



Legislative Assembly of Alberta

The 27th Legislature  
First Session

Standing Committee  
on  
Public Accounts

Service Alberta

Wednesday, June 4, 2008  
8:30 a.m.

Transcript No. 27-1-7

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

**Standing Committee on Public Accounts**

MacDonald, Hugh, Edmonton-Gold Bar (L), Chair  
Griffiths, Doug, Battle River-Wainwright (PC), Deputy Chair

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

**Service Alberta Participants**

Paul Pellis	Deputy Minister
Laurie Beveridge	Assistant Deputy Minister, Registries
Chrenan Borradaile	Manager, Business Planning
Brian Fischer	Assistant Deputy Minister, Financial Services
Sharilee Fossum	Senior Financial Officer, Financial Services

**Corporate Human Resources Participants**

Dale Silver	Assistant Commissioner, Labour and Employment Practices
Mary Anne Wilkinson	Assistant Commissioner, Workforce Development and Engagement

**Auditor General's Office Participants**

Fred Dunn	Auditor General
Vivek Dharap	Executive Officer
Merwan Saher	Assistant Auditor General

**Support Staff**

W.J. David McNeil	Clerk
Louise J. Kamuchik	Clerk Assistant/Director of House Services
Micheline S. Gravel	Clerk of <i>Journals</i> /Table Research
Robert H. Reynolds, QC	Senior Parliamentary Counsel
Shannon Dean	Senior Parliamentary Counsel
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Philip Massolin	Committee Research Co-ordinator
Liz Sim	Managing Editor of <i>Alberta Hansard</i>

8:30 a.m.

Wednesday, June 4, 2008

[Mr. MacDonald in the chair]

**The Chair:** Good morning, everyone. I would like to call this Standing Committee on Public Accounts to order, please. On behalf of the committee I would like to welcome everyone who is in attendance this morning. I would like at this time also to note that the Legislative Assembly changed the membership of the committee. Mr. Doug Griffiths is now the deputy chair, and Mr. Peter Sandhu is a new member of the committee.

I would like to advise everyone that they do not need to touch the microphones as that this is taken care of by the *Hansard* operator. Please be cognizant that the meeting is recorded by *Hansard* and also audiostreamed live on the Internet.

Perhaps we can quickly go around the table, starting with the hon. Member for Battle River-Wainwright, and introduce ourselves.

**Mr. Griffiths:** Doug Griffiths, Battle River-Wainwright.

**Dr. Massolin:** Good morning. I'm Philip Massolin. I'm the committee research co-ordinator, Legislative Assembly Office.

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

**Mr. Jacobs:** Bryce Jacobs, Cardston-Taber-Warner.

**Mr. Dallas:** Good morning, everyone. Cal Dallas, Red Deer-South.

**Mr. Fawcett:** Kyle Fawcett, Calgary-North Hill.

**Mr. Benito:** Carl Benito, Edmonton-Mill Woods.

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

**Mr. Chase:** Good morning. Harry Chase, Calgary-Varsity.

**Mr. Mason:** Brian Mason, Edmonton-Highlands-Norwood.

**Ms Beveridge:** Laurie Beveridge, assistant deputy minister of registries, Service Alberta.

**Ms Fossum:** Sharilee Fossum, senior financial officer, Service Alberta.

**Mr. Borradaile:** Chrenan Borradaile, manager of planning, Service Alberta.

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

**Mr. Fischer:** Good morning, everybody. Brian Fischer, ADM, financial services, Service Alberta.

**Mr. Silver:** Good morning. I'm Dale Silver, assistant commissioner with corporate human resources.

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

**Mr. Dharap:** Vivek Dharap, Auditor General's office.

**Mr. Saher:** Merwan Saher, office of the Auditor General.

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

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

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

**Mrs. Dacyshyn:** Corinne Dacyshyn, committee clerk.

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

I would like to advise the committee members that the briefing materials that we have for this morning's meeting were posted for viewing and printing last week.

If we could move to item 2 on the agenda, the approval of the agenda as circulated. Moved by Mr. Chase that the agenda for the June 4, 2008, meeting be approved as distributed. All those in favour? None opposed. Thank you very much.

Item 3, approval of the minutes that were circulated for the May 28, 2008, meeting. Moved by Mr. Harry Chase that the minutes for the May 28, 2008, meeting be approved as distributed. All in favour? Seeing none opposed, thank you very much.

This, of course, brings us to item 4, our meeting today with the Ministry of Service Alberta. The reports we will be dealing with this morning are the annual report from the ministry for 2006-07, the annual report of the Auditor General 2006-07, volume 2, the report of the Auditor General from April of 2008, and the annual report of the government of Alberta 2006-07, volumes 1 and 2.

With that, I would like Mr. Pellis to give us a brief overview, please, of the department's activities for the year 2006-07, and then we will proceed with questions from the members of the committee.

**Mr. Pellis:** Thank you, Mr. Chairman. It's a pleasure to have this opportunity this morning to appear before the Public Accounts Committee. I'd also like to bring greetings on behalf of Minister Klimchuk, who wasn't available to be with us here this morning.

I'd like to introduce a few of my staff who are here today, not at the front table: Dennis Mudryk, who is my assistant deputy minister of technology services; Cam Traynor, our director of communications; Landon Miller is here from the minister's office, as well.

One thing I just want to say right off the bat is that in 2006-2007 the Ministry of Service Alberta also included corporate human resources, so we've got staff from corporate human resources here as well who will be speaking on behalf of their component of the annual report.

With respect to Service Alberta we believe that the 2006-2007 fiscal year was a tremendous success for us. In 2006 the department was created by amalgamating the two former ministries of restructuring and government efficiency and government services. At that time our ministry also included, as I mentioned, corporate human resources, air transportation services, Queen's Printer, and the newly created Regulatory Review Secretariat. One of our significant accomplishments of that year was, really, successfully bringing these entities together into one ministry. It involved a lot of work and careful planning, but we believe the transition to our new ministry went very well.

We came up with an organizational structure for Service Alberta that included elements of both former ministries in each of our key divisions. This structure worked really well for us and ensured that our divisional alignment collaborated across the ministry and maximized our success on priority initiatives.

The vision for Service Alberta is one government, one enterprise

and one employer, and we're achieving that vision in many different ways. Just to highlight a few of our accomplishments, in 2006-2007 we implemented a video conferencing service over the SuperNet. The service is already handling as many as 15 multiparticipant video conferences on a daily basis. We introduced innovative service delivery solutions, particularly in the areas of land titles, which helped reduce turnaround time significantly for land title registrations. We've begun a procurement process to deliver co-ordinated IT services for government ministries through a common one government, one enterprise approach. We've launched a new dispute resolution service for landlords and tenants, which we're now working to expand province-wide.

We've become the first province to integrate facial recognition technology into drivers' licences. We've also arranged the procurement of more than \$400 million worth of goods on behalf of the government of Alberta. We've printed nearly 30 million documents and mailed over 7 million pieces of equipment, all for the government of Alberta. We also provided sandbags, pumps, and electrical generators to assist in emergency flood relief that occurred in the spring of 2006. We're continuing to standardize and simplify our contracting framework for government ministries. These are just a few of the numerous accomplishments of the ministry for 2006-2007, which are outlined starting on page 16 of our annual report.

With respect to audit reports we continue to have a good and effective working relationship with the Auditor General's office, and we value the work that is completed because of that relationship. Service Alberta has accepted all three of the Auditor General's recommendations in his 2006-2007 annual report and the one recommendation in the latest April 2008 report.

With respect to recommendations on introducing service-level agreements with ministries, we've now got 11 departments signed and our plan is to have the balance of the ministries signed up with service-level agreements prior to the end of this fiscal year.

We continue to address the recommendations regarding computer security, and we've also developed tighter password security and protocols. We've implemented a risk assessment process for the central data centre based on Microsoft's risk management best practices. Lastly, we've met with the CIO council and gained their concurrence to address the 2008 audit recommendations around implementing an IT control framework.

