

Legislative Assembly of Alberta

Title: **Wednesday, April 13, 2005** **8:00 p.m.**

Date: 05/04/13

head: **Committee of Supply**

[Mr. Marz in the chair]

The Chair: Hon. members, I'd like to call the Committee of Supply to order.

head: **Main Estimates 2005-06**

Offices of the Legislative Assembly

The Chair: Pursuant to Standing Order 58(8), which requires that the estimates of the offices of the Legislative Assembly be the first item called in the Committee of Supply's consideration of the main estimates, I now put the following question without debate or amendment on all matters relating to the business plan and proposed estimates for the offices of the Legislative Assembly for the fiscal year ending March 31, 2006.

Agreed to:

Support to the Legislative Assembly Expense	\$42,740,000
Office of the Auditor General Expense and Equipment/Inventory Purchases	\$18,304,000
Office of the Ombudsman Expense and Equipment/Inventory Purchases	\$2,237,000
Office of the Chief Electoral Officer Expense	\$2,497,000
Office of the Ethics Commissioner Expense	\$419,000
Office of the Information and Privacy Commissioner Expense	\$4,336,000

Restructuring and Government Efficiency

The Chair: The hon. Minister of Restructuring and Government Efficiency.

Mr. Ouellette: Thank you, Mr. Chairman. As you all know, this is my first presentation as minister to the Committee of Supply. I appreciate being the first minister on deck. I was originally hoping to watch other ministries first, learn from them, and then totally impress you. Instead, though, I have come to the conclusion that it's my job to set the bar for the rest of my colleagues, so that's my job tonight along with, of course, telling you more about the Ministry of Restructuring and Government Efficiency.

You may have questions about why we were created, what our plans are, how we're going to get there, and how much it will cost, so over the next few minutes I hope to answer most of your questions and tell you about my vision for the ministry, which includes government operating as one, single entity for Albertans, because in the end, as we all know, that's who matters the most.

I know that you each have a copy of our business plan, and I would like to take you through what I consider to be its highlights. Before I get to that, however, I would like to introduce some folks in the gallery. They have been working very hard over the past three to four months in creating this ministry and developing our plans for the coming years. They are Paul Pellis, my deputy minister; Wanda Vlahac, his executive assistant; Les Speakman, executive director, corporate services; Peter Crerar, executive director, standards and business information; Barry Devlin, senior financial officer; Cheryl

Arseneau, manager of business planning; Lorelei Fiset-Cassidy, my communications director; and Jason Ennis, my executive assistant.

Our focus, Mr. Chairman, is on how we can streamline government, how we can be more effective for Albertans, and how we can deliver programs and services more efficiently. After the election the Premier said that our new ministry should help government to focus on its most important job: providing programs and services to Albertans effectively and efficiently. The Premier said that the job is not about reductions or cutbacks; it's about improving and simplifying the organization of government. He also said that we have an obligation to provide the best possible service at the least possible cost, yet efficiencies don't have to mean cutting budgets. Efficiencies could also mean a better way of doing things.

So it's clear that the Ministry of Restructuring and Government Efficiency has a job to do, and we're at the cabinet table to do it. I plan on doing it with the other ministries as my partners. I plan on listening to Albertans. I even plan on listening to members of the opposition because even they have some good ideas now and then.

While we're a new ministry, a lot of what we do day in and day out is not new. When our ministry was formed, it was given the Alberta Corporate Service Centre from Government Services and the corporate chief information office from Innovation and Science. These two parts work well under the same umbrella. As well, we'll be able to get maximum benefit from our technology investment. Our business plan is the beginning of a new, integrated way where these two parts will work together. I'm excited with how this combined expertise will return positive results for government operations and, ultimately, for Albertans.

Our business plan introduces a new function: opportunity and restructuring assessment. In fact, you'll note that on page 296 of the estimates, we list this as core business 1. We list it as core business 1 for a good reason, Mr. Chairman. This is a priority, and it's certainly a major piece of the puzzle that I'd like to focus on tonight. Opportunity and restructuring assessment was mandated to make things simple and deliver programs and services better to Albertans.

First, I strongly believe in practising what you preach. I believe in cleaning up your own backyard before looking into the other backyards. So this department is going to look at our own ministry to see where we can make improvements, to see if there is any duplication, and to see how we can be more efficient. Ministers, government staff, Albertans, whoever has an innovative idea for efficiency: we'll listen, and we'll investigate. A number of suggestions have already come in from the public and my cabinet and caucus colleagues, and we're beginning to work on them. Our process is to figure out which ideas are the most important, then put those ideas to work with the other ministries.

I want to be clear on one point because opposition members have been looking to me to wear a policeman's badge and whistle. My ministry is not the policeman of government and other ministries. We are here to work in partnership with ministries to develop ideas and improve together. Our mission is not to change or discount services or to lay off staff. Efficiencies are not only about cutbacks. Instead, efficiencies can be about getting services over the Internet, about dealing with only one person to access programs from three different ministries, or about getting what you need faster. In essence, efficiencies are about serving Albertans better.

Our mission is to "champion excellence and innovation in technology and shared services and optimize the government's ability to deliver programs and services" to Albertans. Our vision is that Albertans will have more "convenient, efficient and timely access to government programs and services." This will take some work and some time. Since the formation of Restructuring and Government Efficiency last November the MLA for Foothills-Rocky

View has been appointed to the Regulatory Review Secretariat. Its mandate is to reduce regulatory red tape and complexity, and I certainly look forward to seeing the good work to come from there.

8:10

We'll also be looking closely at fees and charges to make sure that amounts charged are appropriate and necessary. We have been given a new beginning and an opportunity to make change. We are a service delivery organization, and we are focused on the future.

This focus includes ensuring that we stay on track with our four core businesses. Along with opportunity and restructuring assessment, we will also focus on core business 2, business transformation; core business 3, information and knowledge management, which includes the SuperNet; and core business 4, shared services.

Mr. Chairman, the government of Alberta was one of the first governments in Canada to use a shared services system for conducting day-to-day business tasks. Alberta's system includes more activities than any other province and is recognized by B.C. and Ontario as a leader in improving government business practices. Shared services now involve over 1,200 staff working on tasks such as mail delivery, procurement, human resources, desktop support, and other behind-the-scenes work. Streamlining and standardizing these functions for all of government reduces duplication, provides economy of scale, and ultimately reduces costs.

I want to make it clear that shared services continue to be a good idea and are here to stay. I would also emphasize that shared services operate mainly on a budget recovered through service agreements with other ministries and agencies. This is called credit or recovery in our estimates and is also referred to as dedicated revenues. As we go forward, to make sure that shared services are the most efficient and effective that they can be, we'll talk with other ministries about their needs and about how we can make things better, and we'll take action because if government operations are efficient, we can put more money toward programs and services for Albertans.

Shared services also identify opportunities for business improvement. This is the business transformation part of our work. It's about being proactive. As one recent example of this, our ministry notified the Privacy Commissioner of a potential privacy issue with the newer digital photocopiers and fax machines. My ministry now ensures that all hard drives are removed from these machines prior to returning them to the vendor. The options available for removing data from other devices, such as cellphones, are still being reviewed. I can assure you that this ministry will keep on top of it and determine the most appropriate solution for government.

By looking at purchases, we've been able to find more efficiencies, such as consolidated office supplies purchasing and increasing the government discount from 48 per cent to 70 per cent on approximately \$7 million worth of purchases. We've also just negotiated access to 18 databases of full-text articles from prominent publications, allowing ministries to drop their subscriptions.

Managing information and technology is no simple feat, Mr. Chairman. RGE is about discovering an issue and getting out in front of it, and I'm extremely pleased with what we've accomplished to date. Indeed, we've been doing a lot of things right, and we'll be talking more about them in the future.

The information and knowledge management core business includes the chief information office, Alberta SuperNet, and standards in privacy for information and communications technologies. We manage computers, their operating systems, software applications, and the infrastructure necessary to co-ordinate the government's use of technology. Over the coming year we'll be looking at the best way to implement IT standards and guidelines

and manage government-wide IT projects. In fact, we're carefully reviewing business cases and are considering a number of business models to move forward on, consolidating the government's ICT infrastructure into a co-ordinated and managed environment.

For example, we're looking at developing a common blueprint for technology across all government to reduce costs and share business solutions. In this way we can support ministries in decision-making and ensure that all solutions are compatible. This ministry believes that cross-government standards are very important. Again, this is about government operating as one for the benefit of Albertans. I intend to be as aggressive as needed to make that happen.

Another major goal of this core business and a much more visible one for the public is the SuperNet and making it come alive for Albertans during this our centennial year. Mr. Chairman, few would argue that the Alberta SuperNet could easily be recognized as the flagship of this year's budget theme, Investing in the Next Alberta. When we talk about investing in the priority areas of health, education, communities, and infrastructure, well, the SuperNet contributes to all of that. Today all 27 larger urban centres, or what we call base communities, are service ready.

