HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, October 12, 2011

LEGISLATIVE CHAMBER

Chief Information Office
Government Telecommunication Expenses

Public Accounts Committee

Ms. Diana Whalen, Chairman
Mr. Howard Epstein, Vice-Chairman
Mr. Clarrie MacKinnon
Mr. Gary Ramey
Mr. Mat Whynott
Mr. Brian Skabar
Hon. Keith Colwell
Mr. Chuck Porter
Mr. Allan MacMaster

[Ms. Vicki Conrad replaced Mr. Mat Whynott]
[Mr. Leonard Preyra replaced Mr. Clarrie MacKinnon]
[Mr. Zach Churchill replaced Ms. Diana Whalen]

In Attendance:

Mrs. Darlene Henry
Legislative Committee Clerk

Mr. Jacques Lapointe
Auditor General

Mr. Alan Horgan
Assistant Auditor General

Mr. Gordon Hebb
Chief Legislative Counsel

WITNESSES

Chief Information Office

Ms. Holly Fancy, Associate Deputy Minister & Chief Information Officer
Mr. Blaine Maxwell, Director, Service Management
Mr. Darrin MacKeigan, Senior Project Analyst

HALIFAX, WEDNESDAY, OCTOBER 12, 2011

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIRMAN
Ms. Diana Whalen

VICE-CHAIRMAN
Mr. Howard Epstein

MR. HOWARD EPSTEIN (Chairman): Good morning, I am Howard Epstein, MLA for Halifax Chebucto and Vice-Chairman of the Public Accounts Committee. In the absence of MLA Diana Whalen, who is out of the country, I'll be chairing today's session. My apologies to all concerned for starting a little bit late. We had trouble putting in place our quorum for today and we will be operating with a bare quorum, I think, for the meeting today.

I would like to welcome our guests. I will start by asking the members of the committee who are present to introduce themselves, and then I'll turn to the committee clerk for a brief statement. We'll start with Mr. Skabar.

[The committee members introduced themselves.]

MR. CHAIRMAN: Thank you all. I would like to ask Darlene Henry, the Legislative Committee Clerk to make a brief statement about fire safety.

MRS. DARLENE HENRY (Legislative Committee Clerk): Just a quick announcement. As a directive of the Fire Safety and Evacuation Plan for Province House, all persons are now to be made aware that in the event of an emergency, you are to exit the building through the Granville St. entrance, which is on the left out the doors and proceed across the street to the general assembly area in the parkade. Thank you.

MR. CHAIRMAN: Thank you very much. We probably won't make this statement every meeting, but we'll informally advise our guests on each occasion and I think the MLAs will understand what the process is to be. I should note before we start the formal part of the meeting that there will be some committee business to be attended to at the end, so we may have to shorten up the questioning just a little bit.

I note that our topic today is government telecommunications expenses and our witnesses today are from the Chief Information Office. We have with us Ms. Holly Fancy, Associate Deputy Minister and Chief Information Officer. Welcome to you. I would invite you to introduce the staff with you and to make your opening statement.

MS. HOLLY FANCY: Thank you. Good morning, Mr. Chairman, and members of the committee. I want to thank you for inviting us here today. I appreciate the opportunity to talk about the direction we are headed and to speak a bit about how the Chief Information Office is working towards securing the best service at the lowest cost with the least risk for the Province of Nova Scotia.

Before we begin, I would like to introduce two of my colleagues from the Chief Information Office who will help answer some of the questions you will no doubt have on this topic. With me today, to my left, is Blaine Maxwell, Director of Service Management within the Chief Information Office. Also, to my right, we have Darrin MacKeigan, a senior analyst and a subject matter expert in the area of telecommunications.

Mr. Chairman, as you and the members of this committee know, the Chief Information Office was created in 2009 to plan, organize, and direct the efficient and effective use of technology and information across government. It is responsible for information management and the delivery of efficient, effective and secure information technology services to the provincial government.

