'll start with the hon. Member for Edmonton-Manning.

**Mr. Sandhu:** Good morning. Peter Sandhu, MLA, Edmonton-Manning.

**Ms Woo-Paw:** Good morning. Teresa Woo-Paw, Calgary-Mackay.

**Ms Staley:** Diana Staley, research officer, Legislative Assembly Office.

**Mr. Dunn:** Fred Dunn, Auditor General.

**Mr. Dharap:** Vivek Dharap, Assistant Auditor General.

**Ms Wong:** Teresa Wong, office of the Auditor General.

**Ms Wilkinson:** Good morning. Mary Anne Wilkinson, assistant commissioner, workforce development and engagement, with corporate human resources.

**Mr. Silver:** Good morning. Dale Silver, Public Service Commissioner, corporate human resources.

**Mr. Fischer:** Good morning. Brian Fischer, assistant deputy minister of financial services division in Service Alberta.

**Mr. Pellis:** Good morning, everyone. Paul Pellis, Deputy Minister, Service Alberta.

**Ms Rozmahel:** Good morning. Kate Rozmahel, assistant deputy minister, enterprise services, Service Alberta.

**Ms Beveridge:** Good morning. Laurie Beveridge, registrar, Service Alberta.

**Mr. Denis:** Good morning. Jonathan Denis, MLA for Calgary-Egmont.

**Mr. Hehr:** Kent Hehr, MLA, Calgary-Buffalo.

**Mr. Kang:** Darshan Kang, MLA, Calgary-McCall. Good morning, everyone.

**Mr. Chase:** Good morning. Harry Chase, Calgary-Varsity. Unfortunately, I'm double booked, so my probing persecution will be limited this morning.

**Mr. Bhardwaj:** Good morning. Naresh Bhardwaj, Edmonton-Ellerslie.

**Mr. Vandermeer:** Tony Vandermeer, Edmonton-Beverly-Clareview.

**Mr. Quest:** Good morning. Dave Quest, Strathcona.

**The Chair:** Hugh MacDonald, Edmonton-Gold Bar.

**Ms Rempel:** Jody Rempel, committee clerk, Legislative Assembly Office.

**The Chair:** The chair at this time would like to note that any member from the Assembly can participate in the proceedings, but standing orders prevent them from voting in any of our votes.

Now, approval of the agenda, item 2. Could I have approval of the agenda, please? Mr. Bhardwaj. Thank you. Moved by Mr. Bhardwaj that the agenda for the April 29, 2009, meeting be approved as distributed. All in favour? Seeing none opposed, thank you.

Item 3 on our agenda, approval of the minutes of the meeting on April 22, 2009. Moved by Mr. Chase that the minutes for April 22, 2009, for the Standing Committee on Public Accounts be approved as distributed. Any questions? All those in favour? None opposed. Thank you.

Of course, this comes to item 4 on our agenda this morning, the meeting with the officials from Service Alberta. We are dealing with the reports of the Auditor General from April and October 2008 and, of course, April 2009; the annual report of the government of Alberta 2007-08, which includes the consolidated financial statements and the Measuring Up progress report on the government of Alberta business plan; and the Service Alberta annual report for 2007-08.

I would remind everyone that the briefing material was prepared for the committee in advance by the LAO research staff. Hopefully, members have had a chance to have a look through that.

Now, on behalf of the committee I would invite Mr. Pellis to make a brief opening statement on behalf of Service Alberta before we proceed with questions.

**Mr. Pellis:** Thank you, Mr. Chairman. I'm going to be making a few opening remarks on behalf of the Department of Service Alberta, and Dale Silver will also be making a few opening remarks on behalf of corporate human resources.

Good morning, everyone. It's a pleasure to have this opportunity today to appear before the Public Accounts Committee. I'd also like to introduce two additional staff from Service Alberta, Cheryl Arseneau, who is my executive assistant, and Cam Traynor, who is our communications director.

The 2007-2008 fiscal year was a tremendous success for Service Alberta. At the end of the fiscal year the structure of our ministry changed. Corporate human resources and air transportation services are now part of Treasury Board, and the Regulatory Review Secretariat is now part of Finance and Enterprise. All three of these entities are reflected in the annual report of Service Alberta for 2007-2008. Together these three entities represented approximately \$25 million of the overall Service Alberta budget in that year.

Service Alberta's vision is one government, one enterprise, one employer, and we continue to achieve that vision in many different ways. A few of our accomplishments in 2007-2008 included the following. We handled more than 18 million transactions through our various registry services. This included 7.7 million through motor vehicles, 7 million through land titles, 1.8 million through our personal property registry, 1.4 million through our corporate registry, and just over 400,000 through the vital statistics registry.

The SuperNet video conferencing service completed its pilot phase in 2007-2008, and plans are now in place to move this service to full production and availability across government.

We greatly reduced turnaround times in our land titles office from a high of 26 days in the previous fiscal year. At the beginning of 2007-2008 turnaround times in land titles were about 15 days. By the end of March we had successfully reduced turnaround times to just one day. As a result, our related client satisfaction levels increased by over 23 per cent over the previous year.

We also launched and completed consultation on Alberta's new licence plates. More than 33,000 Albertans took part, which was a tremendous response from the public and gave us excellent information for any future direction for our licence plates.

We also partnered with the federal government and the city of Edmonton to launch BizPal. It's an online business permit and licence service that provides businesses with information about permits and licences they need from all levels of government. We are now planning the expansion of the BizPal service across the province.

We also transformed our residential tenancy dispute resolution service from a pilot initiative to a permanent program. This is an excellent program that has been a tremendous benefit to both landlords and tenants, giving them an easily accessible and inexpensive way to get their disputes resolved. The program also significantly reduced the amount of court time spent on landlord and tenant matters. We're working to make it available province-wide.

It's also worth noting that Service Alberta received several awards during the 2007-2008 fiscal year. The Alberta SuperNet project received a 2007 gold Premier's award of excellence. The GOA integration project received a 2007 silver Premier's award. We also received a 2007 Premier's award of excellence for the ICT service co-ordination initiative. These are just a few of our numerous accomplishments in 2007-2008, which are outlined starting on page 11 of the annual report.

With respect to our audit reports we continue to have a strong relationship with the Auditor General's office and value the work that's completed. Service Alberta has accepted all of the Auditor General's recommendations related to our ministry, and we've either fully implemented them or are making significant progress. We continue to address the recommendations regarding information technology security. We've enhanced the corporate information security program, strengthening government-wide security protocols and standards. We've also strengthened all information security policies to reflect international best practices and standards. We've been actively ensuring that consistent approaches to security are in place in all ministries. We've also greatly enhanced our central security office to improve information security across government. A director of enterprise security has been appointed to provide leadership and direction in the administration of the GOA security program.

We've been improving security of all government web applications and put in place enhanced technical controls to further protect the government network from cyberattacks. Security, as you can all appreciate, is a continuous process which requires ongoing updates and improvements to stay ahead of potential threats that are emerging all the time. Just as an example, in March 2009 alone our system stopped more than 135,000 e-mails containing viruses, 19.5 million spam e-mails, and millions of other connection attempts. That's just in one month. The fact is that today more than 98 per cent of all e-mail being sent to government is spam.

As well, we've completed a report on a vulnerability web application assessment of approximately 1,000 web apps across 24 ministries. About 70 per cent of the vulnerabilities identified have

either been cleared or fully eliminated. All remaining vulnerabilities have aggressive action plans in place for remediation. Service Alberta continues to introduce more sophisticated methods in an effort to remain diligent and continues to invest in a corporate information security program.

To conclude, the 2007-2008 fiscal year was a tremendous success for Service Alberta. The credit for our success in the midst of change goes to our dedicated and hard-working staff in our ministry. I've always been impressed with the professional and skilled team of employees we have in Service Alberta, and together we're accomplishing great things for the government of Alberta and the people of this province.

Thank you. I'll turn it over to Dale Silver, the Public Service Commissioner, for his comments concerning corporate human resources. We look forward to your questions.