To conclude, we believe that the 2006-2007 fiscal year was a tremendous success for Service Alberta. We accomplished a number of key priorities while also managing the challenges of amalgamating two ministries. The credit for our success in the midst of all this change goes to our dedicated and hard-working staff. I'm always impressed by the professional and skilled team of employees we have in our ministry, and together we are accomplishing great things for the government of Alberta and the people of this province.

Thank you very much. We look forward to your questions.

Now I'll turn it over to corporate human resources for their comments.

**Mr. Silver:** Thank you, Paul. Thank you, Mr. Chair. On behalf of myself and Mary Anne Wilkinson we're pleased to be here today to speak to personnel administration office, now known as corporate human resources. I'd also like to introduce Carolyn Stuparyk, our communications director, who is with us today but not at the table.

The vision of corporate human resources is to enable the Alberta public service to proudly work together to build a stronger province for current and future generations. To support this vision, we collaborate with ministries across government to develop corporate human resource frameworks that assist ministries in attracting, developing, and engaging employees. Our work includes consulting

with provincial ministries on pay, benefits, classification, labour relations, workplace health, staffing, human resource planning, employee attraction and retention, and corporate employee development programs.

We established the framework for positive and productive workplaces by advancing employee engagement, performance management, and capacity-building strategies. We also deliver a corporate executive search program to attract executive managers and senior officials to the Alberta government.

**8:40**

As stated in our annual report, some of the key activities undertaken in 2006-2007 include the co-ordination of the Alberta public service vision and values renewal initiative, which included extensive employee consultations, the development of supervisor-manager handbooks, support material, and co-ordination of staff events where the vision and values were introduced to employees. The Alberta public service vision is "proudly working together to build a stronger province for current and future generations." The values of the Alberta public service are respect, accountability, integrity, and excellence. The workforce plan priorities of attracting, developing, and engaging talent continued to be a focus during the year.

We led several initiatives this past year, including strategic marketing of the government of Alberta as an employer of choice, significant enhancements to our jobs website, and broader advertising efforts. We developed new pilot programs aimed at attracting and retaining employees to our northern and remote communities. We maintained a continued emphasis on internship and ambassador programs. We developed an orientation to government program for new employees. We developed a new career management portal. The executive mobility program was expanded to include secondment opportunities for senior managers. We provided enhanced performance measurement tools for supervisors.

I hope that this brief overview has provided you with a sense of what our organization is about. In closing, Mr. Chairman, corporate human resources in collaboration with all departments seeks to attract, develop, and engage employees in a highly competitive labour market.

We'd be pleased to answer your questions. Thank you.

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

Mr. Dunn, do you or your staff have anything to add?

**Mr. Dunn:** Mr. Saher will briefly introduce our comments.

**Mr. Saher:** Thank you. Mr. Chairman, I'll just reiterate some of the recommendations that the deputy minister referred to in his introductory comments.

In our April 2008 public report under the title of IT Control Framework we recommended to Service Alberta that it develop and promote

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

This is recommendation 7 on page 170 of the April report. The purpose of a framework is to align business risks, technical issues, and control requirements. We believe it is inexpensive insurance against the risks of poorly designed and ineffective controls.

In our October 2007 public report, volume 2, page 146, we made key recommendation 32, that

Service Alberta, working with its client ministries, revise their information technology service level agreements to:

- ensure that the agreements are current
- clarify the level of services provided . . .
- define the roles and responsibilities of each party.

We also repeated recommendations on compliance with security standards and on risk assessments at data centres.

On page 227 of our April report we have identified the recommendations made to the department in previous years that are still outstanding. I want to mention two in particular. In our October 2006 public report we made a key recommendation that Service Alberta provide guidance on the responsibilities of deputy ministers and their chief information officers for overseeing information technology projects. Going back to 2005 and earlier, we have been recommending that Service Alberta improve its performance measures to demonstrate the cost-effectiveness of its services to other ministries.

Thank you.

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

We'll proceed now to questions from the members, but the chair would like to recognize and welcome Mr. Sandhu this morning, Mr. Johnson, and Mr. Quest.

We will proceed with questions from Mr. Kang, please, followed by Mr. Fawcett.

**Mr. Kang:** Thank you, Mr. Chair. My question is on the total cost of the government fleet for 2006-2007. What was the total cost for the government fleet for 2006-2007?

**Mr. Pellis:** About \$4 million.

**Mr. Kang:** A supplementary question to that. Which ministers or senior officials were eligible for automobiles but chose not to take them?

**Mr. Pellis:** We'd have to get back to you on that question. I don't have that information available with me today. You're interested in the cabinet ministers who are eligible for a government vehicle but chose not to take one; is that accurate?

**Mr. Kang:** Or the senior officials.

**Mr. Pellis:** Senior officials?

**Mr. Kang:** Yes.

**Mr. Pellis:** Okay. We'll get back to you on that one.

**The Chair:** If you could through the committee clerk to all members.

**Mr. Pellis:** Absolutely.

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

We'll move on, please, to Mr. Fawcett, followed by Mr. Chase.

**Mr. Fawcett:** Thank you very much, Mr. Chairman. One of the challenges not just facing government but all organizations across this province right now is attracting some of the best and the brightest, particularly in our senior level management. I notice that on, I believe, page 6 of the annual report it talks about some of the performance measures for corporate human resources. Maybe it might be too hard to measure – I'm not too sure – but I don't see a performance measure as far as: how do we know that we're doing a

good job in attracting some of the best and the brightest to come and work for the government? I'll leave it at that question first.

**Ms Wilkinson:** I'll attempt to answer that question for you. Where we're going in terms of our attraction initiatives is to ensure that we regularly look at our pay and benefits packages in the government. Really, the key focus area for employees coming to the government of Alberta is our jobs website, so we pay particular attention to ensuring that that job site is user friendly, informative, modern, and we've recently made some changes to ensure that it is interactive.

In terms of our competitions, to know that we've got the best and the brightest, really, at the end of the day, it's ensuring that we've got quality candidates that we're hiring into the public service. What we see now is that we do have a minimal vacancy rate, but on a pretty consistent basis we're finding we continue to have applicants for our government positions.

**Mr. Fawcett:** Okay. My supplemental. Increasingly private companies are using innovative ways now to attract and retain some of the brightest. Historically the public service has lagged behind in implementing some of these things. What are some of the innovative type things, new, emerging things, from a human resource standpoint that we're utilizing to attract and retain people?

**Ms Wilkinson:** I guess, not specifically going back to '06-07 but more specifically in the current state, we're becoming a lot more aggressive in the Alberta government in terms of TV advertising, and a real key focus for us is targeting the academic institutions. We are very active in terms of career fairs and ensuring that all of our employees are ambassadors, that the 23,000 employees are actively marketing the government of Alberta as a employer of choice with all of the folks that they're chatting with on a regular basis.

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

Mr. Chase, please, followed by Mr. Bhardwaj.

**Mr. Chase:** Thank you, Mr. Chair. To begin with I'd like to thank the ministry for reverting back to its old name. It was very hard to keep a straight face while asking questions about RAGE, restructuring and government efficiency.

My first question: how much funding was provided to initiate the residential tenancy dispute resolution service, including money spent on information brochures in 2006-07?

**Mr. Pellis:** The amount of money we allocated to that initiative was approximately a million dollars overall, and we're continuing to expand the service right now. There's going to be an announcement here fairly soon that we're moving into another centre. Overall we're extremely pleased with the success of the initiative in large part because it's taking landlords and tenants out of the court system through a more informal, collaborative dispute resolution process. From our perspective we certainly consider it to be a high success.

**Mr. Chase:** Thank you. You've partially answered my supplemental. That is: what mechanisms are in place to monitor the success of this initiative, and what were the results from last year?

**Mr. Pellis:** That's what we're doing right now. Let me just get the numbers for you. In 2006-07 we concluded over 2,000 resolutions. We exceeded our projected business, and we've greatly reduced the pressure on the court system. Today, this fiscal year, we've already received 6,800 applications. Again, one of the big things we're proud of is the relief that we're providing to the court system by going through this.

The other thing we're looking at is the success of these. Of the 2,000 we looked at in '06-07, 73 were dismissed, 86 are still open, and 17 were transferred. The balance were all successfully resolved.