In fact, our rural SuperNet communities will be connected to the network by the end of this month. I also have assurances that the vast majority of the thousands of facilities across Alberta will be connected very soon. Several hundred customers are using the network right now.

I had the distinct pleasure of touring the SuperNet management centre in Calgary, and I must say that it is impressive technology that will make a significant difference for economic development, education opportunities, and better health and government services primarily in our rural communities. In fact, I'm told that the Minister of Advanced Education will be using a SuperNet connection here in Edmonton tomorrow to speak at the second biannual Grande Yellowhead regional division video conference symposium in Edson, and the Minister of Education will do the same from Edmonton on Friday. Investing in the next Alberta with SuperNet will become increasingly clear over the next few months as ministries promote SuperNet and its next-generation technology as part of a province ready for the 21st century.

I know that some have said that by the time SuperNet construction is complete, the technology will be outdated, but those people probably don't realize how expandable fibre and wireless technology is. Alberta's SuperNet is designed to meet the high-speed telecommunications needs now and far into the future. In order to upgrade fibre, whenever that time might come, it's only necessary to upgrade the electronics at each end. Don't take my word for it. Take the word of the Institute of Electrical & Electronics Engineers, which said that Alberta's SuperNet, with its combination of fibre optics and radio-based long-distance links, "offers the best blueprint yet for a bridge over that digital divide."

What a bridge it is, Mr. Chairman. The length of the network and its technology to make that all happen: over 1,200 kilometres, the distance from my constituency of Innisfail-Sylvan Lake to Auckland, New Zealand. The number of hospitals, schools, libraries, and government offices that will be connected to the SuperNet: 4,200. The number of Albertans who stand to benefit: over 3 million. The building cost to the Alberta taxpayer: \$193 million and not one penny more. The cost of saving a life by sending instant, high-quality images from one hospital to another or watching a bright-eyed student take part in a high-quality video conference for the very first time: priceless.

In fact, Mr. Chairman, I would like to emphasize that we're not just building a network; we're building a future. We are indeed investing in the next Alberta, and I think we always have to keep

that in mind. Last year the *Globe and Mail's Report on Business* stated, "It's time for all of Canada to jump on Alberta's big broadband bandwagon," and now we're beginning to see other provinces follow our lead. Indeed, imitation is the best form of flattery.

Achieving our vision and mission and acting like one government will benefit all Albertans. We can realize e-government opportunities that provide more convenient access for Albertans. We can provide cost-effective shared services for all ministries. Restructuring and Government Efficiency can help make it happen.

With that let's take a look at the budget numbers, page 296 of estimates. The 2005-2006 budget for this ministry is \$258 million. It's important for me to stress that 68 per cent of that, over \$175 million, are expenditures on behalf of other ministries for the shared services. For example, we may do a large mail-out for another ministry, and that expenditure shows up in our budget, but it shows up in their budget too. When you subtract the recovery credits, the remainder is less than \$83 million for restructuring and government efficiencies.

Allow me to break down that \$83 million. The cost of running the ministry is about \$2.5 million. This includes things like my office, the deputy minister's office, and, of course, corporate management. The cost of the new core business of opportunity and restructuring assessment is \$3.3 million. I discussed this division earlier. This funding will be used to discover programs and service delivery opportunities, research best-practice solutions, and work with our ministry's partners to make it happen.

Initiatives in business transformation come in at just over \$1 million. This provides leadership strategy and development for transforming internal government process.

A number of activities in the information and knowledge management core business comes in a just under \$40 million, mostly for developing our information and communications technology strategy across all ministries. This \$40 million is about \$16.5 million over last year. For the most part that increase is the higher amortization of SuperNet. For those of you old enough to remember, we used to call this depreciation. The money has already been spent. Now for accounting purposes it gets written off. That's \$14.8 million of the \$16.5 million. The balance is about \$1.7 million, and that's for setting up the ongoing operations and management of SuperNet.

If you're keeping track, that leaves about \$36 million of the \$83 million, which pays the portion of shared services that we absorb in-house. It pays for nongovernment shared services, including agencies, boards, and commissions. It includes voice and data systems, debt collections, and supply management, to name a few.

Those in a nutshell are the budget numbers. Overall, we'll be operating on a voted budget of \$258 million, of which \$175 million is paid directly by other ministries for services they require.

8:20

Thank you for your interest in our new Ministry of Restructuring and Government Efficiency. You might ask how we'll know when we've become as efficient as possible, and to that I point to the Fraser Institute's 2005 budget performance index. Their report released in February explains how governments across the country are facing increasing pressures on a number of fronts. Some are calling for increased spending in health and education or for legislated debt reduction, something that, of course, we don't have to worry about ever again in Alberta. Alberta for the eighth straight year received the top score of 94.9 out of a hundred. The second place finisher score was well below at 61.9.

The bottom line, Mr. Chairman, is that Alberta maintains the smallest government with provincial and local spending just 15.8 per cent of GDP. Still, the report said, "Every Canadian jurisdiction,

even those ranking highly, has room to improve." I couldn't agree more. You'll see that our business plan addresses key strategies needed to unleash innovation and compete in the global marketplace.

My ministry is committed to the other pillars of the government plan, including leading in learning and making Alberta the best place to live, work, and visit. I'm proud that what we do for Albertans is part of the overall government plan for the next 20 years. We are well on our way, Mr. Chairman.

Now, I'm sure there are questions, and I'd be happy to discuss them with you. If there are any that I can't answer, my staff up in the gallery will be happy to follow up and make sure you get the information that you are all looking for.

Thank you very much.

The Chair: Hon. members, before I recognize the next speaker, might we revert to Introduction of Guests.

[Unanimous consent granted]

head: **Introduction of Guests**

The Chair: The hon. Member for Edmonton-Rutherford.

Mr. R. Miller: Well, thank you very much, Mr. Chairman. On behalf of my colleague from Edmonton-Ellerslie I am honoured this evening to introduce a group of young men who are visiting the Legislature this evening as part of the Knottwood Venturers, a scouting group. I'm going to read them off by name since there are not too many of them, so I won't take a lot of our time. They are Chris Carter, Benjamin Keyes, Brandt Oviatt, David Hanson, and Jeremy Colling. They are accompanied by their leader, Aaron Low. I would ask them to please rise and receive the traditional warm welcome of this Assembly.

head: **Main Estimates 2005-06**

Restructuring and Government Efficiency (continued)

The Chair: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Chairman. I'll offer my congratulations at this point to the new minister of the newest ministry and thank him for the explanatory remarks that he made at the beginning. I was really looking forward to that because, frankly, this entire ministry is a bit of a puzzlement. I'm certainly in agreement that the government could use some efficiency watchdogs, but I have to admit that thus far that was not the sense that I was getting based on the performance of this ministry. So I was very interested to hear that the minister will investigate and will look at which ideas are more important and will try to achieve efficiencies.

But then he went on to say that he wasn't a policeman. By that I take it that he's not interested in enforcement. But it's not enforcement that I'm seeking here; it's investigation. There seems to be a schism between what the government says they're going to do and what the minister is going to do. On every issue we've raised with the minister in question period, for example, and said, "Well, are you going to look into the efficiencies here?" the minister has gone, "No, no, no, that's not me; go back to the ministry." You go to the ministry and they go: it's not me. So the government is dropping this all into this big hole in the middle, and nobody is responsible for figuring out where the efficiency should have been achieved and where it went wrong. So you're not following an investigative process. I mean, yes, I think that if things went wrong, then there should be an enforcement part of this, but I can't even get an

understanding of an investigative portion. You may want to clarify that based on my remarks here, but the minister wasn't even clear when he outlined that.

For example, will the ministry be looking at what happened in the department of health and between health and the municipalities with the misunderstandings of the transfer of the ambulance authority? Now, there's a case for inefficiency. There was something that was four years in the planning. It was announced with a great deal of fanfare a year ago. We get one month out from the rollout for it, and the whole thing is pulled. Now, it may well be that the Minister of Health and Wellness was absolutely right in stopping that particular endeavour, but it begs the question: how was four years of effort spent on this? And that cost money. That cost taxpayers' money. So why is that not being investigated? Or perhaps it is, and if it is, I'd like to hear that from the minister and what plans he is going to follow. I'll use that example as a way of an introduction.

So further questions to the minister are: how does he go about investigating efficiencies? What are the criteria that he uses? How does he set the timelines when he goes to investigate something that's happened in another department? How does he set the measurements for a successful investigation or suggestion or decision about which ideas are the most important? Or is this just sort of wading around and chatting with folks? I want to know what the criteria are and how this is all being laid out because it seems pretty loose and airy-fairy to me right now. I think that if we're going to spend \$258 million on it, there has got to be a better explanation than that.