**8:40**

**Mr. Silver:** Thank you, Paul. Thank you, Mr. Chairman. I am pleased to be here this morning on behalf of corporate human resources. I do bring greetings from our minister, the Hon. Lloyd Snelgrove, who wasn't able to attend with us this morning.

The vision of corporate human resources is to enable Alberta's public service to proudly work together to build a stronger province for current and future generations. To support this vision, we collaborate with ministries across government to develop corporate human resource frameworks that assist ministries in attracting, developing, and engaging employees. Our work includes consultation to provincial ministries on pay, benefits, classification, labour relations, workplace health, staffing, HR planning, employee attraction and retention, and corporate employee development programs.

We help establish the framework for positive and productive workplaces by advancing employee engagement, performance management, and capacity-building strategies in order to ensure the government has the skilled resources it requires to deliver on its priorities and provide important services to Albertans.

As stated in our annual report, some of the key activities undertaken in '07-08 included the successful negotiation of a three-year collective agreement with the Alberta Union of Provincial Employees, which is in effect currently and until August 31, 2010. This agreement included the provision for a new benefit program called MyChoice for bargaining unit employees. This program was successfully launched in July of 2008 and provides for a more up-to-date program, including optional coverage levels, to better meet the range of employee needs.

An enhanced employee family assistance program came into effect on July 1, '07. This enhanced program is a prevention-focused program that provides voluntary and confidential counselling and work-life solution strategies for employees and their immediate family members. The key goal of the program is to connect government of Alberta employees to counselling or the support resources they need to address personal circumstances.

Our public service employees continued to excel in '07-08, with 59 Premier's award of excellence submissions and 30 Premier's award of excellence awards. Five of our Alberta public service teams also received the Canada awards of excellence from the National Quality Institute.

Work on the Alberta public service vision and values initiative continued this year with a focus on integrating the vision and values into common human resource management practices. This year over 3,800 employees participated in eight Proudly Working Together sessions that occurred across the province in September '07 and October '07. These events feature a roster of deputy ministers

speaking directly to employees about the vision and values and about the APS workforce plan. We also heard directly from employees on the theme of Proudly Working Together.

The government of Alberta jobs website was significantly reworked to create a more interactive, user-friendly, and informative job search experience. This site averages 1.4 million views per month. It now features an Ask Our Employees section, where employees tell in their own words what it is like working for the government of Alberta. It also has an advanced calculation tool that provides a provincial jobseeker with important total compensation information. This enhanced website received the employer of choice marketing award in the advertising online category through CanWest media network.

Mr. Chairman, I hope this overview has provided the committee with a sense of our organization and some of our accomplishments in '07-08, and we'll be pleased to answer your questions. Thank you.

**The Chair:** Thank you.

Mr. Dunn, please.

**Mr. Dunn:** Vivek Dharap will read in our very brief opening comments.

**Mr. Dharap:** Thank you, Mr. Chairman. Our systems audit on IT control frameworks starts on page 167 in the April 2008 report. In recommendation 7 we recommend that Service Alberta, working with all ministries and through CIO Council, develop and promote:

- a comprehensive IT control framework, and accompanying implementation guidance, and
- well-designed and cost-effective IT control processes and activities.

Our systems audit on protecting information assets starts on page 53 of our October report. In recommendation 4 we recommend that Executive Council ensure that a central security office is established immediately. Although this recommendation is addressed to Executive Council, Service Alberta will be instrumental in implementing it.

We made a number of other recommendations in this section that Service Alberta needs to implement together with all ministries and through CIO Council. However, successful implementation of the rest of the recommendations in this section is highly dependent on the timely implementation of recommendation 4.

From the financial statement audit work at the ministry we made a number of recommendations to the ministry in our October 2008 report, the most important being on page 345, recommendation 38, in which we recommend that the ministry consider "providing internal control assurance to its client ministries on its centralized processing of transactions."

In our April 2009 report, released last week, on page 63 we summarize our investigation of two incidents at the Department of Transportation which reaffirm the security risks inherent in a decentralized information technology environment as presently exists in the Alberta public sector.

On page 386 of the October 2008 public report we list recommendations made to Service Alberta that are not yet implemented, and the list is updated on pages 117 and 118 of our April 2009 report.

Thank you, Mr. Chairman.

**The Chair:** Thank you very much.

We'll proceed to questions. Mr. Chase, followed by Mr. Denis, please.

**Mr. Chase:** Thank you very much. Page 71 of the 2007-2008

annual report reports achievement bonuses of \$3.9 million, which is the second-highest achievement bonus allotment for government ministries. My first question is to the Auditor General. Has your department reviewed whether there is any direct correlation between the size and frequency of bonuses awarded and a proportional increase in either efficiency or productivity? In other words, by awarding millions of dollars in bonuses, are Albertans getting value for their money?

**Mr. Dunn:** We have not undertaken such work. We have only undertaken that all bonuses that have been awarded are properly allocated to the individual that it's allocated to and then properly tabulated and disclosed in the financial statements. However, that question may also be answered by Mr. Silver.

**Mr. Chase:** I'd welcome you to take it on, and then I'll ask my supplemental.

**Mr. Silver:** Happy to answer the question, Mr. Chairman. The achievement bonus program for the government of Alberta got its start in 1998 as part of a significant change in our management reward strategy. It has been part of management compensation for the government of Alberta since that time.

The last major review of the program was done in 2005, and that put in the parameters of the program that are in place today. Those parameters of the program are readily available on our public-facing website. The program lays out the criteria for the various groups of employees that are eligible for the program and provides the framework for what the bonus pools are and ties it into the performance management program for our employees.

**Mr. Chase:** Thank you.

My supplemental: in the interest of public accountability will the ministry provide a breakdown to the Public Accounts Committee on who received achievement bonuses, the amount they received, and what measurable performance improvements were noted based on established bonusing criteria?

**Mr. Silver:** The information regarding the amount of bonuses that are paid is published in the annual reports, as we've seen here. We are not willing to provide an individual-by-individual breakdown of those bonuses because that bonus information, tied with the information that's readily available, will lead you directly to what the employee's performance evaluation rating was, and that is personal information. The aggregate numbers of bonus amounts paid by each department are available, and that's what we're prepared to provide.

**Mr. Chase:** Thank you.

**The Chair:** Thank you.

Before we get to Mr. Denis, the chair would like to welcome Mr. Johnson this morning. Good morning, sir.

**Mr. Johnson:** Good morning.

**The Chair:** Please proceed, followed by Mr. Kang.

**Mr. Denis:** Thank you, Mr. Chair, and thank you to all of you for appearing before the committee this morning. You just mentioned in your preamble that last year there were 135,000 viruses and that 98 per cent of the e-mail that was sent is spam. I'm interested to know how many hacking attempts you have tracked over the past year and if any of them were successful.

**Mr. Pellis:** We've had about 500,000 inappropriate attempts per month, and of that, we believe that what we're calling credible attempts represent about 5,000 per month. What we define as a credible attempt is somebody who is trying to access it with some sort of intent as opposed to somebody who is inadvertently trying to access a website and not realizing that there are protections on that website.

**Mr. Denis:** Just a brief supplemental: how does that compare with other provinces? Is Alberta being inordinately targeted, or is that an average amount?

**Mr. Pellis:** To the best of our knowledge they are not focusing on Alberta. We probably represent an average of what's going on across Canada.

The other thing I'd like to point out briefly is that we're noticing that the number of very aggressive hacking attempts is increasing substantially. We did some checking just the other day. I don't know if anybody noticed, but the U.S. electricity grid got hacked, I believe, on April 22. There has also been a significant hack of a research site for an F-35 fighter plane in the U.S. It's interesting to note that in both of those cases there is not an interest in providing information to the public like the GOA has. In both of those cases I would suggest to you that the security put in place was very strong, yet they were able to hack through. The reason I bring that up is that the level of sophistication and the level of vigour of these people in trying to get in are increasing substantially. Even on the spam front we're noticing that it's increasing. Even though we're sitting at 98 per cent spam, it's going up.