The Chief Information Office supports government's goals and priorities by developing and implementing strategies, policies and standards. The office took over IT operations about 15 months ago. We have used that time to gain a solid understanding of current contracts and create a comprehensive picture of the technology on the horizon.

We took over nine organizations and have worked hard to streamline, standardize, and reduce some of the complexity out of the picture. We are redesigning networks, consolidating hardware, and standardizing and reducing the number of tools used for the tasks. By increasing efficiency, we are able to save taxpayer dollars on purchases, maintenance, training and the amount of services needed.

When we took over, there were seven help desks with different standards and methods of delivering services. We are consolidating these into one consistent help desk with one standard, for a better client experience.

In the early stages of upgrading networks, we have taken buildings with multiple wide-area network connections and reduced to one, and redeployed any duplicate equipment. These are the types of projects that are the focus of our three-year technology and information strategy, Connecting the Future Today. Among its priorities are to deliver tangible results and make a positive difference to the government and the people of Nova Scotia. The strategy will accelerate the shift to new technology, it will make government more accessible to the people of Nova Scotia and capitalize on innovations to improve technology and information service delivery.

We are applying a similar strategic view to contracts. When we had the opportunity to go to tender we secured the best service, often at considerable savings to government, and we were also able to save money - in one case, more than $1 million - by renegotiating and extending existing contracts. Not only did this strategy save money but these extensions provided the best service without the considerable effort and expense of transition to a new service. Most importantly, it allowed the flexibility of not locking government into technology that could change considerably before the end of a new, long-term contract.

It is in the best interests of the province to wait until such technology has been realized and take advantage of it. This strategy allows for a more efficient service and better value for Nova Scotia.

Mr. Chairman, we take all of our obligations seriously and I feel comfortable in saying that we work to do a good job managing these contracts prudently, securing the best value, while ensuring the needs of government and the people of Nova Scotia are met with secure, effective services. In some cases, the budget may have increased but that is usually based on greater demand for services. For example, as government cuts back on travel expenses, there is greater demand for services like teleconferencing and webinars. While this demand can increase corresponding budgets, it can also represent an overall saving for the province.

We are also working in areas such as enhancing the province's disaster mitigation and recovery abilities. We realize this is a facet that can be improved and we are actively exploring options to better help ensure government can continue to provide the public access to key information in the event of a disaster.

These are the types of advances we are exploring; ways to allow technology to better service the people of Nova Scotia while bringing value to government.

Mr. Chairman, there is no doubt there are challenges ahead and a need for greater collaboration across government. We believe we are doing the right things, doing them the right ways, doing them well and getting the benefits.

In closing, I would just like to say we are working hard to find efficiencies but we are also seeking out the best way to deliver these services. We are committed to providing the businesses and the people of Nova Scotia with easy-to-find, easy-to-use, secure and trusted access to government information and services and we are striving to do it at the best value to the province. Thank you.

MR. CHAIRMAN: Thank you very much for that introductory statement. Our process is that we turn to each of the caucuses to allow them the opportunity to ask a number of questions, but before we do that, I would like to note that we have been joined by two additional MLAs. We have Vicki Conrad, MLA for Queens and we have Mr. Gary Ramey, MLA for Lunenburg West. They are here with us now. I neglected to note early on that we also have with us the Auditor General, so my apologies, and welcome to the Auditor General who is observing our proceedings today.

We will start with the Liberal caucus, which will have 20 minutes. I would invite the MLA for Yarmouth, Mr. Churchill, to start. Thank you.

MR. ZACH CHURCHILL: Thank you, Mr. Chairman, and thank you so much to our guests for being here today, all of them. I have a couple of questions around the HRM Auditor General's Report. The Auditor General conducted an audit I think in August 2011, on cellphones at HRM. The report largely concluded that increased costs were not necessarily driven by excessive usage, but rather the very large number of devices that were activated. I'm just wondering, how does the government distinguish when an employee needs a PDA or business device, and a cellphone? How does that process happen?