I noticed in the minister's comments that he talked about reviewing the fees that are being levied by the government, and I'm wondering if the government is currently in compliance with the Eurig decision. If I could get an answer on that, please. Oh, that caused a quick look above my head to the staff. I'm sure that they know what it means. But it strikes me that we've strayed away from that again, and I would like to know if the minister is confident in saying that we are in compliance with the Eurig decision at this point in time. So I'd like to get an answer on that, please.

Of course, as with any ministry we are happy to receive responses to our questions in writing, but I would ask that we please receive those answers back before we are expected to vote on the budget because I think it's irresponsible of me to be voting on a budget when I don't have the responses to questions that I ask. You're going to have the most advantage over all of your colleagues, so if you can just please make sure that you've provided the written responses before we have to vote on this budget.

I'm interested in hearing where the minister is examining technology. What work is he doing around security levels and access levels? In the past several years of Auditor General's reports there have been concerns expressed that the security levels were not being properly instituted and maintained. In other words, someone that was only supposed to have a certain level of security clearance to get certain kinds of information, in fact, had access to other kinds of information, and that wasn't being rigorously enforced.

Of course, that's where it all falls apart for us. That's where we end up with disasters happening because if someone is determined that they are going to make nefarious use of a good government system, and we make it easy for them, that's where it's going to happen. So I would like the minister to discuss those security levels.

Dr. Taft: Will you give him a chance to answer?

Ms Blakeman: Yeah, I'll give him a chance to answer.

8:30

The other sort of grouping of questions that I had was around the SuperNet. Now, I'm wondering specifically if the minister can lay out – since this is definitively inside of his department and therefore I would expect that he would in fact answer these questions – what the supervision is of the contracts and particularly of the assets that are owned by the government but used in the SuperNet.

In Calgary, the office that the minister toured, I believe those computers are in fact owned by the government. How are they supervised to make sure that they are being used for government business only and not being used eight hours a day for something else? What kind of monitoring do you have in place to ensure that that is, in fact, the case?

I would like to know why the fine that was allowable under the terms of the contract was not imposed with Bell, because they were late. Why did the government choose not to enforce that fine or to charge that fine? They were late; there was no question. The government has admitted it on the record a number of times. Why was the fine not enforced?

I'd also like the minister to explain for the benefit of all members of the Assembly how the contract with Axia works – what is the costing for the contract with Axia? – so that we have that on the record from the minister.

I'm being urged by my colleagues to give you a chance to answer those questions. I gave you a couple of groupings there, ending with the SuperNet and starting with the investigation of efficiency power. So I will take my seat and look forward to hearing from the minister his answers to my questions. Thank you.

The Chair: The hon. minister.

Mr. Ouellette: Thank you, Mr. Chairman. Lots of good questions there, hon. member. I'd like to start by trying to clarify a little bit, if there were some misunderstandings when I was trying to explain, that we are not a policeman, and really you have to also remember that we do have an Auditor General in this province that looks at how anybody would be doing something that would be a complete waste.

What I was trying to explain is that what we plan on doing, what that part of this ministry is doing is to look for efficiencies and try to help other ministries in a partnership, in collaboration with them. We're not going to be a policeman or a heavy-handed person saying: you have to do this. We're going to look and present a business case that we believe would be a more efficient way for them to do certain things, that would make it better for all Albertans.

I believe that every morning when you get out of bed, you think the same as I do: we want to do the best thing for Albertans. I don't think that you really get up to come here and just give us a hard time to give us a hard time. You really believe that you want to do the best for Albertans even though sometimes you have to go a far stretch for that.

Anyway, I hope I explained that well enough to say that, really, we're not trying to step in the place of any other ministry, because that is their business. We're just going to try to help them and investigate things when people tell us that there's a better way of doing it. So if you have a better way of doing something, give us that suggestion. If we believe it's good, we will investigate if that way would work better, and we would try to present a business case on that.

I want to make it clear also on voting on the budget, the \$258 million. I want you to remember that \$175 million of that or over is showing up in everyone else's budgets. It's dedicated revenue

because we're doing a shared service, so we're looking for economies of scale, and different things like that is what that shared service is.

Security awareness is a high priority for this ministry. In fact, we have a dedicated corporate security office to encourage ministries to develop and deliver security awareness training. One of our first activities is to identify key areas that need attention and better training. We have already completed a survey of ministries and are working on developing the next steps. We are also gathering key resources and material from suppliers, external organizations, and other governments. We are actively encouraging ministries to participate in a security management committee of our chief security officer. We have also developed an activity plan for an education and awareness program to be implemented across government.

I can't read my own writing here all of a sudden.

I have to say that when I was in that office in Calgary – that's actually the control centre, and I'm not sure if the computers are owned by us. I'd have to find that out. But I will tell you one thing. What they're doing in there is controlling what's going on on the SuperNet. The computers are strictly hooked up to the SuperNet to watch all the functions that are happening, and it's actually very interesting how far they can drill down to find out exactly where there's a problem or not a problem. If anything goes down in that centre, they have a laptop there that they can pick up, take out to any one of the point of presence buildings, hook up, and they're back online and can run the whole system from there.

You were asking about measuring Axia's performance. We measure Axia's performance in terms of service and provision and financial performance. Axia is responsible for providing SuperNet service to all Alberta SuperNet facilities: government offices, learning and health care facilities, libraries, and municipalities in the extended network. Axia is also responsible for providing other customer services, providing access to commercial customers such as Internet service providers. We measure Axia's performance in providing service against the terms of the contract. Axia is also required to provide immediate, real-time reporting on any major disruptions in service and outline how the problem is being fixed.

We also monitor Axia's financial performance. We receive monthly reports from Axia on SuperNet costs and on revenue. Axia's year-end financial statements are audited against the terms and conditions established in the access, management, and operations licence agreement. We compare Axia's financial performance against the budget approved in advance by an independent third party, and if Axia exceeds this budget, they are responsible for paying the extra cost. I have to remind you that that's strictly on the operational end. On the build end, which is going on right now, that's strictly on that \$193 million contract. It doesn't matter how much money Bell spends. It doesn't matter how much money it costs. It's only going to cost the taxpayer \$193 million.

Ms Blakeman: Plus Axia's contract.

Mr. Ouellette: That's strictly operational and later. Axia's contract is going to – they're going to make money off of the hookups.

The SuperNet is overdue. I've got to agree with you there. There are penalty provisions built into that contract, and I don't want to speculate right now whether these provisions will be invoked or not. Our focus is to work with Bell and Axia to complete the project. We recently announced the completion plan, and I'm very pleased with it. Both Bell and Axia have agreed to those deadlines.

More than 390 rural communities will be connected to the SuperNet by the end of April. The vast majority of the facilities – government buildings, health care buildings, libraries, and schools – will be connected by the end of June, with the total network being

completed by the end of September. That gives us even more reason to celebrate our centennial in true Alberta style. This system is going to be so great for Albertans. It is such a complex issue, and I want to work with them in partnership and get the job done.

I think I've covered all of them.

8:40

The Chair: The hon. Member for Calgary-Varsity.

Mr. Chase: Thank you, Mr. Committee Chair. Do not go gently into that dark night; rage, rage against the dying of the light. That is the literary theme of tonight's commentary, and I'm going to do my very best to be hard on the policy but soft on the person.

My first suggestion for efficiency would be to change the name. I've noticed already that I think it was the House leader this afternoon or the Deputy House Leader spelled it out, R-A-G-E, and then I noticed this evening you short-formed it to RGE. It's kind of like the Johnny Cash song, you know, *Boy Named Sue*, because no matter what you do, that name is going to haunt you.

Speaking of names haunting you, can you imagine what it was like for me going through numerous years of school, including a bachelor's degree at the university, when roll call was called out? Chase, Harry. So I know all about what can happen with names and so on.

I want to talk about how we could increase the efficiency of some of the other departments by changing their names. I'm going to use another literary reference to sort of try and put it in perspective. In George Orwell's novel *1984* the ministry of truth was actually the ministry of propaganda. That's not so far off from what's happening with our various government ministries. After all, was it not the ministry of infrastructure that blew up the General hospital? That seems kind of like a reversal.

Then we have the ministry of learning. Within that ministry of learning during the province-wide strike because learning wasn't taking place because of the large, crowded classrooms, part of the expectation for teachers was that you could not have two teachers gathering in one spot to discuss the notion of striking because that would have been against the law. If anyone spoke to a teacher, like, for example, a parent, you know, if they were overheard on the street saying, "How long are you going to be on strike?" well, we expected to look over our shoulder and possibly the ministry of supersize and efficiency would be coming to take us away.