8:50

The other point I'd like to make is that one of the jobs we take very seriously at Service Alberta is that we are, if you like, the postmaster for e-mail. We have to balance the job of security and protection with making sure that legitimate e-mail that's sent gets there. That's always a balancing challenge for us, but I think that so far we've been doing a very good job on that front.

I don't know, Kate, if you'd like to add anything.

**Ms Rozmahel:** No. I think that that's correct.

**The Chair:** Thank you.

Mr. Kang, please, followed by Ms Woo-Paw.

**Mr. Kang:** Thank you, Mr. Chair. Coming back to SuperNet, what steps has the ministry taken to provide SuperNet access province-wide?

**Mr. Pellis:** What we're doing on that front is we have been talking with a number of organizations, and an example I can give you is the rural gas co-ops. We're looking at expanding the number of Internet service providers that are out there. What's happened so far is that all Internet service providers are, obviously, there for business reasons. They want to make sure that if they become an Internet service provider, there's a profit motive for them and that there's a strong business case for them getting involved. In a lot of the areas today that are underserved, it is because the private sector has made a business decision that they don't see that there's a value proposition for them. What we're doing is we're working with organizations like the natural gas co-ops and municipalities to see what we can do to use them as a lever to expand SuperNet out into those underserved areas right now. I know, for example, that the gas co-ops are interested, that small municipalities are interested, and in fact they've talked as well about becoming ISPs.

The other thing we're doing is we're working with our colleague ministries to try and ensure that we can get more utilization there through the government sector. We believe that that will have a corollary impact where, by doing that, we create more of a value proposition for ISPs to get involved and to also try and deliver more service to rural Albertans.

**Mr. Kang:** I think you partially answered my supplemental here. As a government how will you make it feasible enough for Internet providers, if, you know, it's not going to be profitable for them, to provide the service? That's one of my supplementals. What communities or organizations saw the SuperNet introduced in 2007 and '08?

**Mr. Pellis:** I missed the last part of the question. I'm sorry.

**Mr. Kang:** Okay. Which communities or organizations saw the SuperNet introduced in 2007 and '08, and how will you make it feasible, you know, for the companies to introduce it if it's not profitable for them?

**Mr. Pellis:** Sure. The approach we're taking, which talks to the second point I raised about SuperNet, is that we're looking at opportunities where we can expand the government use of SuperNet for video conferencing. The health care sector is another area where we think there are significant opportunities to expand the use of SuperNet. We believe that if we can build that foundation and expand that foundation across the province for government utilization, then we're going to create an opportunity for the private sector to have more of a value proposition than they have today.

What we don't want to do is simply look at the areas we're serving today and ignore the ones that today are either getting a reduced service or not getting service at all. It's a priority for us; it's a priority for our minister. We think that by expanding the government sector and, as I mentioned before, by looking at organizations like AAMD and C, the rural gas co-ops, and others to really try to get it out there and expand, we think it's important that it's a level playing field and that all Albertans have equal access.

**Mr. Kang:** Thank you, sir.

**The Chair:** Thank you.

Ms Woo-Paw, please, followed by Mr. Hehr.

**Ms Woo-Paw:** Thank you, Mr. Chair. My question is around the standardized ICT service bundles. Your ministry has set a target of 13 ministries to come onboard, and I can appreciate that it's a huge, complex process. I think I read somewhere that you're making some promising progress, but you did identify in your annual report that complexities in timing caused by dependency of this initiative on other related initiatives have led to the end result of no government ministry adopting the ICT service bundles. Could you tell us why?

**Mr. Pellis:** The main reason, I think, was that for that specific year our target was a little bit ambitious. What we ended up needing to do was more foundational work with the client ministries to make sure that we had a solid platform and that we did not impact their business as a result of moving to the new domain. It took more time to do that. We wanted to make sure that we were sensitive to the business requirements of those client ministries. I'm pleased to report that while in that specific year we underachieved, we're, in fact, ahead of schedule now as we go forward.

I don't know, Kate, if you'd like to add anything to that.

**Ms Rozmahel:** No, except to say that we are progressing well on adding more complexity to the bundles, and in this last year, in addition to putting in place a new help desk, a standardized help desk, we've actually moved also into a new standardized mainframe service, which was very successful for the ministries.

**Ms Woo-Paw:** Okay. Can I combine my next two together?

**The Chair:** You may.

**Ms Woo-Paw:** So what is your next target? What do you think is a more reasonable target? If you could tell us, what are the other related initiatives that caused the delay?

**Mr. Pellis:** Right now GOA domain is one of the prime aspects of the ICT service co-ordination initiative, and what GOA domain is basically a common desktop platform, including e-mail, file, print applications, that is standardized across all the desktops in government. That's a very important initiative because it provides standardization to the client ministries, but at the same time it greatly reduces the cost of, basically, break fix and maintenance that has to occur because if one of the technicians from Service Alberta or one of the Service Alberta contracted agencies goes to that workstation, it's standardized. They don't have to say: "Well, I'm now in ministry X, and they do things this way. Therefore, this is what I have to do."

Right now we're sitting at about 80 per cent take-up of all eligible ministries. We've got about 17,000 desktops sitting on the GOA domain, and we've got about another 13,000 to do. The main reason that we delayed those others is because the ministries in question were in the midst of major undertakings of their own, and they've asked us if we could please just hold off and wait a bit. We're moving forward with those ministries now.

The other thing we're doing as part of the ICT service co-ordination initiative – Kate talked about the service desk and the mainframe – the third bundle, that is currently out to RFP right now, is all the desktop services across government. Right now desktop services to a certain degree are being provided independently to various ministries through their own hired contractors. What the bundle 3 is going to do is provide a horizontal level of service, where one or more service providers are going to provide a standardized set of services across government. The next bundle, which will be going out to RFP probably early in 2010, is our network and servers. That's a very important bundle because it also ties into the work we're doing right now around security.

**Ms Woo-Paw:** Thank you.

**The Chair:** Thank you.

Mr. Hehr please, followed by Mr. Bhardwaj.

**Mr. Hehr:** Thank you, Mr. Chair. What was the total cost of the government fleet for 2007-2008?

**Mr. Fischer:** In terms of purchasing?

**Mr. Hehr:** Yes.

**Mr. Fischer:** It was \$24 million.

**Mr. Hehr:** My supplemental question is: which ministers or senior officials were eligible for cars or automobiles but chose not to take them?

**Mr. Pellis:** Could we take that question under advisement, Mr. Chair, and provide a written response? I don't have those details at my disposal.

**The Chair:** Yes, and through the clerk to all members, please.

**Mr. Pellis:** Sure.

**The Chair:** We'll move on to Mr. Bhardwaj, please.

**Mr. Bhardwaj:** Thank you very much, Mr. Chairman. I'm looking at page 66 of your annual report 2007-2008. It states that ministry revenue generated through registration and licensing fees has increased by \$29 million from '07 to '08. Can you explain what some of the factors are which contributed to that increase?

**Mr. Pellis:** I'm going to let Laurie from Registries supplement my answer, but really the main reason was the economic climate in the province at the time. We had significant activities in land titles, we had increased activities in motor vehicles, and really that was one of the primary drivers of why our revenue went up. I'll let Laurie supplement that.

9:00

**Ms Beveridge:** Just to add, the other factor, which is part of the economic boom in Alberta, was that we had a large migration into Alberta, and a lot of these people drive. People were taking out vehicle registrations and drivers' licences, so that was part of the impact. The other was that the commercial drivers in the province increased dramatically as well. The business in the commercial area increased as well. The value of land, of course, went up substantially, so in the land title area we also had, you know, a large increase in revenue.

**Mr. Bhardwaj:** Thank you very much. What I'm really hearing is that it's sheer numbers that contributed to this increase. My supplement would be, then: how are we comparing in terms of the fees with other jurisdictions Canada-wide?