8:50

**Mr. Chase:** Thank you.

**The Chair:** Thank you.

Mr. Bhardwaj, please, followed by Mr. Mason.

**Mr. Bhardwaj:** Thank you, Mr. Chairman. On page 16 of your annual report they're talking about a reciprocal licence exchange agreement with Alberta. Can you tell me which countries have this agreement and what criteria were used to establish that agreement, please?

**Mr. Pellis:** Sure. I'm going to pass this question over to Laurie Beveridge, the ADM responsible for registries.

**Ms Beveridge:** Actually, the reciprocal agreements are handled by Transportation. I don't have a list of the countries at hand, but I can provide that to you. I do have it back at the office.

**Mr. Pellis:** In terms of the criteria, one of the key aspects of this is that there has to be collaboration between the two jurisdictions to review their vetting process, et cetera, to ensure that it's compliant. I know that as much as possible the effort is to try and achieve that collaboration and ensure that if somebody comes from another country with a driver's licence, effort is made to see if we can make it compliant to ours. Again, we'd have to defer that to Alberta Transportation, but we'll get back to this group.

**The Chair:** Thank you. And, Ms Beveridge, if you could provide that information in writing through the clerk to the committee, we'd be grateful.

**Mr. Bhardwaj:** My supplement was actually along the same lines. Is it being expanded to the other countries? If you can provide both answers, that would be greatly appreciated.

Thank you.

**The Chair:** Thank you.

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

**Mr. Mason:** Thanks very much, Mr. Chairman, and welcome to the deputy and his staff. It's good to have you here. I want to ask about something in the annual report, which talks about participation in AEUB hearings resulting in a savings of \$70 million. I'd like to just ask about that, if you could please expand on that, what your role is and how you accomplished that and who received the benefit.

**Mr. Pellis:** That role is delivered through our Utilities Consumer Advocate, and what they are is acting as representatives and advocates on behalf of small Alberta businesses and other Albertans who may be affected by energy prices and utility costs. What they do is that they act as an intervening body on behalf of these groups in front of the EUB, to speak to them about other private companies who may be looking at rate increases and things like that. The number that was arrived at was based on the decisions of the EUB where the UCA intervened and ultimate decisions were made to perhaps scale back or reduce the amount of an increase that was being recommended on utility rates.

**Mr. Mason:** Does the utilities advocate intervene on a regular basis in terms of the broader rate increases, or does that person just act on individual cases?

**Mr. Pellis:** Both. And right now I should say that the governance model for the Utilities Consumer Advocate is being revisited because we want to ensure that it is an effective instrument on behalf of all Albertans. So we are in the process right now of reviewing their governance model, especially in light of the new Alberta Utilities Commission being created, and seeing what we can do to ensure that the UCA is an effective body speaking on behalf of Albertans.

**Mr. Mason:** Thank you.

**The Chair:** Thank you.

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

**Ms Woo-Paw:** Thank you, Mr. Chairman. My question is on the SuperNet. My understanding is that the initial vision for the implementation of the SuperNet was to provide equal access, with affordable ISPs, Internet service providers, in each of Alberta's SuperNet communities. My question is: when can this service be expected to be provided to the 100 communities that currently do not have access to the SuperNet, assuming that something is being done?

**Mr. Pellis:** There's actually quite a bit of activity going on in that area. The initial scope of SuperNet was to provide the capability for high-speed Internet access to 402 communities in Alberta. A snapshot of where we are today is approximately 220 communities. The model that we've adopted is that the SuperNet capital installation provided the capability to each of these communities. So in essence what we did is bring SuperNet to the door.

The model that was advocated was that private ISPs and others would then take the capability that SuperNet provides and deliver it to individual homes. Right now we're working with a number of groups, including, for example, the Alberta gas co-ops, to see if they are interested in becoming Internet service providers on behalf of Albertans and delivering that service. We've also had requests received from some of the smaller municipalities in Alberta that are also interested in becoming ISPs.

We're looking at other options like expanding the wireless technology to get into some of those communities where it was cost prohibitive to provide fibre. We think that by the end of this fiscal year we'll be in a better position to see what we can do to ensure that we can maximize the capabilities of SuperNet and provide that access. We've still got a ways to go, but I think we're making good progress now on a number of fronts.

**Ms Woo-Paw:** My supplemental. I was surprised to learn that some of the schools currently do not have access. Are you working with, say, the Ministry of Education to ensure that public facilities such as schools have access, and do you have targets set for the 100 communities as well as schools?

**Mr. Pellis:** The schools all have the capability of SuperNet. The schools that today are not on are usually because they have a service agreement already in place or a contractual arrangement with another service provider. So as those contracts are coming up for renewal, we're strongly encouraging them to move to the SuperNet model.

But in terms of every quasi-government entity that's out there, including schools, hospitals, et cetera, the SuperNet capability is

there. For example, if we construct a new school in a rural location, just like it's important to put a water heater and a roof on that school, SuperNet connectivity is included as well.

For the schools it's not an issue of them not having access. It's usually an issue of them having already an existing contact in place. We have been working with Education to maximize that utilization.

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

**The Chair:** Thank you.

**Mr. Kang:** Given that the electronic equipment that the Alberta government owns as a part of its SuperNet investment will be reaching the end of its estimated useful life within a couple of years, is there some kind of budgeting for the replacement of equipment in place?

**Mr. Pellis:** First of all, I don't agree that the estimated useful life is two years. We believe it's longer. It's the responsibility of our service providers, which are Bell and Axia, to ensure that the system is current. We have service level agreements with both of them, and part of that is to ensure that the system remains current and up to date. So in terms of the responsibility for ensuring that the system is up and running and current, that rests with our two service providers.

**Mr. Kang:** So what will be the cost of that?

**Mr. Pellis:** That's included in the agreement we have with them.

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

**Mr. Saher:** Sorry. If I could just supplement on that, perhaps try and bring some clarity. I think the question was perhaps provoked by looking at the financial statements of the ministry. With regard to tangible capital assets – and that's on page 93 of the annual report of the ministry – there's a breakdown of the SuperNet assets. There is one component, electronic equipment, which the statements state have an estimated useful life of three years. So I imagine that the questioner was deriving his question off that information.

**Mr. Pellis:** The responsibility around that equipment rests with our service providers. What we have there is what's called an indefeasible right of use. Essentially, if you like, without having ownership, we have all the benefits of ownership, including the exclusive right to use those assets.

**Mr. Saher:** As the auditor of the ministry perhaps we'll have some discussions outside of this room as to why that component of the SuperNet is in fact being amortized over three years. If, in fact, it has a longer life, perhaps that rate of amortization may not be appropriate.

9:00

**Mr. Kang:** This is not another P3, is it?

**Mr. Pellis:** No.

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

We'll move on now to Mr. Griffiths, please, followed by Mr. Chase.

**Mr. Griffiths:** Thank you. My interest usually in these reports lies

primarily in the performance measures that the departments do to evaluate the quality of the job they're doing. I always point out that there are three levels of performance measures or satisfaction surveys which are remotely meaningful. There are output measures and then there are outcome measures, which is the level of most meaning and depth. I noticed that the Service Alberta annual report has a lot of satisfaction survey level performance measures, a couple of output measures, and no outcome measures at all. I'm wondering, I guess, what the department is doing to improve its performance measures overall so that we can get more outcome measure and see what the department's performance is.

**Mr. Pellis:** That has been an aspect that we've been working very diligently on. If you notice, in '06-07 we made a number of changes to our measures in collaboration with the office of the Auditor General, who gave us some good advice on that front as well, and we're continuing to work on coming up with some more outcome-based measures. Perhaps I'll ask Chrenan if he wants to just give a couple of details. That's one of the areas he's responsible for.

**Mr. Borradaile:** Sure. We're constantly looking for more outcome-based measures. That's always the ideal in performance measurement, to really drill down to what the outcomes of the business are. It's always a challenge with Service Alberta. We have a very varied amount of programs that we deliver, very different components in each area of our business. Our satisfaction measures have been very long standing. We've had them in place for a long time, so we're able to compare year over year. We're able to really see where we're going. So there's some value in continuing with those satisfaction measures as well.