Then, of course, with the current ministry of learning there was a lot of, sort of, bragging going on about what a great education system we have. I do admit that it's going to get better based on today's budget announcements, and I thank you for heading in that direction. But as a teacher for 34 years I'm very aware that 75 per cent of our ESL students don't make it through high school because the funding for ESL doesn't extend for a sufficient length of time.

Then if we look at the ministry of advanced learning, there's a bit of an oxymoron there, too, because the reality is that we have the least number of postgraduates in all of Canada. Hopefully, again, the budget announcements today will help address that, but currently that's not the case.

We had an interesting experience today in the Public Accounts Committee. The hon. minister came in with a whole slew of entourage. We had the deputy minister. We had the assistant deputy minister. We had the assistant to the assistant deputy minister. We had so many deputies that we could have had a posse right there and then. You know, I'm not sure about the efficiency of the number of deputy ministers. How many deputy ministers does it take to keep a minister headed in the right direction? So we have those kinds of concerns about efficiency.

Now, I have a couple of concerns about comments that were made within the House. There's been an awful lot of talk about the SuperNet, and there are a lot of schools, there are a lot of institutions that require being hooked up, but I'm not sure just how much time it takes within the department itself to make sure that these hookups are taking place. Then we go back to the department of infrastructure. It must be exhausting being the department of infrastructure right now and overseeing the installation of the SuperNet into schools because you've got to get it in there fast before you close them. So, you know, I'm not sure how efficient that is.

I also have heard, or at least the sense I got was that the department had not been able to check out the efficiencies of the other departments. I may have heard wrong – and you can certainly correct me, and I'm sure you will numerous times – but it seemed like the department was busy looking at its own internal efficiencies and had not yet had sufficient time to examine the efficiencies of the other departments. I gather it's an onerous task in both cases.

What was stated earlier was that the money shows up in two budgets. It appears within the Restructuring and Government Efficiency department, and it also shows up in other departments. I wonder if that's kind of like making the announcement about the \$3.5 billion worth of infrastructure three times, and now it's \$9.2 billion. Possibly that's part of it. Maybe it's double-dipping. I don't know. It's in this department and that department. You know, it's certainly questionable.

In terms of efficiency the Premier talked about having a smaller government, a more, sort of, responsive government, and then we added on another department. I'm not sure whether that was the way to go. I would like to think it's kind of like what I proposed in the wellness bill. We were talking about taking \$250 million out of a \$650 million budget, and the idea would be to promote wellness to such a point where smoking was no longer a problem. In other words, we would try and put ourselves out of business. I would like to think that that was the main point of Restructuring and Government Efficiency, to work so hard that you'd work yourself out of a job.

With that, I'll take my seat, and if you're able to answer the questions, that would be great.

Mr. Ouellette: Mr. Chairman, I will give a shot at some statements here, but I really didn't catch much for questions out of that. I got a lot of comments, a lot of mumbo-jumbo, a lot of raging, and whatever he was trying to do there. Anyway, I will comment.

He was talking a lot about education. We have one of the best education systems in the country, and we have the stats to back all that up. So I don't know how you could say all the time, especially with 30 years of experience as a schoolteacher, we have a poor – you were the teacher. How can we have such a poor system?

8:50

You did ask about money being in our budget or in somebody else's budget or double-dipping. We do not have the money. We report it as money that we're going to spend, and that's why it's reported in our budget, but it's all in everyone else's budget, and it's dedicated revenue. So we show it as what the costs are going to be to supply the shared services across 24 ministries in government, and all of that money is in their ministries. We submit them a bill, and they pay it, but it's showing that we're going to spend it, so it's in ours.

That was about it for questions, wasn't it? Thank you.

The Chair: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Martin: Thank you, Mr. Chairman. I tried to listen intently to find out what this department is all about, Government Restructuring and Efficiency. I wondered if it made the trains run on time or whatever it's supposed to do.

You know, I went through this today, and it's the business plans, the core businesses, and it reminded me of when I was in the financial world with Investors Group. I mean, these things are all very nice on paper, but it really doesn't tell us much. Everybody has a business plan, and we're going to do this and that, and we're going to be more efficient. We're going to do – blah, blah, blah.

What we're trying to get a handle on – this is a brand new department – is why we would create a new department to become more efficient. I would remind this government that when the so-called Klein revolution was occurring back in '93, he cut, as I recall, the cabinet by 30 per cent, down to 17. Now we're edging back up, and now we're creating an extra department to make us more efficient. Now, I thought Conservatives were supposed to believe in small government, and I don't understand why we need to create another department to make the other departments more efficient and why we're adding more cabinet ministers as we go along. So we're trying to get, in the opposition, Mr. Chairman, a handle on exactly what it is that this department does and why we need this department to do those particular things.

Flowing from that, Mr. Chairman, I guess I'd like some – the minister said that they're not policemen. Okay? They don't enforce anything. I hear what he's saying. Well, then, if that's the case, we still want to know what they do. We know you deal with the SuperNet, and that's rather ironic although, admittedly, it's probably not the minister's fault. When we moved the SuperNet to Government Efficiency, we find out that it's been rather inefficient getting it going because the project was first supposed to be completed by July 2004, then it was January 2005, and I think now it's September of 2005. I'd be interested if it's even going to be done then. It is rather ironic that the most inefficient program has been put into the department of so-called efficiency.

I guess what I would like to get a handle on – because I would take it that one of the mandates from this department would be that it's to try to be efficient and save money down the way, taxpayers' money. I take it that that would be one of the mandates. Otherwise, I can see no other purpose of a ministry like this. So I would like some specific examples of things that this ministry has done to save money for the taxpayers of Alberta. That's one question, Mr. Chairman.

The other question that I would have, and it ties into that, is: who is benefiting from this ministry? I know the SuperNet is there, but it seems IBM and Bell Canada are doing well. Can you give some examples, then, of this department beyond saving dollars, the types of things that they've done that are socially valuable to the government that wouldn't have been done if a department was operating on its own? We need to have some specific examples. I know it's \$80 million – I'll give him that – to run his department, but that's a lot of money too. So we have to have some concrete examples about what's happening here, especially in government efficiency, because if we're wasting \$80 million, that's not very efficient, is it, Mr. Chairman?

Again, what I'd like to clarify from this minister is how this ministry is different from the Ministry of Government Services and, if it is different, why they couldn't be together in one department? Then, Mr. Chairman, I guess that gets into the whole duplication of services between this ministry and the Ministry of Government Services. The minister did allude that – correct me if I'm wrong – \$175 million was in his budget from other departments. Can he explain why that is? I'm wondering if there is duplication of services.

Then just a couple of quick questions that may give us an idea where this department is going beyond that, Mr. Chairman. If it's a department of restructuring and efficiency, is it part of their role maybe not to be a policeman, but I think the minister did say that, well, they'd go into other departments and lay out business plans and that sort of thing when asked, I suppose, by the other departments – for example, could they tell us why the information and knowledge management expenses, which have to do a lot with computers, of course, have increased by 70 per cent from last year, from \$23 million to \$39 million roughly, from the government and lottery estimates? Why have these costs increased so exorbitantly? Is this another form of corporate welfare for IBM?

So, Mr. Chairman, just to come back to the last question that maybe I didn't make clear, about the SuperNet. The latest was September 2005. Is that still going to be the time frame that the minister is shooting for, or are we looking at beyond that?

So, Mr. Chairman, with those general comments, and there are a few questions there, I'd open up to other members. Thank you.

The Chair: The hon. minister.

Mr. Ouellette: Thank you, Mr. Chairman. First of all, I guess you wanted to know where we've saved some money. We contracted digital imaging services for Health and Wellness at a cost savings of \$450,000 in this fiscal year. We saved \$737,000 on a cross-ministry quarterly volume purchase of computers and printers. We consolidated office supplies purchasing and increased the government discount from 48 to 70 per cent on approximately \$7 million of annual purchases. Projected savings of \$178,000 through increased rebates as a result of usage through our newly negotiated contract with the Bank of Montreal for employees' purchases on a new procurement card system. The credit card also offers better security and more detailed reporting for purchases so trends can be capitalized on.

We've also just negotiated government-wide access to 18 databases of full text articles for such prominent publications as *Harvard Business Review* and *Business Week*, allowing ministries to drop their individual subscriptions.

We saved \$15,000 per year by recycling boxes used to ship government records to be shredded. Each year we shred 130,000 cubic feet of paper records, microfilm, and computer data. The shredding service is paid for through the sale of recycled paper, and we recover some of our shipping costs when the shredding company reaches its threshold for the sale of recycled paper and provides us the excess, about \$650 per month.