**Mr. Pellis:** I believe we're approximately 83 per cent lower than the fees charged in other jurisdictions right now.

**Mr. Bhardwaj:** Okay. I have no other questions. Thank you.

**Mr. Pellis:** Laurie, did you want to add anything to that?

**Ms Beveridge:** That's for land titles. Then we're about 33 per cent lower for operator licence fees, and I think it's 27 per cent lower for vehicle registration fees. So right across the board we're lower.

**Mr. Bhardwaj:** Thank you very much.

**The Chair:** Thank you.

**Mr. Kang:** I'm coming back to drivers' licences, you know, for new immigrants coming into the province. What steps has the ministry taken to improve the processing of drivers' licences from those countries that we don't have reciprocal agreements with?

**Mr. Pellis:** First of all, I want to point out that we see a very significant disparity in the security on drivers' licences across various countries, and that's an important aspect for us in terms of making any recommendations with respect to whether or not we

believe a reciprocal agreement should be put in place. Where we see that there's a very strong security and identification system in a country with their drivers' licences, we're more inclined to make a recommendation that there should be a reciprocal agreement. For areas where we believe there are security and identification weaknesses, we tend to deal with the consulate, and normally it's in Vancouver. For example, if it's from a country that we have some concerns with, we do deal with the consulate and try to get the individual a driver's licence without having to go through another set of testing. But we do need that validation.

**Mr. Kang:** Well, my supplemental is about the same thing. You know, I agree with the testing part. Everybody should go through that process, I believe. Even coming from England, they drive on the left side of the road; we drive on the right side of the road. So I think there should be some training going into the safety aspect of that, right? The question is: has the minister implemented any performance measures to assess wait times for individuals with an international licence trying to obtain an Alberta driver's licence?

**Mr. Pellis:** The problem with trying to implement performance measures or metrics around that is that the bottleneck, if you like, is out of our control because it rests with the consulate in Vancouver who has to respond. If they respond to us in a timely manner and the answer is in the affirmative, we'll expeditiously provide a driver's licence to that individual.

I think I'll let Laurie supplement that as well.

**Ms Beveridge:** Actually, we have really cut down on the amount of time that it takes. We do allow the driver to retain their licence until they receive their confirmation from the consulate. Then it goes to our people to validate with the consulate. We do forensic testing and things like that to make sure there are no fraudulent documents involved. The time length for that is actually down to five working days.

**Mr. Kang:** Thank you.

**The Chair:** Mr. Quest, please, followed by Mr. Hehr.

**Mr. Quest:** Thank you, Mr. Chair. Page 12 of the Service Alberta annual report refers to the residential tenancy dispute resolution services, which sounds like a good idea, a little less work for our court system and I would think reduces legal fees and things like that. It was a pilot program, so I'm just wondering what the results were of the pilot project.

**Mr. Pellis:** The pilot project ended in May 2007. We received over 2,700 applications during that period, which was three times what our projected number was, and we did an independent client satisfaction survey, which rated the quality of the pilot project at over 80 per cent. What we did in June of 2007 is that we decided to move RTDRS to a permanent service, and it continues to be highly successful. We've received favourable comments from both landlords and tenants. What we've tried to do with that is treat it more as, if you like, a mediation, arbitration process as opposed to putting these people through the court system. As you can appreciate, there are a lot of tenants that perhaps do not have the wherewithal to hire a lawyer and to get involved in that aspect, so we believe it's positive. We've also received very positive comments from our colleagues at Alberta Justice because it has reduced the amount of court time.

**Mr. Quest:** Great. Thank you. The program was expanded on January 30 to communities in northern Alberta. I'm just wondering when it's going to be expanded to the whole province.

**Mr. Pellis:** Our objective is that before the end of this fiscal year RTDRS will be available across the entire province. We're looking at staff resources, and where staff resources are not feasible, we're taking advantage of the wonderful capabilities of SuperNet and looking at video conferencing. We're doing a video conferencing pilot right now in Red Deer, and we're planning to expand that as well. So the approach we're going to take is that where the volumes indicate, we're going to be providing staff resources on-site in the community. Where the volumes do not justify that, we're going to be looking at going with video conferencing, using SuperNet as the backbone.

**Mr. Quest:** All right. Thank you.

**The Chair:** Thank you.

**Mr. Hehr:** Page 31 reports that in 2007-2008 a total of 2,764 FOIP requests were received by government departments, agencies, boards, and commissions, in comparison with 3,308 requests in 2006-2007. What was the total revenue collected in 2007-2008 from the fees associated with FOIP requests?

**Mr. Pellis:** I'll let Brian Fischer answer that question.

**Mr. Fischer:** It was less than \$75,000. It's about \$73,000.

**Mr. Hehr:** Okay. How many of those requests with estimated fees over \$250 were waived, and what is the procedure for waiving fees?

**Mr. Fischer:** There was less than \$7,000 of the fees waived. I think it was about \$6,600, approximately. In terms of waiving fees, it's the discretion of the ministry. If a requester cannot afford it or it's deemed to be in the public interest to release information, that's when the fees are waived.

**The Chair:** Thank you.

Mr. Denis, please, followed by Mr. Kang.

**Mr. Denis:** Thank you again, Mr. Chair. I do have some further questions just on the hacking. I want to assure you that that's not what I'm doing with my laptop here.

**Mr. Pellis:** We're watching you very carefully.

**Mr. Denis:** Thank you. You mention that you receive roughly 500,000 hack attempts per month, 5,000 of which are credible. How many of those actual credible attempts result in an information breach?

**Mr. Pellis:** To the best of our knowledge there has not been an information breach as a result. I can't say that with 100 per cent certainty, but with the due diligence we've done, most of the hacking attempts we've noticed that managed to get through some of our firewall have been more nuisance than anything else.

**Mr. Denis:** Okay. And you've mentioned to me that a lot of them are getting more and more vicious. On a go-forward basis I'm interested to know what over the last year the department did just to ensure that its security systems are sound.



**Mr. Pellis:** First of all – and I’m going to let Kate, our corporate CIO, supplement this – we’ve strengthened the firewall in the last year. Really, I should back up. We’re taking three approaches to security. One is technology. We’ve done detailed assessments of over 10,000 web applications, and we’re correcting any errors that we find. We continue to be diligent on that front. We are strengthening our security in our firewalls on an ongoing basis.

The second area, which I think is, perhaps, in some areas more important, is the policy side. We have significantly strengthened our policy framework. We’ve established a committee, based on recommendations we’ve received from the Auditor General, which includes senior executive representation from a number of departments, including Executive Council, whose primary role is to look at corporate security across government.

The third leg of the stool, which we’re working very actively on with our colleagues at Alberta Infrastructure, is physical security.

Those are the three areas we’re focused on. I’ll let Kate supplement that.

9:10

**Ms Rozmahel:** Yes. Thank you. Everything, as stated, is moving forward. In addition, what we’re doing is that we’ve incorporated now a security element into our ICT program. We are actively working with vendors in the market to put in place a security operations centre for the GOA. What that will do is allow us to do a more thorough job proactively in real-time monitoring of all the GOA infrastructure with technology associated with it.

**Mr. Denis:** Thank you.

**Mr. Pellis:** Another aspect of that is – and I go to the Auditor General’s recent report of April 2009 with respect to the Department of Transportation. I should indicate that those incidents occurred, I think, in the period around October 2008. They dealt with contractors. The relationship we have with contractors since October 2008 has been strengthened. We’ve introduced more rigid terms and conditions in our contracting arrangement with those contractors. They have to comply with security protocols, and there are actions in place in the event that they do not. For example, one of the individuals who was part of the problem that occurred at Transportation was a contractor, and that individual was let go simply because they were not compliant with our security standards. Part of that is to make sure that contractors clearly understand the government’s expectations of them when they are contracted to do work for the government of Alberta.

**Mr. Denis:** Thank you.

**The Chair:** Thank you.

**Mr. Kang:** Staying on the security issue here, is there any process or system in place – you know, all those hackers trying to get in: can we track them down? Is there any technology or anything?