**Mr. Griffiths:** Okay. My follow-up. There are two areas of particular interest to me that I think are important to your department, too, and that's showing that the in-house services you provide to other departments do actually save them money and improve their efficiencies and the information quality. What sort of measures do you have? It's critical for your own success. What kind of measures do you have or are you working on in detail to show that you're saving money and improving information technology and services within government?

**Mr. Pellis:** First of all, with respect to the services we provide to other departments, we base a lot of that on our satisfaction surveys because we want to make sure that right now departments, if you like, have to use our services. We are there. What we want to become, irrespective of whether they have to use us or not, is the service provider of choice.

The second thing we want to do – and I think this gets to your point around cost savings and efficiencies – is the mantra that we have: one government, one enterprise, one employer. How you achieve that is common service delivery across departments. We shouldn't be adopting a lot of different standards dependent upon which department or which client we're providing services to. The concept should be around standardization.

A lot of the comments that were made in the Auditor General's report around information technology, a lot of those issues, if you get right down to them, are around delivering services in a standardized fashion, having common standards around our application development, our application maintenance, common standards around security. The comments that were made are very relevant around the IT control framework, and a lot of that is around doing that in a highly standardized fashion.

An initiative that we're very proud of that we're working on right

now we're calling the IT service co-ordination initiative. What that is is all of the information technology infrastructure services in government delivered horizontally across all departments. For example, we've already moved to one service desk for government. We're looking at going to one model for our mainframe services. The next two aspects we're working very aggressively on are desktop and work-site support, to deliver those horizontally across government. The last one we're looking at is our servers.

**The Chair:** Thank you.  
Is that it, Mr. Griffiths?

**Mr. Griffiths:** That was my follow-up. I'd like another one, but I can't, so we'll move on. But you can put me back on the list.

**The Chair:** Yes.  
Mr. Chase, please, followed by Mr. Quest.

**Mr. Chase:** Thank you. Receiving information from FOIP requests continues to be a very frustrating, lengthy, and expensive process. In 2006-07 a total of 3,308 FOIP requests were received by the government departments, agencies, boards, and commissions. What was the total revenue collected in 2006-07 from the fees associated with FOIP requests?

**Mr. Pellis:** First of all, in 2006-2007 about 1 per cent, or 42 out of our total 3,316 requests, resulted in a complaint to the commissioner, and 99 per cent of our FOIP requests were handled without complaints. In terms of the revenue, the revenue that we received was approximately \$30,000 in total on the basis of all of those FOIP requests, a very small amount.

As much as possible we've tried to handle requests through standard release of information as opposed to handling them through a FOIP request. We make every effort to see what we can do to do that. The other thing we're trying to do is provide the information in an open forum. When air transportation was part of our responsibility, for example – it's now part of Treasury Board – we decided to release that information and make it available to anybody that wanted to see it, precluding the need for a FOIP request.

**Mr. Chase:** Thank you. With electronic record availability rather than paper copying expenses, it seems to me that fees should be less expensive. There is less processing required. What criteria are used for how fees are assessed for FOIP requests?

**Mr. Pellis:** Well, first of all, we look at the cost to us of providing the information. We try and mitigate those costs as much as possible. We also look at situations – if it's, for example, a request around personal information, that's where we really try and do everything we can to provide that individual with the information and, if we can, mitigate those costs as much as possible.

On general FOIP requests what we try to do is look at the cost of delivering that service to them: printing, paper, those sorts of things. If we believe that the cost is prohibitive, we try to go back to the applicant and say: "Are you sure this is everything you want? What you've requested would result in this kind of amount of paper. Is that really what you want?" A lot of times the applicant will come back and say: "No. What I really want is this." Therefore, we can try and bring those costs down.

**Mr. Chase:** Thank you.

**The Chair:** Thank you very much.  
Mr. Quest, please, followed by Mr. Mason.

**Mr. Quest:** Thank you, Mr. Chair. On page 34 of the annual report the graph on land title fee comparison uses a \$150,000 house with a \$140,000 mortgage. Being as the day has come and gone, I think, certainly in the major centres, where we have any \$150,000 houses with \$140,000 mortgages in this province, I'm just wondering where that number came from.

**Mr. Pellis:** The Canadian Conference of Land Titles Officials performs an annual study across all Canadian jurisdictions of registration costs associated with purchasing a property, and in order to facilitate a reliable and meaningful comparative analysis, they use a \$150,000 property with a \$140,000 mortgage. It's their standard. We just simply abide by it because I think they've decided in their wisdom that that for them is an appropriate approach to take.

**Mr. Quest:** All right. Just my supplemental, then. There's a very large discrepancy between our fees and what's happening in some of the other provinces, and I'm just wondering why.

**Mr. Pellis:** Okay. In demonstrating the Alberta advantage, we make every effort to ensure that our registry fees are as low as possible. For example, in 2006-2007 the land title registration fees in Alberta were 83 per cent below the national average, and this helps promote a healthy real estate market. In 2006-2007 Alberta had the lowest overall land title fees across all Canadian jurisdictions.

**The Chair:** Thank you.  
Mr. Mason, please, followed by Mr. Jacobs.

**Mr. Mason:** Thanks very much, Mr. Chairman. On page 17 of your annual report is the item I referenced in my first question, that \$70 million in reductions to consumer utility billings had been achieved by participating in AEUB proceedings. In goal 4, on page 42, you deal with effective advocacy of Albertans' interests in the restructured utilities market, but the discussion there really is only around people's awareness of the Utilities Consumer Advocate and a basic satisfaction number. I'm more interested in the activities and how you measure the statement here that \$70 million in reductions have been achieved.

*9:10*

**Mr. Pellis:** The reason that it's seen more as not a pure performance measure is that we have to be careful that in putting forward our performance measure, we were the sole party that influenced that, that we were the only party, that being the UCA, that influenced that. That's why we're hesitant at this time to include it as a pure measure. We believe that they significantly influenced the outcome, but were they the exclusive party that resulted in those savings? We're not in a position to say that, which is why we've decided not to include it as a performance measure at this time.

Having said that, though, I want to go back to my previous comment. We are working right now to see what we can do to improve the governance model for the UCA, and part of that is to come up with, as Mr. Griffiths said, more outcome-based measures around the UCA. We're working very actively on that right now.

**Mr. Mason:** Thank you very much, Mr. Chairman. If I can just make a comment, I find the information in the annual report based on the criteria you've just indicated not as informative as it could be. You know, I mean, there are a couple of measures here, but they really don't tell the story of what's happening.

**Mr. Pellis:** Do you have any examples there?

**Mr. Mason:** Well, I mean, there are just simply two very basic measures. It doesn't really say what's going on or what's been accomplished here. It's just citizen satisfaction. I guess my question, then, is: what could be done to make the annual report more useful to us? I see that, even, one of these satisfaction things is being discontinued, and I wonder what you're going to replace it with.

**Mr. Pellis:** The reason a couple of those are being discontinued isn't that the performance measure at a high level is being dropped. We're modifying the approach that we're taking to the performance measures to make it more inclusive, and as a result it's not fair to really do a comparator to a performance measure that perhaps had significant changes in the approach that was taken. That's really what we're saying there. It isn't that we're simply going to drop it. It's that, as Chrenan had mentioned before, we're working hard to come out with more outcome-based measures. One of the things we want to make sure is that, similar to your question on UCA, if we do come up with an outcome-based measure, it's a measure so that we can demonstrate how we achieve that result and how we control that result, being more sort of an approach that monitors the influence that we had versus the actual control that we have over the measure. That's what we're working on right now.

**The Chair:** Thank you.

Mr. Jacobs, please, followed by Mr. Kang.

**Mr. Jacobs:** Thank you very much, Mr. Chairman. I'd like to follow up on Mr. Mason's question relative to goal 4 on page 42 and the utilities advocate and the effectiveness of the advocate. I notice that in your overview you say on page 42 that the UCA "represents the interests of the small retail consumer" and your "responsibilities are to provide information and promote understanding" of the market. During the last campaign in my constituency I still found many people having many concerns about utilities billing. It's not only the way they're billed. They don't understand the different lines on the bills – what they mean, why they're like that – not to mention the amount of the bills. As you advocate for consumers, do you also help them with problems they may have where they've been improperly billed? It seems to me that, you know, you would do more than just promote understanding. How do you actually help consumers who have legitimate concerns?