The answer to your question on the SuperNet being September. It's yes, that's our plan. I have no reason to believe that we're anywhere off kilter. In fact, I think I just received another paper with 41 new ones, another 41 points of presence that were just connected. We have all of the different schools, hospitals, the final little connections, but the point of presence is the main thing. That's also the big benefit to go out to rural Albertans because that's where the Internet service providers can now hook up, at the point of presence. Now they can supply retail service at the same cost in most cases, in some places cheaper, in some more. It depends how competitive we get out there.

9:00

The 41 communities are all over the map. Pincher Creek just got hooked up, Lundbreck, Bocket, Milk River, Coutts, Iron Springs, Brant, Blackie, Willingdon, Two Hills, Seven Persons, Morrin, Hanna, Delia, Irricana, Carbon, Standard, Rocky Ford, Hussar, Milo, Arrowwood, South Cooking Lake, New Sarepta, Hay Lakes,

Redwater, Radway, Spirit River, Bonanza, Woking, Whitelaw, Eaglesham, Wembley, Hythe, Beaverlodge, Wildwood, Hinton, Edson, Enoch, Bragg Creek, Spruce View, Clive – and I've got four more pages.

I mean, when you think that in most cases anywhere in rural Alberta you can't even hook up to anything but dial-up service – and today you can't do business on dial-up service. All of a sudden we're going to have a system that they can buy, as wide a band as they need to do video conferencing, voice over Internet, all of that stuff, and that's going to be there. We're going to have the best system in the world for rural people.

I do have to say that, yes, we have a brand new name, but it isn't a brand new department. There is not \$80 million of new money there. Our total new money in this budget I think is \$3.3 million or \$3 million even. That's our total new money. The rest came with CCIO and with ACSC. Yes, I believe that we can do much, much better within ACSC and in putting ACSC and CCIO together because they both do a lot of things the same, and we want to streamline that.

I have to say that all of us in this whole building are here for the same reason: to make things easier, to make things better for all Albertans. It doesn't matter which party you're from or where you are. When you're walking out there, outside of this room, and you're talking to constituents, they all say: "Why is government so tough to deal with? Why is it hard to get this? We don't need all this red tape." That's part of the stuff that we want to work on. We want to find out maybe a better definition of rules and regulation as to what actually affects somebody when they need something done by government. Let's cut through that and make things better and easier for all Albertans.

I think I covered just about everything he asked about there. Thank you, hon. member.

The Chair: The hon. Member for Calgary-Currie.

Mr. Taylor: Thank you, Mr. Chairman. You'll forgive me if I ask some questions that perhaps aren't exactly appropriate or relevant to the topic at hand. Forgive me; I know not what I do, fully. As members opposite are so eager to point out in question period so often about so many of my colleagues on this side, the member is new, and were the member more experienced, he might know the answers to these questions. But I'm going to ask a couple of questions that are really key to my understanding of the minister's department and the purpose for the minister's existence as a minister.

Question 1 is this. It came to mind as he was explaining all the savings in procurements, and I appreciate that explanation for the previous member who was speaking. Can the minister explain to this House, please, how any of that part of his business plan requires a separate government department? It sounds to me – and remember that I'm new here – like the business of the Department of Government Services. We have a ministry already, called Government Services, that I think ought to be responsible for making sure that the stuff that government needs is bought in bulk at a healthy discount, you know, and that efficiencies are sought all the way along the line there. I don't understand why we need the Department of RAGE to ride herd on the department of not doing its job. This is how it sounds to me.

Now, the other question, and this is why I beg the House's indulgence here. This is very definitely a question that comes from a person who is new to this, but would somebody please explain to me: why SuperNet? Why SuperNet? As I sit here and I listen – and I'll grant you that as a private citizen perhaps I should have paid

more attention to the issue of SuperNet as it was developing – it sounds very much to me as though here is a government that spent much of its first 12 years of existence trying to convince the people of Alberta that the government had no business being in business now providing a service that, it would seem to me, should be up to business to provide.

I mean, for heaven's sake, it can't be that difficult to get access to the Internet – can it? – from anywhere within the province of Alberta when all you have to do is go out to your Chevy half-ton or your Cadillac, turn on the engine, hit the OnStar button, and you're in touch with somebody from Atlanta, Georgia, who could tell you how to lock yourself in your car with your keys or whatever the deal is.

You see, it would seem to me, Mr. Chairman and hon. members opposite and the minister, that there are technological options that business could explore and make a reasonable return on, but I could be wrong about this. So please explain to me why it is that the government now has to provide a piece of – and I'll use the word "infrastructure," for lack of a better word. Maybe that's exactly what it is, and maybe when the minister answers my question, I'll be fully satisfied with the answer, fully and completely satisfied. But it seems to me that this is a piece of infrastructure being provided by government that is equivalent to telephone lines provided by a publicly held but private telephone corporation or power lines provided by a private business or many other services like that.

I know that some of the hon. members think I'm just jerking their chain here, but I'm not. It just seems to me that there's a disconnect between the government's overriding philosophy that it should get out of the way of business and let business do what business does best and, in this instance, an attempt by government to do, it appears to me, something that business does best. As we've seen so far – and perhaps this is all the justification for the minister's department that we need: if he can get this leaky old ship to sail in a straight line. It seems to me that this is a classic example thus far at – what? – \$200 million and counting of a system, a project that government has mismanaged.

So there are my questions, two of them. If the minister could answer them, please. Thank you.

The Chair: The hon. minister.

Mr. Ouellette: Thank you, Mr. Chairman. I can see that really you weren't listening very closely when I gave my speech. You weren't listening very closely when I just explained that the total new spend, what this ministry is costing, is \$3 million.

9:10

Mr. Taylor: I wasn't asking about that.

Mr. Ouellette: Well, anyway, you were asking about the SuperNet: why the SuperNet? There are a million reasons why the SuperNet, but I'm first going to start with when you said: leave it to private business. We better go back to starting in Alberta. I was at a meeting with all the gas people last year, and they were saying: how did you ever get Alberta so gasified? The reason that Alberta is so gasified was because of rural gas co-ops. That's the only way it would pay to go out into rural Alberta. Why is rural Alberta so electrified? The same thing. Why are there telephone lines all over rural Alberta? Because Alberta Government Telephones put them in, and once the province was done all over rural Alberta, then private business could take it over and make a go of it.

The \$193 million that's going into SuperNet is going in to give rural Albertans the same opportunities as urban Albertans. It's going to enable rural Albertans to have e-business and e-learning and e-

health, and it's going to enable the small communities in rural Alberta to offer better services within their school system and possibly keep those schools open. It's going to enable people to have a business somewhere in rural Alberta and possibly have their people trained right there in rural Alberta instead of having to leave their families behind and go into an urban centre to go to school, to take their upgrading or their training or whatever they need.

So I think I've covered that. That was the big thing. You were asking about the \$200 million on SuperNet. That's a pretty good question.

You were asking about why we only have a \$3 million ask on a brand new ministry. Because from the money that was being spent on ACSC and CCIO before, we've already made efficiencies to make sure we can operate.

The Chair: The hon. Member for Calgary-Bow.

Ms DeLong: Thank you very much, Mr. Chair. I'd like to ask a number of questions as they relate to information and communications technology, ICT, as most call it these days. I'd like to ask the minister what he's doing to stay on the proactive front when it comes to ICT security. I would also like to know more about the security architecture your ministry is designing.

Changing gears a little bit but still dealing with ICT, how exactly do you monitor security attacks against government computer systems, and what sorts of improvements have you made over the last year?

Finally, I'm wondering about spam and the nuisance it is. It seems to be getting worse, especially on our home computers, and I'm wondering if this is the case for government computers as well and, if so, what we're going to be doing about it.

Mr. Ouellette: I certainly appreciate the question because technology has become a big part of our daily lives. It can help us stay connected and be productive, and I don't know if anyone realizes that better than me these days. In order to effectively deal with ICT security issues, I believe we need commitment from everybody in the organization, and it needs to be ingrained in the entire business processes of government. It includes the need for government security policy, secure operating procedures, ICT infrastructure, an educated workforce, and most important of all, the need for enforcement.

You might be aware that we have a chief security officer, who reports to me. His mandate in technical terms is to design government of Alberta information security policies, strategies, and tactical operating processes, procedures, and standards. In layman's terms his mandate is to seek out security problems and get them fixed. I should make it clear that when we talk about security issues, we're not just talking about issues affecting government employees. It's important that we keep the bigger picture in mind and that we have policies and standards in place that protect the privacy rights of Albertans. It's one thing for a hacker to get into my computer. It's quite another for the hacker to then access through my computer the information of other Albertans. So our policies and standards define how systems are protected. For example, the policies define who should have access and how that access is granted. It also defines where and how the data is to be stored, handled, and disposed.

Last year the Auditor General noted that some departments are not complying with corporate policy. I can tell you with all assurance that corrective action is being taken. A questionnaire was recently provided to all departments, with a response rate of over 90 per cent. The analysis is ongoing to determine how to provide further guidance to the ministries.