**Ms Rozmahel:** Well, thank you. Our systems actually log for us all the attempts that are made. We don’t actually have the ability to go back and find out exactly where the attempts were from unless, of course, there is a breach, and then we do a full forensic on the breach.

**Mr. Kang:** Okay. How much funding was put forward to this initiative to put the safeguards in place? What is the timeline for the full implementation of the security system to have these safeguards and accountability in place?

**Ms Rozmahel:** Last year we spent approximately \$9 million on security for the standard infrastructure. We’re doubling that this year. That’ll be to cover our new security operations centre. That equates to about 4, 4 and a half per cent of our operating spend in IT for the government of Alberta. We’re continuing to increase that spend up towards about a 5 per cent target, which is consistent with industry best practices for cumulative spend on security practices for an organization this size.

**Mr. Kang:** Thank you.

**The Chair:** Thank you.

Mr. Johnson, please, followed by Mr. Hehr.

**Mr. Johnson:** Thank you, Chair. I apologize for being a little bit late this morning. If these questions have already been asked, then I’ll move on to others.

I want to talk a little bit about some of the call centres we run as a government and what kind of support you might give to them and what we invest in that. I was fortunate along with others to tour Alberta Emergency Management Agency some time ago. Very impressive organization. You know, I sure support what we’re doing there, but I’ve also heard that as a government we run somewhere in the neighbourhood of 17 fully staffed, possibly 24/7 response centres, or call centres. I’m wondering what kind of support your ministry provides those. Has your ministry been looking at ways to get better co-ordination and collaboration there and pull some of those together and get some economies of scale on those things?

**Mr. Pellis:** With respect to the call centres and the areas where Service Alberta is involved, first of all, the 310 service is directed by Service Alberta. Any calls that come in on consumer services issues are led by us. We’ve now also expanded our call centre to address the campground registration system, which is being announced as we speak, right now. That’s where Minister Klimchuk is this morning. We’ve also expanded our call centre to look after the health care card delivery, which we are now taking responsibility for through our registrations and through the call centre.

With respect to the other call centres, we’ve talked to our colleague ministries, and we are in the preliminary stages of assessing whether there’s value in bringing more of those call centres together under one envelope. The area that we want to focus on is tier 1. What tier 1 is is basically those initial calls, where an individual is perhaps not sure about who to talk to or has very basic, generic questions. We think that there might be value in bringing more of those services together.

The tier 2, where an individual has very specific questions, perhaps needs somebody to give them specific advice and counsel: those we believe should stay with the ministries that have program responsibility. But we do believe that there is value in looking at bringing those together, and we are in the preliminary stages of talking about that.

The other call centre we have is the ICT service co-ordination initiative. All of the tier 1 calls with respect to any IT issues are handled through our call centre as well. But you’re right. There are a very large number of call centres out there, and we think there is value in looking at possibly bringing some of those or most of those together.

**Mr. Johnson:** Thank you. The other question I have for you is just in terms of running our whole registries system and what kind of feedback or numbers you can give us on the return on that. Is it a

profit centre; is it a cost recovery? I know that there's pressure from registry owners to increase their fees. We have pressure from off-highway vehicle users to give money back to them for their licence plates that they pay for, as some other provinces do. I really want to get a sense of the money that comes in from Albertans to buy those licence plates. Does that cover that entire cost? Is it a profit centre? Do we lose money on it? Can you comment on that, please?

**Mr. Pellis:** Sure. First of all, we generate approximately half a billion dollars a year in revenue to the GOA from all of our registry services. The costs of delivering registry services within government are handled through our voted appropriation provided to Service Alberta. In addition to that, as you mentioned, we have over 200 registry agents across the province that deliver services. Today the average fee that they charge for a service under the control of the GOA is about \$9, and they also have the ability to charge additional fees for non GOA-controlled services that they can do.

From my understanding, the businesses are viable. There are a few of them that have raised issues around costs: lease costs, staffing costs, training costs, et cetera. I think that that aspect is being looked at. I know that our minister has received a specific request from the Association of Alberta Registry Agents to look at a fee increase, and she's reviewing that right now with her ministerial colleagues.

Another point I'd like to make is that we recently put one of the registry agents out to tender, and that is the one that used to be on Whyte Avenue. Laurie, just for this group, how many people responded to that tender request?

**Ms Beveridge:** Thirty-four.

**Mr. Pellis:** I believe that there's still quite a bit of interest out there and that people do see a registry agent office as a strong business opportunity, just based on the strength of the number of applicants we received for that one. I think that as the population grows, you know, and as we get more people in certain areas, we are going to be looking at the possibility of providing more registry agent offices out there.

**Mr. Johnson:** Sorry. Chair, I just need to get clarification on one thing here. Paul, I appreciate that I think the registries themselves are profitable, even though they'd like more money, and possibly that's warranted. I'll leave that up to you and the minister to decide. But the real question I had for you is on the money that the government takes in for supporting and paying for these registries. Does it cover our entire costs?

**Mr. Pellis:** Absolutely.

**Mr. Johnson:** I know there are lots of back-end computer systems and people. If I'm an Albertan and I'm paying whatever the average price is, \$50 for my licence plate, how much of that is profit for the government?

**Mr. Pellis:** Laurie, what is the total annual budget for you to deliver registry services right now?

**Ms Beveridge:** It's just over \$40 million.

**Mr. Pellis:** So you've got a \$500 million revenue compared to a \$40 million voted appropriation.

**Mr. Johnson:** Okay. But I'm sure there are all kinds of soft costs, back-end costs, that are not captured in that.

**Mr. Pellis:** There are. Also, remember as well that even though that difference is high, I believe a question was asked here about our rates, and we have the lowest rates in Canada.

**Mr. Johnson:** Okay. Thank you.

**The Chair:** Thank you.

Mr. Hehr, please, followed by Ms Woo-Paw.

**Mr. Hehr:** Well, thank you, Mr. Chair. Just following up on my last question. You may have answered it, but I just wanted a little more detail. That would be great. You said that the ministers in their definition of public interest were able to waive fees. I was wondering if the department has or is working on some sort of a definition to guide ministers on when a FOIP fee should be waived, to increase accountability in these areas.

9:20

**Mr. Pellis:** We do provide advice. There is a group of all of the FOIP co-ordinators across government, and what we try to do as much as we can is have a consistent interpretation of the FOIP legislation.

The other area where I believe some value is added is that the commissioner himself in his decisions sometimes provides some insight or some perspective with respect to how the legislation should be interpreted. As you know, if an individual disagrees with a departmental interpretation, they have the right to go to the FOIP commissioner, and then the FOIP commissioner has the ability to render a judgment at that point. Those are looked at with respect to go-forward.

**Mr. Hehr:** Okay. Now, are we able to get a list, through the chair, on the types of the various FOIP requests that were waived fees last year?

**Mr. Fischer:** Yeah. We'll get back to you in writing on that one.

**Mr. Pellis:** Do you want to add something to the other point, too?

**Mr. Fischer:** Yeah. I was just going to mention that we have, actually, a website that's under Service Alberta. It includes all the FOIP legislation, guidelines, policies, training opportunities, et cetera. As Paul mentioned, when the group of FOIP co-ordinators agree on a guideline or how to address certain issues, it's actually posted on there for everybody to make sure that they use the same practices and standards.

**Mr. Hehr:** Thank you.

**The Chair:** Thank you.

Ms Woo-Paw, please, followed by Mr. Kang.

**Ms Woo-Paw:** Thank you, Mr. Chair. One of your ministry's goals is to provide streamlined government services that are commonly used across government ministries, I guess, to achieve economies of scale to reduce costs. I'd like to know: how does your ministry measure the cost savings that are gained from providing shared services?

**Mr. Pellis:** Right now one of the approaches we take is to ensure that the government departments receive at least the same or better levels of service than they have in the past. That's one of the key things we look at, and it's not quantitative. I'll get to the quantitative in a second. It's important, if we are going to go to a more

standardized enterprise approach to service delivery, that we still provide a good level of service to departments. That's one of the key areas. I'm pleased to report that we do have some areas that we need to focus on, but overall departments are satisfied with the services they get from us.