**Mr. Pellis:** Just to give you some current data from 2007-2008, the UCA responded to over 32,000 inquiries, which is exactly the type of question you're raising, to our main information line. This increased about 150 per cent over the number of calls we received in the previous year. Of these calls the UCA was able to mediate the resolution of over 3,500 disputes that consumers had with their utility providers. This is an increase of almost 15 per cent over the previous years. Many of these mediations that the UCA led resulted in consumers receiving credits on their utility bills. I also would like to point out that consumer satisfaction results for the UCA were over 80 per cent when consumers were asked the question, "Would they recommend the UCA to a friend?"

So I think we've made significant progress there. I believe, personally, that we've got more work to do there, which is why the minister has directed us to look at the governance model of the UCA. Part of that, I think, is a better communication strategy. I think that in some circles people don't know what the UCA is, what its role is, and what it's there for. Up until your question the focus of our discussion on the UCA has predominantly been as their role as an intervenor at utility hearings. The question you raised is

extremely valid because that's exactly part of their role as well, to assist consumers with bills and those kinds of things.

The other thing that happens is that some of those companies that knock on doors and try to get people to sign utility contracts for long terms, you know, those sorts of things, the UCA is involved in those as well in trying to assist Albertans. So I think we've done good work in that area, but we've still certainly got more work to do.

**Mr. Jacobs:** Well, thank you very much. My supplementary question. You know, I'm very interested in your becoming more effective in advocacy so that you people will get the phone calls instead of me. How are you going to do that? I think there are still a lot of Albertans that just don't understand that there's a UCA out there for them to call. I don't mind receiving the calls, but how can you promote yourselves or communicate your strategy and the service you offer more effectively?

**Mr. Pellis:** Part of the governance discussion we're having on the UCA right now is to develop a more effective communication strategy. We're looking at: what type of advertising can we do? We're looking at expanding their website, trying to make the information more available to Albertans. We're talking to the UCA about them attending industry gatherings, gatherings on utility issues, those sorts of things, and trying to get the message out there. We're even considering the possibility of perhaps having some public forums. We're not sure yet if that's exactly where we're going to go, but one of the things we do want to do is work on a communication strategy that we think is going to get the message out there and increase the awareness of the UCA.

I think that if we do, it is going to provide Albertans with a benefit. As I said before, the Albertans that have used the UCA are very satisfied with the services they received, but we need to get more Albertans aware of it and more Albertans using it.

**Mr. Jacobs:** Thank you.

**The Chair:** Thank you.

Mr. Kang, please, followed by Mr. Dallas.

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

**Mr. Pellis:** Right now I believe that there are about 10 vehicles in the fleet that are hybrids. A couple of comments I want to make there. First of all, the utilization of vehicles for the government fleet is mostly rural Alberta, off the major highways. We're concerned right now about hybrids: first of all, the cost of repairs and maintenance in rural locations. Number two is that the benefits of using a hybrid vehicle are not really going to be realized if it's a lot of highway traffic, rural traffic, things like that.

Having said that, we have in our fleet approximately 500 cars. One of the things we're focusing on is looking to see what we can do with that aspect of our fleet, which is mostly urban driving, to see if we can introduce more hybrid vehicles expeditiously in those areas. We think technology is going to improve. There are more hybrids coming on the market right now, and as hybrids come out that are more amenable to heavy use – pickup trucks, those sorts of things, for example, for our conservation officers, our park staff, those folks – then I think we're going to be looking aggressively at moving towards hybrid vehicles. As a first step, though, we are looking quite actively at those 500 vehicles which are in urban use right now.

**Mr. Kang:** Have you developed some target within the government fleet?

**Mr. Pellis:** The first target we have, as I mentioned, is to look at the 500 cars that are used for urban use. The second thing we're doing right now is working with some colleagues in other jurisdictions. For example, some provinces have tried hybrids in the uses that I'm talking about, and we want to know what their experience has been like. Have they had significant problems? What happens if they've had breakdowns and the vehicle is in a remote rural area where the local mechanic wouldn't be able to repair a hybrid vehicle? One of the things we want to make sure of is that our staff are safe and that if they're out in Grande Cache or another rural area and something breaks down, it isn't a situation where the local folks there can't even repair the vehicle because the hybrid technology is so new.

9:20

So we're talking to British Columbia. We're talking to a few other jurisdictions. We want to find out what their experience has been. Also, because of the fact that it's a lot of rural driving, a lot of highway driving, have they actually noticed savings by using a hybrid in those environments? We do know that in an urban setting, driving within a city – Red Deer, Edmonton, Calgary – there are probably going to be savings in using a hybrid vehicle. We're not sure yet if that's going to be the case with a lot of highway use and a lot of rural use, where the hybrid technology isn't going to be used because the gasoline engine is going to kick in because of the speeds that you're travelling at.

**The Chair:** Thank you.

**Mr. Kang:** I think we're talking about not only the monetary benefits; we're talking about the environmental benefits as well.

**Mr. Pellis:** Absolutely. But in order to achieve those environmental benefits, the hybrid technology has to be used.

**The Chair:** Mr. Kang, we're going to move on.  
Mr. Dallas, please, followed by Mr. Chase.

**Mr. Dallas:** Thank you, Mr. Chairman. I'm looking at page 147 of volume 2 of the Auditor General's recommendations and at the same time looking at page 50 in the ministry's annual report. We had a little discussion on this earlier regarding service level agreement and satisfaction of the ministries. Now, I don't know this, but I have an inclination that the financial and application resources that the ministry applies are highly leveraged in the efficiency of the other ministries in the way that they're able to deliver their services. The discussion appears very simplistic in terms of satisfaction levels of the ministries. What actions have you taken in the previous year in terms of detailed discussions with the ministries about their service requirements, given, I understand, the need for elements of standardization around security and platforms and the like? How do we actually know that we're providing optimum service to these ministries and creating financial efficiencies in the way that the transaction services are provided?

**Mr. Pellis:** First of all, one of the Auditor General's recommendations was around service level agreements with ministries. To your question, we see that as a key component of achieving those efficiencies. The other aspect of that is that the service offerings that we provide going back even to 2005-2006 and before, the ministry take-up of those services initially was very sporadic. We had

ministries who decided that they felt that they could deliver, for example, a print or a mail service better on their own and that there was no real reason for them to adopt a standardized approach.

What we're doing now is that the opposite is occurring. We're in fact having in some lines of business for Service Alberta demand management issues, where more ministries are coming to our table and saying: we think that the approach that you're taking is more cost-effective, more efficient, and we want to use your services. We've got some fairly large departments that recently had been using their services in a siloed fashion on their own who have now approached us to try and get those services delivered through us because they believe that it is more efficient and more cost-effective to do that.

**Mr. Dallas:** I appreciate that. My supplemental in the same vein, though, is: what formal process is there to interact with the ministries not about the suite of services that you offer and whether they'd like them or not but about what specific needs they have that are unaddressed that potentially the ministry could be supporting?

**Mr. Pellis:** Okay. What we have right now is the Senior Financial Officers' Council, which provides guidance and advice on a corporate level for all financial services that Service Alberta provides; we have the Chief Information Officer Council, which provides advice and counsel on the technology services; we have the admin services council, which looks after all of the administrative services, including mail, print, procurement; and we have the human resources development council, which also provides that advice.

So where do we get our direction in terms of where we think the highest value services can be provided? That's done very collaboratively with each of those councils to ensure that we are providing those services. In terms of the forum ministries can come forward and say, "We think this an area where Service Alberta should be involved"; "We think this is an area where perhaps Service Alberta should enhance its services"; or even, "This is an area where Service Alberta is not adding any value by delivering a co-ordinated service. We think we should go back to a departmental perspective."