In keeping with being proactive, we're also in the midst of building a training and awareness program. It's in the early stages, but we are working with other ministries in developing content and delivery options. The program will cover everyone from managers, technical personnel, and business users. Once complete, we'll get it out to as many people and places as we possibly can.

Our ministry's security architecture design is part of a comprehensive enterprise architecture that defines how systems need to be designed. For example, one section deals with how to separate sensitive information from less sensitive data, while another section sets the requirements for making sure that only authorized people have access to sensitive information. The government enterprise architecture is receiving great reviews from many large-scale organizations. We have a lot of exciting work ahead of us in this regard.

As I mentioned in my notes, over the coming year we'll be looking at the best way to implement IT standards and guidelines and manage government-wide IT projects. We're carefully reviewing business cases and considering a number of business models to move forward on, consolidating the government's ICT infrastructure into a co-ordinated management environment. We're a bigger purchaser of IT products, and defining standards and expectations ahead of time provides all suppliers a way to compete fairly. It's our way of backing free enterprise. I believe the best way to enhance IT development in Alberta is by keeping the best interests of Albertans in mind and by doing it in a cost-effective manner. That doesn't always have to mean going to the big guns to get the job done.

You also asked about security attacks and what sort of improvements we've made. There are a number of systems in place that detect Internet attacks such as viruses and attempted intrusions. Some of these systems cover the government as a whole, while others are designed to protect individual ministries and even single computer systems. One marked improvement has been the number of people dedicated to computer security who have been hired directly in ministries. Another is the level of dedication to security observed when new systems are deployed. For example, conducting vulnerability tests is becoming more and more frequent as a way to detect problems before they can occur. Restructuring and Government Efficiency is partnering with other departments to establish and maintain strong security of Alberta government computers.

To answer your question about spam, I don't know if you're aware of this, but the government of Alberta receives about 3 million e-mails a month. I'm told that a lot of these e-mails, upwards of 80 per cent, are spam, an industry average and no different than all those annoying e-mails we get at home. There are different types of spam. Some of it can be rather harmless, annoying but harmless, maybe offering the latest headache remedy, but a lot of spam can be offensive, malicious, or fraudulent.

Spam in the government is handled through a series of filters. We have a government-wide system in place for all departments, a number of department-specific solutions, and finally some filters at the employees' machines. This ensures that no legitimate mail is filtered out and allows decisions to be made at the appropriate level.

The government of Alberta has a working group involving most departments. This group is looking at all the technical issues to continue improving the handling of spam. We're also aware of a federal task force on spam, which is expected to table a report within the next few months. We'll take a close look at this report when it comes out because it's expected to set industry practices and legal options.

9:20

Whether we're talking about spam intrusions or other ICT security issues, it's important that we address these issues as one unit, one

government, one corporation. Even the Auditor General has pointed out in the past that our ministries don't always sing the same tune, and we don't always operate as one smooth-running machine. I said it in my notes, and I'll say it again: this ministry believes cross-government standards, including ICT security standards, are very important. This is about government operating as one and benefiting all Albertans.

The Chair: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. It's a pleasure to participate in the budget estimate debates on Restructuring and Government Efficiency ministry. The RAGE department certainly has grown. It's gone from zero to 1,272 full-time equivalent employees in less than four months. The hon. Member for Edmonton-Beverly-Clareview was talking about the increase in the size of the government. In 2001 we saw it go from 16 cabinet ministers, 17 including the Premier, and now it's gone up by an additional one after this election. So we see a big budget, and we see a supersized government. The government has become supersized.

I have a number of questions directly related to Restructuring and Government Efficiency for the hon. minister. The first one centres around the fiscal plan tables on page 57 of the Fiscal Plan. Now, I notice in here where we see an increase in total full-time equivalent employment from last year to this year of over one thousand – one thousand more employees. This is a supersized government.

Now, the Restructuring and Government Efficiency department, RAGE, has an estimate for this budget year of 1,272 employees. So I thought, naturally, Mr. Chairman, that, well, Innovation and Science must have lost some, Government Services must have lost some employees, and perhaps those two departments were transferred over to the RAGE department. But I look at the estimates, and I find that not to be true.

Now, in Government Services we see a change. From last fiscal year to this year there are 16 more employees, so it didn't work out there. Innovation and Science, where the administration of the SuperNet was housed or parked or whatever you want to say, had 696 employees last fiscal year, and this year it's having the same number, so there was no change. Yet we see this department with a staff of 1,200 full-time equivalent employment positions, and I would like to know where those people came from. Are they former contractors? Because there's no other government department that has seen a reduction in staff, none except one: Legislative Assembly. There was one person less in that department than there was last year.

So I would like the hon. minister to explain to me where he got those 1,272 staff. That's my first question, and that's why I say that this is a supersize government now, Mr. Chairman. And I would be very grateful for an explanation of this.

Now, the hon. minister was also talking about rural schools and the closures of rural schools. Another hon. member talked about Red Earth and how far people had to travel there to get to school. I think a wise use of our money is building schools, and the ones that we have already built at taxpayers' expense should remain open. Now, we look at Wellington school, we look at North Edmonton school, we look at Terrace Heights school, and we look at Strathearn school, and at a public meeting Monday night I was told that the Ministry of Education paid for the SuperNet installations of those four Edmonton public schools that the public board is considering closing.

I and many people in the community are confused, and some people are outraged at this expense. Certainly, streets had to be dug

up to facilitate the installation of these cables into these schools. Why after the public board decided to go ahead with the closure process for these schools did the Minister of Education then pay for the installation of the SuperNet? If the schools are going to be closed and the students are not going to benefit from this, who exactly is going to benefit? What was the cost of each of those installations of the SuperNet to those four respective schools?

Also, while we're on the topic of restructuring and efficiency, how could it be that the government paid \$3.2 million to renovate, completely renew, Terrace Heights school – new wiring, new plumbing, some new windows, new exterior, asbestos removal, new desks, new gymnasium floor. It's a beautiful school now, Mr. Chairman. It cost taxpayers \$3.2 million. The government's utilization rate is forcing its closure. The public school board is now in the process of closing that school.

We asked this question last Thursday night at a public meeting. Why this expenditure? Why this apparent waste of tax dollars if you're going to close this school? The public school official who was chairing the meeting indicated: oh, well, we didn't know at the time that, poof, the government was going to spring money to build a new school in Jackson Heights. Their planning department had no idea that out of thin air the government was going to come up with enough money to build this school in Jackson Heights after the repairs were initiated in Terrace Heights. If the minister could clarify whether he thinks this is the efficient use of tax dollars or not, I would be grateful. Many people in the neighbourhood would be very interested to know that.

Now, another question I have is in regard – and this is on page 306 of the Government and Lottery Fund Estimates. On page 306 there is a breakdown of the full-time equivalent employment of this department of 1,272 individuals. The office of the chief corporate information officer has 112 employees, the regulatory review has one employee, opportunity and restructuring assessment has 16, and Alberta Corporate Service Centre has over 1,100.

Now, after the election I was led to believe that when the cabinet was expanded even further with this RAGE department, the chief responsibility of the minister and the department was to look at inefficiencies and overlaps in government and what regulations were not needed, what was going to happen with the size of government: we're going to look at this, and we're going to examine this. Why is there only one person in that department looking at regulatory review?

9:30

Now, I don't know what the Deep Six would think of that, Mr. Chairman, but I don't think even the Deep Six would be impressed by this. I can't recall – I know Mr. Hlady was, I think, a member of the Deep Six. Murray Smith was a member of the Deep Six. I believe the hon. Minister of Economic Development may have been a Deep Sixer. [interjections] No. Okay. I'd better not stray from budget estimate debates, because I think there are other members that want to participate.

I'd like to know why there's only one person. If the government considers it so important to have all this regulatory review, why is there only one person conducting that review? I think that is unique.

The Alberta Corporate Service Centre. That is quite an outfit now. Eleven hundred staff in there. But before I get there, Mr. Chairman, I have to remind the hon. minister of a comment from *Hansard*, before I go any further with the regulatory review, where there's one employee. The hon. minister stated this on March 17, 2005, St. Patrick's Day: "Our department is looking at all the contracts right now to make sure that we are adhering to all of our government policy and rules." If that is the regulatory review, and

there's only one employee in there, that individual is going to be getting a lot of overtime because they're going to be very, very busy keeping the commitment made by the hon. minister.

The Alberta Corporate Service Centre. This enterprise has caught the eye of the Auditor General. The 2003-2004 Auditor General's report pointed out many problems with the Alberta Corporate Service Centre in an area that this hon. minister took over. Has the hon. minister looked into the two contracts, valued at \$250,000, that were not in accordance with the centre's policies?