MS. FANCY: Currently in the provincial government, there is a mobile wireless device policy that was put out by the Treasury Board office. Inside that policy there are guidelines around the usage of mobile devices, specifically around the BlackBerry and the cellphones. There is guidance within that policy that departments use to determine who gets a BlackBerry. Some of the criteria would include if you're away from your desk, or if you're working remotely. There are various criteria and that policy is on the Web site. We basically adhere to that and each department aligns itself to that policy.

MR. CHURCHILL: In that report it mentioned there were instances where mobile devices were underused, which seems that HRM was paying for devices and weren't necessarily getting the value out of them because people weren't using them. What happens if we see that there are people who have these devices that aren't necessarily using the full benefit of their data package or whatever?

MS. FANCY: From a Chief Information Office's perspective, our mandate is to make sure that we have a contract in place that provides the best value for that device. The decision around who utilizes the devices and the management of getting the value and the business benefit from those devices resides in the management of the departments and those people who are delivering programs and services. There are decisions made at that

level around questions like, if there is applicability with this device, are we getting the benefit, are we increasing productivity, decreasing costs, improving the quality of service to citizens? So it's made at that program level and the management level within the departments and agencies.

MR. CHURCHILL: An issue that was also flagged was the security around IT, so what steps have you taken to examine a greater security with government-wide technology?

MS. FANCY: We have certainly spent a significant amount of time looking at the IT security for the province. We have established a risk management committee that looks at and mitigates risk as it relates to security and IT, we have a security authority, we've established and continue to refine our standards as they relate to security, because it's definitely a moving target and we have to keep on top of that. We monitor for compliance and we have appropriate intrusion and detection as it relates to security, so it is something that we pay attention to on a daily basis and continue to refine and improve our security measures inside the Chief Information Office.

MR. CHURCHILL: What are the biggest security threats right now, from that perspective?

MS. FANCY: Biggest security threats. Well, probably intrusion I would say, viruses. Darrin, do you want to comment on that?

MR. DARRIN MACKEIGAN: Our biggest threats would be, as Holly said, intrusion - people trying to hack into or gain access into the network - as well as viruses and malware that are out there affecting the general public as well.

MR. CHURCHILL: Just a question out of personal curiosity. Can viruses or intrusion impact a business device or a Smartphone in any way? Is that possible?

MR. MACKEIGAN: There are currently some viruses that are out there that can affect Smartphones, none that we've seen yet in our environment and most of them are outside of North America. In the models that we've approved so far, we've seen no malware or virus in any of those models.

MR. CHURCHILL: Excellent news. Some questions surrounding the contract. What are the terms for the current telecommunications contract for the province?

MS. FANCY: From the perspective of timing contracts?

MR. CHURCHILL: Yes.

MS. FANCY: Our wireless contract is up for renewal. Its end date is 2013; it was 2008 to 2013. Our basic constructs for telecommunication contracts are norm. Industry norm is five years. We break those contracts into three components. The first is a three-year piece where we are working with the vendor and they're living up to the terms and conditions. At the end of those three years, we have an option that we can exercise for an additional year and then after that another option that we can exercise for an additional year, which brings us to that five-year contract.

The reason why we've structured them that way is because it provides opportunities at the end of the three years and at the end of the four years to continue to look to see if we're obtaining the value and have good costing to make sure that they're living up to the terms and conditions of the contract and that we're having quality service that's delivered. It enables us opportunities to take a look at that, but the contract itself is negotiated as a five-year contract.

MR. CHURCHILL: Are those competitive bids or are they fixed?

MS. FANCY: All of these telecommunication contracts were competitively tendered.

MR. CHURCHILL: Is there a difference when you're dealing with land lines and mobile devices?

MS. FANCY: They are different contracts, yes. They would go out to tender separately.

MR. CHURCHILL: I've got some more questions I'd like to ask around the Accountability Report that was published. It states that 50 per cent of the Auditor General's 22 recommendations have been completed to date.