An example I can give you is that in 2005-2006 one of the things that had been done when the precursor to Service Alberta was created was that human resource consultants were all centrally managed through what was the ACSC at that time. A decision was made that there was no real value proposition to delivering those centrally, and because these individuals had to have a strong knowledge of what their ministry was about, the specific requirements that their ministry had, a decision was made to move those staff back to the ministries. There's an example where by working collaboratively with the ministries, we think we've achieved a good result, and now I know that all the ministries are very satisfied with the fact that those human resource consultants are specific to their departments and understand the specific needs and requirements that they have in their departments.

There are other examples of where services that were delivered in a more fragmented basis are now being centrally delivered through us because there is a strong value proposition to do so.

**The Chair:** Thank you.

Mr. Chase, please, followed by Mr. Bhardwaj.

**Mr. Chase:** Thank you. Page 31 reports that customer satisfaction with the land titles office decreased by 20 per cent from the previous year, which is explained as resulting from "unprecedented economic growth." My first question: why was the ministry not adequately prepared for this increase in demand for services?

**Mr. Pellis:** I think that we could not anticipate how quickly the real estate market was going to change. If we did, I think a lot of us might not be here because we'd have a lot of money that we made in the real estate industry. I think we did the best that we could in terms of responding.

The other thing that occurred, though, and why initially those satisfaction rates were low is that we were down to something in the neighbourhood of 23 to 24 days turnaround for a land title transaction, and what Laurie and her team did was look at how we could streamline the process, how we could ensure that we still met the objectives that we needed to meet around ensuring that the information was accurate, that we were protecting Albertans with respect to mortgages, land title transactions, et cetera, and at same time see what we could do to reduce those times. I'm very pleased that we were able to get those times down from 23 days to an average of about four to five days, which was a huge improvement. I think the snapshot that we took with respect to performance measuring at that time was when our land title transaction turnaround times were in those 20-day time frames.

I have to say that the comments that Laurie and her team have received from both the real estate sector and the law community have been extremely positive, and they're very pleased with the fact that what was 23, 24 days is now averaging four to five days. So I think that when you see our next set of performance measures in this area, you're going to see a significant improvement. In fact, I believe that we're going to be over 75 per cent.

**The Chair:** Mr. Chase, if we could have your second question, please.

There is a long list of members who in the time we have left have indicated an interest in directing questions to your ministry, so we're going to have to tighten up our answers and our questions, please.

**Mr. Chase:** Yes. Of course, hindsight's always 20/20.

I'd like to know what mechanisms or initiatives have been put in place, such as hiring additional staff to assist with the increased service demand. In fact, with the lowering prices has the demand decreased?

**Mr. Pellis:** Sure. I'll pass that question over to Laurie. She can provide you with some more details of what we did.

**Ms Beveridge:** We did, as Paul mentioned, a number of processes of re-engineering. We changed the telephone systems. We instituted new shifts; for instance, we had a six o'clock shift in the morning. We had staff working seven days overtime. We also more recently – this isn't in '06-07 – have created something called the pending registration queues so that lawyers and Albertans could come in and see if there are other registrations in place before the registration that they want to do on a piece of property. So it's sort of a whole gamut. We attacked actually every aspect. We also did hire more staff. That does take some time to do. As Paul said, in hindsight, you know, we weren't expecting such an enormous increase in the economy. I mean, just to let you know what kind of an increase we did get: from the year 2000 to 2006-07 it was a 57 per cent increase in volume, so it was extraordinary.

9:30

**Mr. Chase:** Thank you.

**The Chair:** Thank you.

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

**Mr. Bhardwaj:** Thank you, Mr. Chairman. I think my question might have been partially answered. I'm at pages 30 and 31 of the annual report, the satisfaction survey. I'm looking at the registry agents, 87 per cent of people satisfied, compared to the land titles at 52. Is there a real reason for that, please?

**Mr. Pellis:** The reason goes back to the fact that the point in time that the surveys were taken was when we were sitting at the over 20-day turnaround on land title transactions. Of course, if I was on the other side of the fence, I wouldn't have been satisfied with those turnaround times either. Again, it's my understanding that we've resurveyed for this year, and we're exceeding 75 per cent. So we've gone from 52 per cent to over 75 per cent now. I think the land title transactions are more representative and more tied into the satisfaction rates that we're getting on our other lines of business, including motor vehicles, et cetera.

**Mr. Bhardwaj:** Thank you. No supplement.

**Mr. Kang:** Coming back to the drivers' licences from other countries, what resources within the ministry are devoted to the processing of drivers' licences from those countries that we don't have reciprocal protocol agreements with?

**Mr. Pellis:** Again, that is the responsibility of Alberta Transportation, but we will talk to them and get an answer back.

**Mr. Kang:** Okay. Are there any performance measures to assess the wait times for individuals with an international licence trying to obtain an Alberta licence?

**Mr. Pellis:** Laurie?

**Ms Beveridge:** No, we don't have such a measure.

**Mr. Kang:** Thank you.

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

Mr. Fawcett, please, followed by Mr. Chase.

**Mr. Fawcett:** Yes. On page 68 of the annual report it talks about satisfaction with human resource strategies and policy framework. If you look at the number of satisfied under the performance measure, it shows a trend that is decreasing and in the annual report for that year a significant decrease. I mean, the numbers are the numbers, but what is it that is causing that decrease in satisfaction? Has there been any indication from the different groups and ministries as to why they're not as satisfied as they were in the past?

**Ms Wilkinson:** That's an excellent question. In looking at that, it was a key concern or question for us as well. What you'll notice, if you take a look at the numbers – and this was our assessment – is that the biggest increase was in the neutral or don't know category, and those numbers really equated to the change from the satisfaction level. What we saw in our client groups, as you referenced, is that a number of those folks were new to their roles. Our assessment was, really, that the movement from satisfaction to neutral was based on the fact that individuals were new to their roles and hadn't at that point in time had significant enough experience with us to be able to comment on their satisfaction, so therefore went to neutral.

**Mr. Fawcett:** Okay. No further questions.

**The Chair:** Thank you.

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

**Mr. Chase:** Thank you. On page 95 it states that the ministry has over \$177 million in contractual obligations for 2007. Excluding IBM, which is mentioned in the notes, which companies are contracted by the ministry?

**Mr. Pellis:** It's mostly information and technology contracts that we deliver on behalf of all government departments, but I think we'll take that question on advisement and get back to the chair.

**Mr. Chase:** Thank you. The list and the expenditures would be appreciated. What is the bidding process for these contracts?

**Mr. Pellis:** All open, competitive, fixed-price contracts, all of them.

**Mr. Chase:** Thank you.

**The Chair:** Thank you.

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

**Ms Woo-Paw:** Thank you, Mr. Chairman. Your core business 1 is to provide efficient and secure access to government programs and services. Goal 2 is to provide efficient and convenient access to government information and services. In your annual report, page 37, your satisfaction survey, you surveyed those people who have actually accessed or tried to access government of Alberta information services.

There are many, many reports and research on the changing demographics of Alberta, and one of the more recent ones from the Canada West Foundation speaks to immigration as being the instrument for population growth in western Canada and in Alberta. The percentage that we receive now is 30 per cent, and Calgary and Edmonton currently have 20 per cent of their population made up of immigrants.

Organizations like the United Way and Calgary Police Service and the health regions to a limited extent are now utilizing services such as AT&T to provide multilingual services and translation services. My question is: what strategies and performance measures does your ministry have in place to ensure that efficient and convenient access to government information services will be available to all Albertans?

**Mr. Pellis:** Is the question around the context of providing services in other languages, for example, those sorts of things? That is something that we've talked about, but at this point in time we do not have a formal performance measure in place. It is something that we are talking about internally as a department because we do recognize that that's going to be an important component of ensuring that all Albertans have access to our services.

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

**The Chair:** Nothing further at this time?

**Ms Woo-Paw:** A different question.

**The Chair:** Okay.

Mr. Kang, please, followed by Mr. Griffiths.

**Mr. Kang:** Thank you, Mr. Chair. Referring to page 32 of the 2006-2007 report, what are the details of the new audit role that the registry online staff have been assigned?