The second area we look at is the costs of delivering services through what I'll call either a siloed or, a term the Auditor General uses, a federated model, where departments do their own thing. It's handled more from a departmental perspective than a government perspective. So we look at the costs of delivering services under that model and compare that to the costs of delivering services under a more co-ordinated approach. A good example of that is the work we're doing around the ICT service co-ordination initiative. We do believe that as we move forward, there are going to be savings to that simply because the costs of delivering that service should go down and are going down because services are delivered in a more standardized manner.

As I mentioned to you before, when we talked about the GOA domain, with the current I-domains that are out there in a number of ministries, contractors and Service Alberta staff have to understand the environment that they're in. It adds to the cost. The approach that they take is not uniform and standardized, but they have to look at the services they provide relative to the environment that they're in at that time. As we move more towards the standardized horizontal environment, those costs are going to go down. So we do believe that in the areas that we're providing, the costs are going to go down.

The other areas outside of IT: we're also responsible for the government payroll, we're responsible for government accounts payable, we do print and mail, and we do all of the government procurement. Those are other areas where we're looking at pushing out a more standardized model.

An example I can give you as an area we're very proud of is that we've done quite a bit of work with client ministries and the vendor community around contracting and terms and conditions. What you used to see a lot of was that terms and conditions were very much dependent upon the risk perspective of a given department. Now what we're doing with terms and conditions is moving them to more standardized so that the vendor community understands risk. They know that if they look at an RFP for government, they don't have to assess whether there's any changes to the terms and conditions because of the specific department addressing the issue. They know that it's taken from a more government perspective. In fact, we involve them in giving us advice and comments under terms and conditions as well, which they greatly appreciate, and it added a lot of value.

**Ms Woo-Paw:** Thank you.

A supplemental. It's good to know that you have a qualitative and a quantitative measure. I'd still like to know if your ministry has the system and the model in place in order to track it and report the cost savings.

**Mr. Fischer:** Right now we're tracking the soft costs, I guess. For example, on the payroll side, like Paul was talking about, we're going to all in-time entry, which is measured in terms of the fewer numbers of staff we need in the payroll area for that. There's less paper that we have to store, less paper that we have to file, all that type of stuff.

We do monitor it in that regard. For example, in the payroll area, which I'm responsible for, the number of government staff had gone up about 3,000 over the past three, four years. My actual payroll staff went down by about 15 per cent because of automation. The accounts payable, electronic invoicing, you know: we're adding another 18,000 electronic invoices a month to our electronic invoice

system, which means, again, that we need less people, less paper, et cetera. That's how we measure progress in those areas.

**Ms Woo-Paw:** Thank you.

**The Chair:** Thank you, too.

Mr. Kang, please, followed by Mr. Sandhu.

**Mr. Kang:** Thank you, Mr. Chair. Coming back to the government fleet, what proportion of the money that was spent on the government fleet was spent on hybrid vehicles?

**Mr. Fischer:** We actually have about 3,450 vehicles in our government fleet right now, and about 50 of them are hybrid vehicles. They're spread across many departments. Each vehicle, I would estimate, would cost approximately \$30,000 apiece.

**Mr. Kang:** Has the ministry, you know, set any targets for the number of hybrid vehicles that we want to get within the government fleet?

**Mr. Pellis:** With respect to hybrids the approach we looked at is – and I want to broaden that beyond hybrids. We are looking at energy-efficient vehicles, vehicles that reduce the carbon footprint, vehicles that get excellent fuel economy, not just hybrids. The perspective we took there was the use of those vehicles. We believe right now that we're very cautious about introducing hybrids to rural settings. We think that a lot of our government staff use vehicles off road; they use them on remote highways, and we're concerned about the safety and the maintenance of those vehicles and the safety of the individuals.

Our focus right now has been that we are aggressively looking at hybrid utilization within the major centres, and we are working with ministries to increase the number of hybrid and fuel-efficient vehicles significantly in those major centres. I think that we're sitting at 50 right now. Those 50 are being used more as a pilot, and we're getting feedback from those ministries about the quality of the vehicle, its utilization, and if they are they having problems with it. For example, for a while there we were having problems with these vehicles cold starting in the winter. With the huge battery packs they have on them, apparently the starter battery was very small, so when the temperature got below a certain level, they were difficult to start.

We're doing those assessments, and if the assessment is successful, we plan to significantly increase the number of vehicles that are fuel efficient and hybrid in the major centres.

**Mr. Kang:** Thank you, sir.

**The Chair:** Thank you.

Mr. Sandhu, please, followed by Mr. Hehr.

**Mr. Sandhu:** Thank you, Mr. Chairman. My question. Looking at the annual report 2007-2008, page 24, you used a house price of \$150,000. It seems to me like it's pretty low in Alberta.

**Mr. Pellis:** Good question. Where that comes from is the Canadian Conference of Land Titles Officials. They perform an annual study across all Canadian jurisdictions, and they look at the cost of purchasing a property in order for it to be a reliable and meaningful measure that we can use across the country, not just in Alberta. That's how the figure of \$150,000 for a property with a \$140,000 mortgage was used. It was so that it could be used as a benchmark

across the country. I agree with you that it probably is not an appropriate benchmark for Alberta, but it is an appropriate benchmark across the country. By using that number, it allows us to do the proper comparisons, like Laurie talked about, where Alberta's fees sit relative to other jurisdictions.

**Mr. Sandhu:** Well, if you look at the almost 83 per cent below the national average, it seems like it's pretty low, doesn't it?

**Mr. Pellis:** It is. Laurie, do you know if there are any plans to change that number?

**Ms Beveridge:** No, actually, I don't. But there is a conference again this year, and we'll probably raise it because I think it's gone up right across all jurisdictions.

**Mr. Pellis:** So there is a possibility that it could get raised this year.

**Ms Beveridge:** Yeah, I do believe so.

**Mr. Sandhu:** Thank you. We could increase it a little bit more. You can't buy a \$150,000 house.

**The Chair:** Thank you, Mr. Sandhu.

Mr. Hehr, please, followed by Mr. Bhardwaj.

9:30

**Mr. Hehr:** Thank you, Mr. Chair. Just still on these FOIP things. Maybe the information is on the website, but I'll ask you while it's on the top of my mind. By the time the minister receives the request to waive the FOIP fee, is the name of the individual or the organization who submitted the request off the request so the minister can evaluate it just on public interest?

**Mr. Fischer:** Yes, it is, sir. Yes.

**Mr. Hehr:** Okay.

**Mr. Pellis:** Privacy is very important on those sorts of issues. In fact, we don't know who the requester is either. It's only the specific FOIP co-ordinator in our staff who deals with it.

**Mr. Hehr:** I'll just move on to another question. As Service Alberta is responsible for selecting and approving the IT contractors it assigns to departments, given the problem found in the Transportation department referenced on page 63, can the minister explain the procedure, background checks, et cetera, that it undertakes when hiring contractors?

**Mr. Pellis:** Kate, do you want to take that one?

**Ms Rozmahel:** Yes. The standards that we use for the behaviour of our contractors are consistent with other organizations. We don't have any standards that would be unusual. When we do interviewing of contractors, contractors are reminded of our security standards, so they come in fully aware of what they need to accomplish and what's acceptable behaviour.

**Mr. Pellis:** We also do reference checks on those contractors. We make sure that they clearly understand the terms and conditions that are included in the contracts and what our expectations are of them.

**Mr. Hehr:** Okay. I'll just sneak in a quick follow-up here, and then

I'm done with this topic. As the ministry is also responsible for overseeing and monitoring the contractors, why was the conduct of the contractor not monitored, thus leading to the two security incidents mentioned in the Auditor's report?