MS. FANCY: Yes.

MR. CHURCHILL: That's pretty good. Which recommendations have and haven't been implemented, the big ones?

MS. FANCY: There are quite a number of those because there have been different chapters over a period of years, focused on security and focused on governance. I can get you the details around which ones have been actioned and which ones haven't. I don't have that with me right now, but I can certainly provide you with an update of where we are on all of those recommendations.

MR. CHURCHILL: Thank you very much. Is there a timeline on when the rest of the recommendations will be completed?

MS. FANCY: It depends on the recommendation. We're working very diligently on all of them and trying to complete them as soon as possible. Each recommendation would have a different timeline attached to it.

MR. CHURCHILL: You mentioned that there has been quite a bit of streamlining once your office was put in place. What exactly have we streamlined and do we have any measures of how we're actually saving some dollars, time and human resources throughout this process?

MS. FANCY: We're a fairly new organization. We took over the management of the IT services in June 2010, so we've been actually managing the services for around 15 months. The very first thing we decided to do was to develop a strategy around, are we doing the right things in government from an IT perspective? Are we delivering the right services? Are we delivering the right solutions that meet the needs of departments and, in turn, meet the needs of citizens and businesses in Nova Scotia?

We developed a technology and information strategy. This strategy has five strategic priorities. All of the work that's done in the IT community aligns itself with these five strategic priorities. One of those priorities was to create a new service agenda for IT service delivery so that we basically want, as an IT organization, to be the most productive, effective, and efficient that we can be. A lot of the initiatives that we've taken on align itself with that priority.

We have worked on consolidating hardware. There may have been seven or eight servers and we've consolidated those into one. We're going into buildings where there may have been two or three networks. We're consolidating that into reducing the number of networks in physical locations. We're also looking at standardizing software. There may have been two or three software packages that were fulfilling a particular task - we're standardizing and moving towards one or two tools per task, depending on how complicated it is.

We're in the process of defining those measures, trying to document as we move through consolidation and the standardization, reducing the complexity. We'll be able to provide measures as we work through it at the end of the fiscal year.

MR. CHURCHILL: Are there any cost savings that we can point to now or do we know what the cost savings will be?

MS. FANCY: There have been cost savings in relation to local voice, for instance, telecommunications and the renegotiating of that contract. We are saving a million dollars a year over that three-year term; so about $3 million for the provincial government with another probably $3 million for the MASH sector.

MR. CHURCHILL: Do we know what the cost savings may be in the future as we continue on with this project?

MS. FANCY: We're actually hoping that they're significant and that we're contributing to decreasing the deficit. As we go out to tender for these contracts, the competitive process will hopefully bring more efficiencies as we move through it.

MR. CHURCHILL: I guess you're dealing with bids each time so it might be difficult to know what those savings are going to be.

MS. FANCY: Absolutely.

MR. CHURCHILL: Do you feel good so far about the work that's being done?

MS. FANCY: Yes, we do. We're very much focused. In the first few months, we were focused on planning, transitioning and creating the office. Now we're very much focused on the transformation and driving out efficiencies.

MR. CHURCHILL: Thanks again for your time. We look forward to keeping track of your successes and maybe chatting again in the future.

MR. CHAIRMAN: Thank you. There is actually still time available to the Liberal caucus in this first round. Did you want to continue with Mr. Colwell or otherwise, we can come back? Certainly if the time in the first round is not used we can allocate it next. It's up to you.

MR. CHURCHILL: I think we're fine for this round.

MR. CHAIRMAN: Thank you, I'll just note that. We will move then to the Progressive Conservative caucus. Mr. Porter.

MR. CHUCK PORTER: Thank you, Mr. Chairman, and thank you for being with us. Just a few questions as well this morning. I'll start with a bit of your opening comments. You said you took over nine different organizations. What were those organizations that you've brought together and streamlined?