**Mr. Pellis:** I'll ask Laurie if she can provide a response to that one.

**Ms Beveridge:** Actually, I'm going to have to get back to you in answer to that one because I don't know.

**Mr. Pellis:** We'll get back to the committee on that question.

**Mr. Kang:** Okay. Also, a supplemental question to that: as the performance measures for the registry online services are being eliminated because of the bias the new audit role has created . . .

**Mr. Pellis:** Well, again, to the point I made before: we're not eliminating the performance measure. We're adjusting it and changing it on the basis of that role. As a result it's not fair to compare previous year results where the measure now has changed as a result of the new roles and responsibilities. So it's not going to be eliminated; it's going to be changed.

**Mr. Kang:** How will the ministry monitor the effectiveness?

**The Chair:** That's three questions, Mr. Kang.

**Mr. Kang:** That was half of my question.

**The Chair:** No. We have to move on. I'm sorry.

**Mr. Kang:** Thank you.

**Mr. Pellis:** Mr. Chairman, on the question around the change in the audit role and the performance measure we'll provide a written response.

**The Chair:** Thank you.

**Mr. Griffiths:** My first question. On page 77 of your annual report, supplemental information, employee distribution, I was very interested to see the age distribution. Being a rural Albertan, I know that everyone talks about the average age of farmers and succession planning and how difficult it is. It's a little disconcerting, I guess, that the average age at the top of the bell curve is 50 to 54 years old. I'm wondering if the Service Alberta department has some sort of a succession plan in place to help with the transition so that we don't wind up with a lot of people retiring at the same time.

**Ms Wilkinson:** Well, certainly, it's a good point to look at. The average age in the Alberta public service is 46. We are taking a number of initiatives to look to the future to ensure that we do have leadership bench strength to ensure that Albertans continue to receive excellent programs and services. Some of the things that we're doing in that area are really investing in leadership development right now to ensure that our existing staff have the capacity to deliver services now and into the future.

Specifically, we have a few programs I'll reference for you. We have a mobility program for executive and senior managers. This is really a secondment program, where it's an experience-based secondment opportunity for executives to move across different ministries to ensure that we've got breadth of knowledge and experience across government.

In addition, we know that there are a number of individuals who are eligible for retirement in the next number of years, so knowledge transfer is a real significant part of our succession strategy. The mobility program does provide an opportunity for specific individuals who've declared they will be retiring to be in a knowledge

transfer capacity for a one-year period. So our real focus is on learning and development now and then on bringing new talent into the public service.

9:40

**Mr. Griffiths:** My second question, page 53 of the annual report, the satisfaction survey with air transportation passenger quality of service. Given that a couple of years ago there was a lot of discussion about the utilization of government aircraft and whether they were utilized to full capacity, is there a performance measure I haven't found or are you developing one on utilization of aircraft rather than just, you know, satisfaction surveys for who flies it?

**Mr. Pellis:** It's my understanding that they were looking at a utilization performance measure. Having said that, the responsibility for air transportation services now rests with the President of the Treasury Board. If you like, we can forward that question on to them.

I'm not sure if that's appropriate or not, Mr. Chairman.

**The Chair:** That's fine. If you could provide it through the committee clerk to all members in a written response, that's excellent. Yes, I appreciate that.

Mr. Chase, please, followed by Mr. Benito.

**Mr. Chase:** Thank you. What steps has the ministry taken to implement the Auditor General's recommendation to develop a comprehensive IT control framework for government to ensure that risks and processes are properly monitored?

**Mr. Pellis:** The first thing we've done there is we've presented the Auditor General's findings to the Chief Information Officer Council, which has representation from every ministry. The second thing we're looking at is a standardized approach to systems development, systems maintenance, systems management. We're looking at expanding the security framework to make it more standardized.

[Mr. Griffiths in the chair]

One of the good things we found was that there is strong support from the CIO Council, which effectively means that there's strong support from all ministries to implement a co-ordinated IT control framework. We're now working through the details of that with the CIO Council. It's important that we do not do this in isolation at Service Alberta because any approach that we take has to be an approach that's accepted, validated, and used by all of the individual departments.

**Mr. Chase:** Thank you. What progress has the ministry taken on the past recommendations to revise its service level agreements with its client ministries?

**Mr. Pellis:** We've developed a new service level agreement template, and initially we used Alberta Energy as sort of our pilot. We've now got the new agreement in place with 11 ministries, and we expect that all ministries will sign off on the new service level agreements by the end of this fiscal year.

**Mr. Chase:** Thank you.

**Mr. Saher:** Excuse me. I wonder if I could just supplement.

**The Deputy Chair:** Certainly.

**Mr. Saher:** Thank you. The point we made on IT control frameworks. I would just like to make the point that it has a dimension connected with cost-effectiveness. A number of the questions this morning have had as a basic theme: is the ministry able to demonstrate that its shared service model is, in fact, cost-effective? I would like to make the point that an IT control framework is not simply to ensure that data is processed completely and accurately. It also is a means to ensure that the controls that are put in place by individual departments and the government as a whole are cost-effective; in other words, that the risk has been properly measured and that the control put in place is responsive to that risk in a cost-effective way and also that information is provided through IT in a productive and economical way. As I say, our recommendation to the ministry we believe is important both from completeness and accuracy of information but also so that IT processing in the government is done cost-effectively.

Thank you.

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

Mr. Benito, followed by Mr. Kang.

**Mr. Benito:** Thank you very much, Mr. Chairman. In my constituency there are a lot of foreign workers, and I know for a fact that in Alberta there are a lot of employment companies right now. Page 40 of the 2006-07 Service Alberta annual report relates to measures about investigative services. What are these investigative services, and before you answer that, sir, can you just put a little bit of emphasis on foreign workers and employment agencies?

**Mr. Pellis:** The investigations that we conduct are on behalf of consumers when a complaint falls under the legislation that the ministry is responsible for. For example, we look at payday lenders, home movers, and gift cards. That also includes complaints that are received from employment agencies.

[Mr. MacDonald in the chair]

Having said that, the work that we do in those areas is secondary to the work that's done by our Employment and Immigration department. They are the lead in those areas, and we would support them if there are any consumer services issues involved. For example, I think there were some recent comments about somebody who was charging very high fees to bring immigrants into Canada, into Alberta, with the promise of jobs, et cetera. We were involved in that, but we played a secondary role to the Department of Employment and Immigration in those areas.

Those are some of the investigations that we do. If you'd like, I can follow up and get you some further details. Laurie, I think, has got a couple of comments on that as well.

**Ms Beveridge:** We have, actually, 12 acts and 42 regulations that protect consumers under consumer services branch. One of the areas is the Fair Trading Act, and one of the regulations under the Fair Trading Act does control the employment agencies that are bringing in foreign workers. Just to supplement what Paul is saying, we have got the powers to investigate infractions of that particular piece of legislation.

**Mr. Benito:** A supplementary question: how many investigators do you have, and how many investigations were conducted?

**Mr. Pellis:** In 2006-07 we conducted over a thousand investigations that resulted in about \$50,000 in fines, \$750,000 in settlements, and

about \$900,000 being placed in a trust. With respect to the number of investigators, I'll pass that question over to Laurie.

**Ms Beveridge:** I'm not actually sure how many investigators we have right now, but it's in the neighbourhood of around 40 investigators. In that neighbourhood.

**Mr. Pellis:** Okay.

**Mr. Benito:** Thank you.

**Mr. Kang:** I will take that question further about the employment agencies bringing offshore workers here. They've been charging, you know, we hear, lots of money offshore. Do you have any jurisdiction on those employment agencies to fine them or go after them if they're charging money offshore? My understanding is that the employers here should be paying the employment agencies, not the employees they are trying to bring from offshore. They have been charging lots of money to bring those workers here in the hope that once they get here, they probably will be able to stay here permanently become permanent residents. Do you have any jurisdiction on those employment agencies?

**Mr. Pellis:** The ones that are offshore, you're saying? Laurie, do you have any comment on that, or do we want to get back to this group?

**Ms Beveridge:** I think we should get back to this group on that.

**Mr. Pellis:** Okay. Mr. Chair, we'll get back to you on that question.

**Mr. Kang:** Are those offshore agencies working in collaboration with the employment agencies which are here? Please look into that.