**Mr. Pellis:** I guess I would say that there was monitoring in place, but perhaps it wasn't as diligent as it should have been. For one of the incidents in question it's our understanding that the contractor went onto a website, and we don't know if he went onto the website strictly because he was bored or because he needed to download a piece of executable code. By doing that, he basically put the system at risk. When we found out about that, we took action with Alberta Transportation. We dealt with the individual; in fact, the individual was let go. So I do believe there is monitoring in place. In this case perhaps there simply wasn't enough diligence, or the contractor's representative at the time was not aware of the specific security issues in question.

**Mr. Hehr:** Thank you.

**The Chair:** Thank you.

Mr. Bhardwaj, please, followed by Mr. Kang.

**Mr. Bhardwaj:** Thank you very much, Mr. Chairman. I'm looking at your core business services to Albertans and looking at the survey of clients who are satisfied overall with services provided by the land titles registries. Looking at the numbers and the graphs, it looks like it has gone up from 60 per cent to 75 per cent, but we still have 25 per cent of the people who are dissatisfied with the service. My question would be: what are the new targets in that particular area? What are we doing to improve that service?

**Mr. Pellis:** Sure. First of all, the major contributing factor to those survey results, not the only but the major contributing factor, was in our land titles area. In the 2006-2007 fiscal year our turnaround time for land titles transactions was approximately 26 days. In 2007-2008 we were able to get it down to 15 days. By the end of 2007-2008 we had it down to one day. Today we're still sitting at approximately a day and a half to two days' turnaround. So I believe that was a major contributing factor.

We worked with our staff. We introduced additional efficiencies. We also hired more land titles staff, and I'm very confident that those survey results are going to go up now as a result. You noticed, as you said, that they went up from 60 per cent to 75 per cent. We think they're going to go even higher. We're confident that with the efficiencies we've introduced and the staff we've hired, we're going to keep turnaround days for sure under five days for the foreseeable future. We've gotten very positive comments from the legal community and the real estate community on that front.

Laurie, you might want to add something to that.

**Ms Beveridge:** Just to give you an idea of some of the new measures we've put in and to add to what Paul said, we've simplified business processes, we've changed telephone protocols, we've worked with the law firms to reduce the error rate of their submissions, and we've done a number of computer changes also to enhance the turnaround times. We've done a lot of things already, and we've got a lot of things in the wings that we're looking at doing in the future to continue to make things more efficient in the land titles area.

**Mr. Pellis:** Thanks, Laurie.

Brian, would you like to add something?

**Mr. Fischer:** Yeah. On a go-forward basis our target is 80 per cent, which is 4 out of 5 people that we're looking to be satisfied with the service.

**Mr. Bhardwaj:** Thank you very much. My follow-up. Actually, just looking at the same page, something caught my eye: comparison of Alberta's fees to other jurisdictions and renewal of registration for vehicles, more specifically talking about the Dodge Caravan. Why the Dodge Caravan and why are we so low compared to the national average?

**Mr. Pellis:** I'll let Laurie, the registrar, take that question. Do you drive a Caravan, Laurie?

**Ms Beveridge:** No, I don't, actually. I actually can't remember why we first chose this. It has been so long. I think it was quite a common car when we first actually chose that measure. I think that's why we chose it.

Again, we've kept our motor vehicle fees very low over the years. We've only increased them on I think four occasion since 1993. Well, with one exception it has been for the sake of the registry agents. So other than that we've kept our fees very low.

**The Chair:** Thank you very much.

Mr. Kang, please, followed by Mr. Vandermeer.

**Mr. Kang:** My turn already? It's going pretty quick.

**The Chair:** We can proceed with Mr. Vandermeer if you like.

**Mr. Kang:** No. No. Thank you, Mr. Chair.

What process does the ministry have in place to evaluate costs involved in providing shared services with other ministries?

**Mr. Pellis:** I think that question was partly asked before. What we look at are the current cost structures on the basis of ministry-specific service delivery and compare those to the cost structures that are in place as a result of delivering shared services. To date, with the initiatives that we've put forward, we've either achieved savings or we believe that savings will happen in the future. The other aspect of that is very much qualitative, where we want to make sure that service levels and the level of service that departments receive is either as good or, hopefully, better than it was before. The examples, I think, that Brian gave before around the electronic payment service, around going to online time entry for payroll: we definitely believe that there are going to be savings as a result of that.

What does it cost, Brian, right now to process an accounts payable transaction manually?

**Mr. Fischer:** About \$60.

**Mr. Pellis:** You compare that to, you know, the pennies it costs us to process it through an electronic payment process, where there isn't a paper trail and there isn't human intervention. What we do, instead, in those cases is, in fact, audit the transaction as opposed to having to move a bunch of paper and cut a cheque.

**Mr. Kang:** Okay. Thanks. Have you done some studies or reports to show that the shared model is more cost-effective than individual ministries managing their own affairs? I know it would make sense.

**Mr. Pellis:** I wouldn't say that we've done a report, but we do

monitor that situation. In fact, we are part of a cross-provincial organization, which includes ourselves, British Columbia, Ontario, Quebec, and most recently the federal government and New Brunswick. We do work on that from a perspective of what are best practices. I can tell you that where we've done a formal study, certainly, the feedback we get from other jurisdictions as well as our own experiences is that there have been savings as a result of moving to that model. I think there are best practices in a number of private-sector organizations that have moved to that approach as well.

**Mr. Kang:** Thank you, sir.

**The Chair:** Thank you.

Mr. Vandermeer, please, followed by Mr. Hehr.

**Mr. Vandermeer:** I'm just wondering. You mentioned that your fees and so on haven't gone up for many years. I know other ministry departments where we haven't increased fees, say, since 1993, and then suddenly we jack them up by 50 per cent, and the public goes crazy on us. I'm wondering if perhaps you should be actually raising your fees slightly every year rather than suddenly somebody wakes up and says, "Hey, we haven't done this for 10, 20 years," and then suddenly we raise them.

**Mr. Pellis:** The perspective we take on that is that our primary focus is predominantly on trying to achieve efficiencies and savings in delivery of services. That's where our primary focus is.

We have introduced fee increases in the past. I would suggest that we would not ever come forward with a significant increase in one fiscal year, but I think it's something we have to look at more actively because with the current economic challenges facing Alberta, we're not sure what's going to happen in the housing area, in the motor vehicles area. Are we going to see significant volume reductions? If you can appreciate, a lot of our costs right now are predominantly fixed. They're not really variable; staff costs, et cetera, are fixed. So we are perhaps going to have to look at that.

I don't know, Laurie, if there's anything you'd like to add to that.

9:40

**Ms Beveridge:** We have looked at models in the past, and we've actually worked with registry agents and the AMA on different funding models that, you know, could be in place based on cost-of-living increases and measures like that. I think that we just don't feel this is the right time to introduce it given the economic climate right now.

**Mr. Vandermeer:** An unrelated question. I'm wondering if you can tell me where you are with our licence plate: the change and more letters and so on.

**Mr. Pellis:** Sure. As I mentioned in my opening remarks, we are very pleased with the response we got from the public. We got over 33,000 responses from Albertans with respect to a potential design for a new plate. We had done some work on looking at a potential design. The minister made a decision, based on the fiscal challenges we're facing right now, not to proceed, so we stopped that. The plan right now is to add another character to our existing licence plate, which we believe will buy us a significant amount of time.

Laurie, maybe you've got more specifics around how long you think that's going to give us.

**Ms Beveridge:** I think we run out in about September of this year,

and that's when we have to add the extra number. We're going to go to four numbers and three letters. I think it's September.

**Mr. Pellis:** So if and when the government and our minister make a decision to move forward with a new plate, we're certainly going to take advantage of the initial work we've done and the feedback we've gotten from Albertans.

**Mr. Vandermeer:** Okay.

**The Chair:** Thank you.

Mr. Hehr, please, followed by Ms Woo-Paw.

**Mr. Hehr:** Well, thank you. This is just a follow-up to our question on hybrid vehicles. In particular, it may actually make more sense for some government members or members of the cabinet who live out of town – for instance, for the hon. President of the Treasury Board to go back to Lloydminster in a Smart car rather than in an actual hybrid. On that note, I was just wondering: has the ministry developed targets on smaller vehicles or just a guideline saying that you need so many kilometres per hour or just some baseline measure that you cannot buy a car or truck that does not get less than X?