This has to do, I believe, with this notion of sole sourcing. I always hear this government and its members talk about free enterprise, but I think we should have competitive bidding on government work. I don't understand how we can have all this sole sourcing of contracts where only one person is simply given the contract, from what I can understand. Has the hon. minister improved the documentation for sole source contracts as recommended by the Auditor General because some contracts were apparently given without any documented reason?

I consider the government's reliance on sole source contracts as inefficient, and I don't believe anyone can gauge whether or not you're getting best value for money. We're looking at a department with a sizable budget. I think it's \$258 million. Wow. There are a lot of contracts in there.

Mrs. McClellan: It's just about as big as health.

Mr. MacDonald: It's just about as big as health, the Provincial Treasurer has commented. It's not there yet, but if you give it a couple of years at the rate it has grown in four months, it could be. It could be a \$6 billion, an \$8 billion department.

Why is there such a high threshold with these sole sourcing contracts for what could be considered a private contract? I can certainly see a thousand dollar contract or a fifteen hundred dollar contract or maybe an amount even up to \$5,000 or \$10,000 as is calculated in the public accounts documents for sole sourcing, but we're talking about some major dollars here. How many of the staff from the department are dedicated to making sure that the interests of the taxpayers are looked after in these contracts? How many internal watchdogs have you got in this department whenever we see so many employees with so much money to spend?

Certainly, there are other areas of interest that I have, Mr. Chairman, but with those comments, I will cede the floor to another hon. member of the Assembly. I wait anxiously for the responses, whether they be this evening or soon in writing from the hon. minister. Thank you.

Mr. Ouellette: I've written so much tonight now, Mr. Chairman. I don't think I want to write to him again. Now I'm having trouble understanding my writing here again because you had me going so much, and you were so far off topic half the time.

I do want to address for sure SuperNet at the schools because Restructuring and Government Efficiency confirmed with Bell that this particular school was being considered for closure, but a decision by the school board had not yet been made. Until we are notified to remove it, the facility would remain on the construction build list that Bell follows. Put yourself in Bell's shoes. They've been put under much pressure to make sure they stay on course now and make sure they get this done. You've got to remember another thing. This does not cost the taxpayer of Alberta one dime for hooking those schools up because Bell is doing the full build for the \$193 million contract regardless.

Ms Blakeman: The minister today talked about money from Education to pay for the rest of the hookups.

Mr. Ouellette: For hookups. I don't know if that school is hooked up. All I do is take it to the school. Plus, that school isn't going to close till '06, so if the Minister of Education wants to hook that school up, do you want to deprive those children even for one year from having the SuperNet hookup?

But as far as getting the hookup to the school, that's Bell's contract. It does not cost the taxpayer any more. I want to reiterate that. Our \$193 million investment in the network includes connecting all 4,200 facilities across the province. So to connect all 4,200 of those facilities is in our \$193 million. Bell is paying more than a million dollars to lay fibre and connect facilities in the base area, which is Alberta's largest communities.

Restructuring and Government Efficiency has set a very strict timeline for the completion of the network, and Bell is obviously wanting to have it completed on time. Should the school ultimately close, Education may have other uses for the facility, so I'll let the hon. Minister of Education answer that whenever he wants to. We work closely with other government departments on planning for all of this.

About contracting and what the Auditor General had said. This Ministry of Restructuring and Government Efficiency takes the Auditor General's recommendations very seriously and is committed to ensuring that all necessary changes are implemented. I think I've told you that a number of times. All the concerns have been discussed with the Auditor General's office, and some had already begun to be addressed prior to the release of the report. For example, we've developed thorough policies and procedures for contracting, and I've assigned an individual to be responsible for training staff and monitoring compliance. This action was taken immediately and is now fully in place. I'm confident that our new contracting policies and procedures along with our new monitoring and tracking systems will address concerns of the Auditor General.

In regard to the specific question about sole sourcing, this was related to the storage of documentation to support the contract award. Now the documentation is stored in its entirety in the service office until its completion. Then it goes into the corporate office. This is part of the procedure that has been refined to address the Auditor's concerns. In another, similar case the supporting information was not being properly documented, and this too has been resolved by strengthening procedures. In fact, all of the Auditor General's recommendations have been accepted and have resulted in improvements in our contracting procedures.

9:40

One additional point worth making is that we have struck a contract review committee for all sole sourced and new contracts over \$25,000. This is over and above the standard policies.

I think you were asking me about page 306. I've got to find that. Okay, 1,272 employees. I want to tell you that the only new employees that our ministry is adding are 16 new FTEs, and that is for opportunity and restructuring assessment. All the rest of those employees came with the Alberta Corporate Service Centre and with the chief corporate information officer. I will say that we're asking for 66 new FTEs, but 50 of them have always been there. We were paying them, but we didn't have them actually listed, so we've made an adjustment to correct the error. There are 16 new FTEs in this business plan.

What else did he ask me? To comment on the one regulatory review. That one regulatory review person right now is looking at regulations and regulatory review. Our new opportunity and restructuring assessment – that's where the new FTEs come in – is what's going over the contracting and looking at the policies and that sort of thing.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Dunvegan-Central Peace.

Mr. Goudreau: Thank you very much, Mr. Chairman. The minister just identified opportunity and restructuring and just briefly talked about it. I'm interested in learning more about your new business unit of opportunity and restructuring assessment. It is, after all, new money in your budget, at \$3.3 million. I certainly understand the need behind having to spend money in order to save money. It's probably taught in economics 101 somewhere, and that, maybe, is the class that I missed. How do we know if we're getting a good bang for our buck?

Mr. Ouellette: I certainly appreciate any opportunity to stress over and over how important this new business unit is to our ministry. In fact, it's so important that it's listed as core business 1 in our new business plan. Opportunity and restructuring assessment is mandated to make things simple and deliver programs and services effectively, efficiently, and economically to Albertans. Instead of a triple-E Senate, I guess you could call this a triple-E service. I might have to trademark that, you know.

This new business unit will consult and collaborate with ministries and partners in order to assess the business and service delivery practices of government. I anticipate those practices always changing as government changes with the times, whether it's proactive or reactive. So it will always be a bit of a moving target, but the end goal is to improve those practices, pure and simple.

This ministry will take a lead role in assessing and prioritizing opportunities to streamline, to restructure, to gain efficiencies and will do that by working with the other ministries. I should mention that I expect that these opportunities will be both internal and external, whether it's the way we conduct business amongst ministries or the way we deliver programs and services to Albertans.

The strategy of opportunity and restructuring assessment is listed in our business plan. But in a nutshell, it will work with ministries and partners to identify opportunities, research and evaluate alternative strategies, identify best practice for improvement, develop and implement a framework that will be the guide to continuous improvement, and then communicate effectively with all ministries and partners.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Cardston-Taber-Warner.

Mr. Hinman: Thank you, Mr. Chairman. I'll be brief to yield the floor to some others here, but the first and biggest question, I guess, that I've got for the hon. minister of restructuring is . . .

Mr. R. Miller: Take your time, Paul.

Mr. Hinman: Thanks.

One has to ask if the only thing that's efficient is if one is measuring the growth of the government. It's phenomenal how fast it is growing, but we really need to cut back on it.

I'll start on the Internet because one of the areas he mentioned tonight was Milk River. I wonder how familiar he is with it because there are only two that I am familiar with in the province. I'd like to talk a little bit about Milk River. The town asked them to please move the hub to a place that was located for the town to easily hook into and to reach out to the rest of the people.

He's talked about the importance of rural Alberta being able to have access to the Internet, and I think one thing that we do all realize and understand in today's world is that high-speed Internet is critical, and we do agree with that. But the problem that we're

having here is that we're still missing a high percentage of rural Alberta. Though they get it to a town, that does not get it to the people living outside the town, whether that's students living on a farm, small acreages, other areas.

Milk River has gone ahead and put up their own wireless Internet that actually worked out at the same price that they were going to be charged just to move the hub because Bell already had their plans and they couldn't be efficient and move it before – no, this is the plan; this is where we're told it's going to go in the town – and it wasn't close to their wiring and their hookups.

So if, in fact, we're looking for efficiency, the most important thing is that we need to be flexible and open-minded in order to be efficient. But that doesn't seem to be the case. We continue to spread out.

At another school where a friend of mine who has moved up to northern Alberta – it's a very small rural school. He's told me that they're spending hundreds of thousands of dollars to get it into this school, and they don't even have computers yet. They ask: wouldn't it be more in line to get computers and those things there?

Mrs. McClellan: What do you mean they don't have computers?

Mr. Hinman: No. I'll get you the name of the school and stuff there, hon. minister.

Mrs. McClellan: How ridiculous.

Mr. Hinman: It is ridiculous. I can't agree with you more on that.

Mrs. McClellan: Well, you better ask your school board where they spent their money.