**Mr. Pellis:** We'll look at both aspects of that.

**The Chair:** Mr. Sandhu, please.

**Mr. Sandhu:** Good morning, Mr. Chairman. Good morning, everybody. This is my first meeting, and thank you, chair, for giving me time. Page 37 of the Service Alberta annual report for '06-07 states that the target for satisfaction for access to government service information was 80 per cent. Why is the target not higher?

**Mr. Pellis:** In our satisfaction surveys we see 80 per cent as being a good target because it represents that 4 out of 5 Albertans are satisfied with our services. We all recognize that there's a significant increase in the demand for services from government to Albertans and the volume of services. Citizens' expectations are increasing around their access and the speed of their access to services. We still believe that in this current hot economic environment that 80 per cent is an ambitious target. It's a target that I think represents a high level of satisfaction with services because, again, it represents 4 out of 5.

9:50

**Mr. Sandhu:** My supplementary question, the same thing: what is being done to increase the satisfaction timelines of government services and information?

**Mr. Pellis:** What we're doing on that front is working with ministries to enhance the content and functionality of citizens' service initiatives. Those are services that we provide to Albertans. Our

objective there is to try and come up with models that Albertans have the easiest access to those services, be it web based, be it counter. The other aspect of that is we certainly follow the calls that come in to our call centre. We're using that proactively to see, based on the number of calls, the types of calls we receive, the types of complaints we receive, what we can do to improve our services to Albertans.

The second area, which I think follows up on the question that Mr. Jacobs asked, is around communication strategy. We need to ensure that Albertans are aware of the services that government does provide today. We're looking at various mechanisms to improve that awareness, and I think we're working on a communication strategy, the UCA being one aspect of that. The residential tenancy dispute resolution service is another.

So we're looking at a number of ways of improving, one, Albertans' access to information, web being a strong tool; two, the communication strategy, ensuring that Albertans are aware of the services that we provide.

**The Chair:** Thank you.

There are still four members who have indicated an interest in asking questions. In light of the time we will read these questions quickly into the record. If you could, Mr. Pellis, through the clerk again, provide written responses to all members, we would be very grateful.

We will start with Mr. Chase.

**Mr. Chase:** Thank you. Past concerns have been raised over the security of Albertans' information, possible PATRIOT Act intervention. Because we contract out our IT, what assurances do we have regarding the confidentiality of the data being processed? For example, is encrypting files now mandatory? Since we lease or contract the majority of SuperNet services rather than owning the equipment, how do we assess the value of the service we are receiving?

**The Chair:** Thank you.

Mr. Johnson, please, followed by Mr. Kang. Thank you, Mr. Johnson, for your patience.

**Mr. Johnson:** Thank you, Chair. My questions have to do with information management, I guess, managing information and, in particular, document and records management and our strategies around those. I know from studies I've seen, the Gartner group and others, that in organizations the amount of money you spend on managing documents ranges from 5 to 20 per cent of your gross revenues as an organization. Government would be at the high end of that. So if we look at a \$40 billion enterprise, 20 per cent of that is a significant amount of money to find some efficiencies.

My questions are: what have we been doing, I guess, to ensure that we have integrated, enterprise-wide records management systems, not siloed solutions?

Secondly, one of the biggest areas that we can gain efficiencies in terms of document management is in re-engineering business processes. Do we have people on staff that have those core competencies that will work with departments, that actively go out to try and find ways that we can map business processes and re-engineer our business processes, you know, such as Six Sigma black belts or people like that? Does the department use those resources, and do we actively hunt those opportunities out?

Thanks.

**The Chair:** Thank you.

Mr. Kang, please.

**Mr. Kang:** Thank you. My question is on the total operating cost of Alberta's SuperNet for 2006 and 2007. How are the operating costs apportioned between the ministry and its private-sector partners?

**The Chair:** Thank you.

**Ms Woo-Paw:** My question is on the SuperNet operating expense as well. There was a significant jump between 2004-2005 to 2005-2006: \$2.3 million to \$9.6 million. There's no data for 2006-2007. The first question is: what were Service Alberta's operating costs for the SuperNet for 2006-2007, and what was the nature of the operating expenses that have been reported in past years?

**The Chair:** Thank you.

I have a request from Mr. Mason, who got called out of the meeting, and I would like to read it into the record on his behalf. I would like to put this question to you, please, Mr. Pellis, and if you could provide a written answer, I would be grateful. Please provide a list of the intervenors by the Utilities Consumer Advocate before the AEUB, including a summary of the arguments made and the results achieved. Thank you on behalf of Brian Mason.

That concludes this portion of the meeting. On behalf of the committee I would like to thank you and your department officials for your time and diligence this morning and wish you the very best. You're free to exit the room if you wish. We have other matters on our agenda to discuss.

**Mr. Pellis:** Thank you very much, everyone.

**The Chair:** If we could move to item 5, please, on our agenda, CCPAC conference attendance. I would like to update the committee and advise that further to the committee's motion Mr. Griffiths as the new deputy chair of the committee will be attending the CCPAC conference in Yukon in September. Agreed?

**Hon. Members:** Agreed.

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

**Mr. Sandhu:** If you need security I can go, perhaps.

**The Chair:** Mr. Sandhu is going to provide security. Okay.

Item 5(b), Committee Schedule – Out-of-Session Meetings. I would like to advise you that letters are being sent to Edmonton school district No. 7, Calgary Roman Catholic separate school district No. 1, and ATB Financial to attend meetings on October 7 and 8, 2008.

I would like to advise that the chair and the deputy chair have had quite a look through financial statements that we got from the Legislature Library on a rural school jurisdiction, and we also have some information that has been provided to us by the Auditor General, which I would like to express my appreciation for. An invitation letter to the Livingstone Range school division No. 68 will be sent out shortly asking them to attend in the afternoon. We'll arrange the schedule, but it will probably be on October 8. I will advise the committee that these meetings are works in progress, and we're getting the schedule tied up.

**Mr. Johnson:** Just to confirm: Livingstone, I believe, is down south?

**The Chair:** Yes.

**Mr. Johnson:** And they do have an aboriginal component to their student body?

**The Chair:** Yes. The information that has been provided to us is that the Livingstone Range school division No. 68 has a revenue of \$42.5 million. They have federal funding of \$2.4 million. The Auditor General has had management letters to them before. They have First Nations students in their system. They have 12 Hutterite colony schools as well. The geographical area served is Claresholm, Pincher Creek, Crowsnest Pass, and Fort Macleod.

**Mr. Johnson:** Okay. Awesome.

**Mr. Griffiths:** During those two days of meetings will there be any executive discussion with the committee?

**The Chair:** Yes. In the past on the first day of meeting the committee met in camera an hour in advance of the first meeting at 10 o'clock, and we had an update not only from Mr. Dunn but also from Philip and the researchers. I think it would be best if we did that again. The meeting for the committee would start on Tuesday the 7th at 9 o'clock, and we would meet in the next committee room for our in camera session so that Keith and everyone could get this room set up for 10 o'clock.

**Mr. Jacobs:** Mr. Chairman, could you ensure that the clerk would get that information to our assistants so that it gets on our calendars. I'm not a very good secretary, so that would be helpful if you could do that.

**The Chair:** Okay. We will certainly do that.

Are there any other questions, or is there any other advice for the chair and the clerk regarding this matter?

10:00

**Mr. Fawcett:** I just have a question. Presumably, we're probably going to be done session here in the next few weeks or whenever. I mean, we have things scheduled to the end of the month. I can't remember: as soon as we're done, are we going to stop meeting?

**The Chair:** Yes. We stop our meetings. We had a motion to that effect.

**Mr. Fawcett:** Okay.

**The Chair:** If we could move on to item 6, please. That's the date of our next meeting. The next meeting, if the House is in session, will be next Wednesday, June 11, at the usual times, and we will have the Ministry of Transportation. That's depending upon the House schedule. Okay?

Item 7 is a motion to adjourn. Moved by Mr. Bhardwaj that the meeting be adjourned. All in favour? None opposed. Thank you very much.

Have a very good week. Thank you for your time.

[The committee adjourned at 10:01 a.m.]