**Mr. Pellis:** We don't have a specific, structured mandate on that. We do offer the opportunity for individuals to look at vehicles that are more fuel efficient and hybrids. In fact, what we did this year is that we have a general pool of vehicles that we use to supplement vehicles if they're in for service or they need any type of maintenance work. Right now three of those vehicles are hybrids. As opposed to imposing a strict mandate – it would certainly not be our call whether to do that or not – what we try to do is that if an individual comes in and their vehicle is being serviced, we give them a hybrid to drive so that they can have that experience and decide whether or not they think a hybrid would be suitable for them. The other thing is that a number of ministers drive their own vehicles. I believe the President of the Treasury Board does drive his own vehicle. Therefore, you know, it would be his decision what vehicle to drive.

**Mr. Hehr:** Nevertheless – I know this is more of a comment, not a question – if the ministry could develop just a blanket of no government vehicle provided that does not have X amount of kilometres per hour, that would be wonderful from, I think, a leadership point of view on saving Mother Earth.

**Mr. Pellis:** All right. Thank you. I'll make sure that those comments are passed on to our minister.

**Mr. Hehr:** Okay.

**The Chair:** Ms Woo-Paw, please, followed by Mr. Kang.

**Ms Woo-Paw:** Thank you, Mr. Chair. A simple question. Page 30 of your annual report reports on the SuperNet for IP video conferencing. I do recognize that your ministry exceeded your performance target of 110. When I look at the types of organizations that have come on board, in terms of the ratio 16 library organizations is low. We have – what? – 600 libraries in the province. Do you know whether that's still an accurate number?

**Mr. Pellis:** I believe that it has increased. I don't have the figures at my disposal this morning. We've worked with the Department of Municipal Affairs. You may be aware that Minister Danyluk

recently made an announcement about, you know, improved access to libraries, et cetera. A subset of that is the work we're doing with them to increase their utilization of SuperNet and video conferencing. We think that especially in rural centres video conferencing in libraries is a very important initiative.

An example I can give you is that a lot of people are accessing university courses through video conferencing. Right now in some of the rural centres they're having to drive to Calgary on a Saturday, sit in an empty office building, and do their video conferencing session there. What we want them to do is be able to go to their local library close to home, sit in that library, take advantage of the excellent capabilities with SuperNet, and do that video conferencing in the library. I know that Municipal Affairs certainly shares that objective with us, so we are working with them to try and increase that utilization.

**Ms Woo-Paw:** So this is an accurate number?

**Mr. Pellis:** As of '07-08. But it has gone up. I don't have the numbers. I do know that we're working more actively with Municipal Affairs to increase that utilization.

**Ms Woo-Paw:** I know that your minister is very supportive of libraries, too.

**Mr. Pellis:** Absolutely.

**Ms Woo-Paw:** Thank you.

**The Chair:** Thank you.

Mr. Kang, please, followed by Mr. Sandhu.

**Mr. Kang:** Coming back to the ICT services in 2007-08, none of the ministries adopted that standardized information and communications technology. What were the complexities that resulted from this?

**Mr. Pellis:** It was a combination of things. One of the things that we were very sensitive of when we established the target was that we did not want to move to the new ICT platform to impair service delivery and the businesses of those departments. It turns out that a lot of the departments were very cautious. They wanted to make sure that they clearly understood what going to that new platform was going to be. That's why in 2007-2008 we did not achieve those targets. But I'm pleased to say that, in fact, going forward in '08-09 and what we're doing this year, we've exceeded those targets.

Kate, maybe you can supplement that as well.

**Ms Rozmahel:** Yes, I can. In 2008-09 we actually began implementing and transitioning to the first major bundle of ICT, which was the help desk, and we now have 13 ministries on that help desk. We did the second bundle, which was our mainframe service, and we transitioned all of the ministries with mainframe services onto the new service. It really was a matter of finishing up the RFP process and moving through the transition phase, and now the ministries are actively moving onto the services.

**Mr. Kang:** Thank you very much. That answered my supplemental, too. Thanks.

**The Chair:** Thank you.

We will conclude with Mr. Sandhu, please.

**Mr. Sandhu:** Thank you, Mr. Chairman. My question: how many vehicles does your department have surplus? As MLAs we're running around, going to functions. If we had surplus vehicles, we could buddy up, like five or six MLAs going to a function, and save on parking and CO<sub>2</sub>. It would be more effective to use those vehicles.

**Mr. Pellis:** I think that's a very good comment, and I'll be sure to pass that on to our minister.

**Mr. Sandhu:** Thank you.

**The Chair:** Okay. Thank you.

This concludes this portion of our meeting. We have other items on the agenda to deal with this morning. On behalf of all members, Mr. Pellis, I would like to thank you and your staff for your time and attention this morning and wish you the very best in the next fiscal year.

**Mr. Pellis:** Thank you, Mr. Chairman, and thanks to all of you.

9:50

**The Chair:** Feel free to go while we conclude the rest of our agenda. Thanks.

Now, item 5, under other business I would like to note that we have a research subcommittee. It was active some time ago to establish some rules around research by Dr. Philip Massolin. There was really no need for the committee to be meeting on a routine basis, but it has been overlooked since Mr. Griffiths. He was certainly a very good member of this subcommittee. He left, and Mr. Quest was appointed as vice-chair of the committee, so there have to be, I would view, some changes to this subcommittee. Certainly, I think Mr. Quest should sit on the committee if it is necessary to meet at some future time. Would you like to have a discussion on this first, or would you like to move that Mr. Quest be . . .

**Mr. Bhardwaj:** So moved. Moved that Mr. Quest be included in the committee.

**The Chair:** Okay. For wording of a motion of that nature, Mr. Bhardwaj, do you agree with this? It's moved by Mr. Bhardwaj that Mr. Quest replace Mr. Griffiths on the research subcommittee of the Standing Committee on Public Accounts, established on April 23, 2008.

**Mr. Bhardwaj:** Yes. Agreed.

**The Chair:** All those in favour of that motion? Seeing none opposed, thank you.

Are there any other issues that you have with the research subcommittee at this time?

Okay. Do any committee members have any ideas on meeting outside session this fall? Do you have any agencies, boards, or commissions that members have an interest in requesting that they appear before the committee? Could we think about this, please? It's about that time of the year. If we're going to initiate this or invite people to meetings in the fall, it's appropriate that we get this organized and give them time to prepare. Is that fair enough?

Is there any other business that committee members wish to raise?

**Mr. Dunn:** If I may, Mr. Chairman, a brief comment for next week.

**The Chair:** Yes.

**Mr. Dunn:** Next week we'll go through the April 2009 report. Just to remind the committee members that this report is primarily aimed, focused a lot on the non March year-end postsecondary institutions, the colleges and technical institutions, so there's a lot on that.

In addition, there were two follow-up audits, one on reforestation and one on drinking water. If you look at the original audit, you'll see what the original recommendations were. It makes it a little easier to link to the follow-up, what was concluded in there.

However, I'd ask everybody next week to bring the consolidated financial statements. You'll notice that in April of '09 we attempted to write a short chapter to talk very briefly, we thought in plain language, around controversial issues that come into the consolidated provincial financial statements. That might be an opportunity for my team to dialogue with you and answer any questions around matters that could be quite significant as we go forward in the financial reporting of the province. We talk about P3s, pensions, financial instruments, derivatives. If you are interested in that subject, we will anchor it to the 2007-08 report and talk to the issues that are addressed in that chapter.

**The Chair:** Thank you. I look forward to that.

Now, if there's no other business under item 5, the date of our next meeting, of course, is next Wednesday, May 6, with the office of the Auditor General at the usual time.

If there's no other business, may I have a motion to adjourn? Mr. Sandhu. Thank you. Moved by Mr. Sandhu that the meeting be adjourned. All in favour? Seeing none opposed, thank you.

[The committee adjourned at 9:55 a.m.]