Mr. Hinman: It's not my school board. But the point is there is no – this restructuring is just disjointed, out of touch. They don't understand what the problems are, and we need to have some communications between the different arms of this beast that says that it's efficient, because it isn't.

Anyway, down in Milk River they've set up this wireless Internet that's going to reach out into rural Alberta. When the government tried to hook up high-speed even to my own house – and we have two hubs. I live between Raymond and Magrath, within eight kilometres of each area. I'm not able to hook up to high-speed Internet with the new SuperNet because we're too far from the hub. We're missing a huge number, but percentage-wise I'm sure this government says: "Oh, don't worry about it. We've got the majority. That's close enough." But it's very disheartening.

The other area that I guess I'd like to touch on a bit is about the red tape reduction, the rules and regulations that seem to proliferate from this government, and I'll use BSE for an example. We know and understand that this is just about politics, not science, with the BSE problem. Yet here in Alberta we've had all kinds of new rules and regulations that are going out to the small abattoirs and butchers that are run out there, so much red tape and expenses that they can't even upgrade at the cost to meet the new regulations.

Mrs. McClellan: Oh, you have no idea. Unbelievable.

9:50

Mr. Hinman: You should come down and drive around my area then, hon. minister. Come to my side and talk to them then. We're definitely living in different areas or else on different planes. [interjections] No other free advice?

Anyway, B.C. has had quite a good plan, and they've really gone

at it. They've actually numbered the amount of statutes and regulations, and I believe they've passed a statute there that they can't put in a new one without eliminating two old ones. If we want to do something that's efficient, let's look at the amount of red tape, and let's start going through it line by line and hiring people so that we can.

Mr. MacDonald: You're going to need one guy doing that.

Mr. Hinman: I know.

The Chair: Hon. members, through the chair, please.

The hon. Member for Cardston-Taber-Warner has the floor.

Mr. Hinman: Thank you, Mr. Chairman. We really do have a history here of free enterprise, entrepreneurship, and people, businesses, families that will put their whole heart and soul into a business, but they continue to be confronted with more red tape, more regulations that say that they're not reaching the new bar. It's very frustrating for small business to get up and running, and it's critical that this government does take a few steps back, looks at what's going on, and really goes through the regulations. Let's trim them down and make them as simple and straightforward as possible when people want to start and get a new business going.

I guess the only other comment that I'll make is the one that's been made several times this evening, and I just don't think it can be emphasized enough. We don't need more cabinet ministers. We don't need more branches of this government to give good service to the people and the industry of Alberta. We need less. We need less regulations. Trimming back the size of our government will do us more benefit in the future than all of the trimming that we've done and the huge debt that we've been able to pay off because we've made those massive cuts. Now it's time to cut this massive government and start being efficient as we go forward in this next century.

Thank you.

The Chair: The hon. minister.

Mr. Ouellette: Thank you, Mr. Chairman. The only disjointed, disconnected, diswhatever that he was yapping about there I think comes from somewhere near what he was trying to call names of places, but I will say to you, hon. member: I know Milk River very well. I know southern Alberta very well. I have relatives that live down there, and I worked down there for 15 years as an oil field consultant.

I'll tell you that whatever Internet they hooked up to, when the SuperNet is up and running, they will never be able to get as wide a band of network for the money that they're going to be able to get rural Alberta for. They can purchase a full megabyte in rural Alberta for \$50 per month, which is cheaper than you can buy it for in the city. If you would have listened at all to the beginning of the speech or if you would have ever looked up what the Internet is about, never ever in any of the contract or in the \$193 million that the government is paying Bell were there any last mile connections. The total thing was to hook up approximately 4,200 schools, hospitals, libraries, and government buildings.

The rest of it is done with Internet service providers to create a competitive field out there. I want to tell you: right now Axia is saying that they're getting more calls from people, not just the people that are already in the business as Internet service providers but new start-up companies, another Alberta advantage of another opportunity for young people that want to start a company.

I will say that, yes, we're not looking at reinventing the wheel or doing anything like that. British Columbia has done a very, very good job with their red tape ministry. They've done a good job getting rid of rules and regulations, and their economy is way up on the upswing.

I'm just getting excited over nothing here. Thank you.

The Chair: The hon. Member for Calgary-Shaw.

Mrs. Ady: Thank you. I just have one question that I'd like to ask tonight. Could you please clarify why you need two core businesses to achieve efficiencies? There's the new business unit of opportunity and restructuring assessment, and you have another business unit called business transformation. It seems to me that this might not be reflective of efficiencies that your ministry is supposed to be searching for. Could you tell me about the differences between those two?

Mr. Ouellette: These two business units follow significantly different paths both in scope and expertise. Opportunity and restructuring assessment is really the design work of the ministry and its partners. Business transformation, on the other hand, is seen as the building function. I'll try to explain the difference the best I can.

Opportunity and restructuring assessment involves working with other ministries to identify projects that might be best co-ordinated or handled by Restructuring and Government Efficiency as a third party. This will involve collaboration with others outside the ministry in order to conduct research, take stock of the programs and services offered, then determine needs and opportunities. These needs will be prioritized, and business cases will be developed. We would then ask for all those impacted by the program or service to endorse the plans for change.

The type of expertise required for this new business unit and its related functions includes those with a strong background in research, trend analysis, planning, risk assessment, priority setting, relationship building, and business case production.

Now let's take a look at the business transformation unit. This unit takes on projects that require business process improvements, re-engineering work, or significant structural changes in order to produce further efficiencies. Its focus is on improvements to the delivery of shared services for government, including finance, large-scale procurement initiatives, human resources, administration, and information technology. Consultation prior to the current strategic plan has identified a number of key major program areas for re-engineering efforts in order to improve services and efficiencies.

The type of expertise required for this business unit and its related functions includes those with a strong background in public-sector organizational analysis, business process improvement, re-engineering, technology-based solutions, contract management, project management, problem solving, costing, and pricing.

The Chair: The hon. Member for Edmonton-McClung.

Mr. Elsalhy: Thank you, Mr. Chairman. I'm a little angry because the two questions that I wrote for the hon. minister were asked. I actually just need some elaboration from the hon. minister with respect to the full-time equivalent employment positions and then also with respect to their goal 1, opportunity and restructuring assessment. My question is: couldn't the 1,272 full-time employees do the opportunity and restructuring assessment without the need for \$3.3 million extra in budget expenses?

Then, my second question, very briefly, is from the ministry statement of operations by program, which actually reflects in the estimates a net operating result of minus, or negative, \$79 million.

An Hon. Member: What page number?

Mr. Elsalhy: Page 304.

In essence, I'm interpreting this as: we're spending \$79 million more than what we're bringing in, so to me it's like net loss or net shrinkage.

So the two questions. Why couldn't the 1,272 staff perform goal 1, and why do we need \$3.3 million on top? Then my second question is: can the minister explain to us very briefly why it seems like this ministry, newly formed, is going to lose \$79 million?

Thank you.

Some Hon. Members: Question.

10:00

The Chair: Anyone else? The hon. Member for Edmonton-Rutherford.

Mr. R. Miller: Thank you, Mr. Chairman. First of all, I don't believe time's up; I'm quite sure we have a few minutes left still. Secondly, Mr. Chairman, I noticed that the minister was preparing an answer, and I think out of respect to the minister I certainly would like, rather than calling the question, to give him another few seconds to hear his answer to my hon. colleague's questions. So my question would be: if the minister would not mind, would he please answer the two questions that my colleague from Edmonton-McClung has asked.

Thank you.

Mr. Ouellette: Mr. Chairman, I will gladly get him those questions in writing.

Thank you.

The Chair: After considering the business plan and the proposed estimates for the Department of Restructuring and Government Efficiency for the fiscal year ending March 31, 2006, are you ready for the vote?

Hon. Members: Agreed.

Agreed to:

Expense and Equipment/Inventory Purchases \$258,071,000

The Chair: Shall the vote be reported?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

On the vote for the offices of the Legislative Assembly for the fiscal year ending March 31, 2006, shall the vote be reported?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the Committee of Supply rise and report the estimates of the Legislative Assembly and the estimates of the Department of Restructuring and Government Efficiency and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Drayton Valley-Calmar.

Rev. Abbott: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2006, for the following departments.

Support to the Legislative Assembly, expense, \$42,740,000; office of the Auditor General, expense and equipment/inventory purchases, \$18,304,000; office of the Ombudsman, expense and equipment/inventory purchases, \$2,237,000; office of the Chief Electoral Officer, expense, \$2,497,000; office of the Ethics Commissioner, expense, \$419,000; office of the Information and Privacy Commissioner, expense, \$4,336,000.

The main estimates for the fiscal year ending March 31, 2006, Restructuring and Government Efficiency: expense and equipment/inventory purchases, \$258,071,000.

The Deputy Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.
The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:05 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]