MS. FANCY: They were eight IT corporate service units. Those corporate service units were providing IT services to clusters of departments and agencies; also the Corporate IT Operations group that existed in the Department of Transportation and Infrastructure Renewal, which made up the nine organizations. Basically, with the CSUs, we took portions of those corporate service units, in which case we took the staff, the responsibilities and the mandate for the technical infrastructure - so the service delivery as it relates to the technical infrastructure of the province.

MR. PORTER: You talked a few minutes ago in answering one of the questions about a reduction of the number of networks, perhaps, in one area. Would we assume that those were duplication or just because of better technology - given that it is ever-changing - that you're now able to do just that, a reduction, that one technology may take over two or three others that were dated?

MS. FANCY: Certainly it's an upgrading of technology and innovation that has happened in the technology field. It's also the fact that since we created the office, we are taking a more holistic view of our networks and our technology and we're able to look across departments and agencies because we have the accountability for that. Whereas before that, the accountability resided within nine different organizations that were looking and managing effectively within their cluster, so we are now looking across that and it presents some broader, corporate opportunities, so both of those reasons.

MR. PORTER: Has the number of people reduced or changed? We talked about nine systems here a moment ago that you brought together. Is it the same number of people where you sort of brought everybody together under one roof, is there less people, or is there more people?

MS. FANCY: When the announcement was made around the creation of the Chief Information Office in 2009, the first thing we embarked on was to refine the new organizational structure for this organization and to transition all of the staff from those corporate service units and the Corporate IT Operations. We transferred all staff into the organization, in some cases they moved into different divisions reporting to different people, but we moved all of the positions into the Chief Information Office. The plan was certainly to transition the office, create the office, build a new senior management team, establish our service delivery catalogue and then to move into a phase of transformation, then looking at all of the services that we provide and start to standardize, adopt best business practices in the industry, and to start to transform.

As we worked through that process and we were at the beginning stages of that transformation we may see a particular service would require less people. What we're planning for is a demand for more service as well, so we would be able to redeploy individuals who perhaps aren't needed in one service to deliver in another area where there is more value-add. We will also be looking, through attrition, at reducing our number of FTEs where it makes sense and contribute to the bottom line.

MR. PORTER: I guess there are a couple of ways of looking at this, and don't be offended by it because it's not meant that way, but any time you're creating something new generally you're hiring new administration and so on. So it usually increases the dollar value and does not reduce it, especially in government and bureaucracy. Don't take that the wrong way, there are lots of good people working in bureaucracy, as you build bureaucracy usually there's a cost that goes along with that, salaries, department set-ups, wonderful new signs, et cetera - there are all these things as we all know. That is fine, but you talk about a

savings already of $1 million, obviously I'm going to say that's because of the good work and the streamlining that you're doing that has been able to do that or where are you actually seeing the $1 million saved? I'm just thinking about building a department, you have the add-ons.

MS. FANCY: That particular example was with a local voice telecommunication contract. The example of looking at our service desks and having seven service desks, that project is underway. So taking that service desk, amalgamating it from seven into one, there will be some economies of scale there and some savings there. We are at the beginning stages of planning that and how we can amalgamate this service and still not drop a ball on the service side and still continue to provide quality services to our departments and agencies. It's going to be those types of things that will drive the savings in the future and we're at the beginning stages of that.

MR. PORTER: Just on the seven service desks, for example, were these seven specialists, so pick problem A through problem 7 here, only they dealt with one, two, three, et cetera, their own problem. Are these people now - I'm going to call them multi-taskers - could they answer questions regarding one, five, and seven versus just one? How is that overlap working?

MS. FANCY: Certainly with each of these help desks, there were very customized questions that they could be asked and customized support that they would be providing because they were providing some infrastructure support, but more so they were also providing application support as well. There are specialties in each of the departments and how they use technology, so it's a little bit of both.

What we are doing as we move these together is we're cross-training individuals so that they can answer questions of various departments depending on the technologies they're using and we're trying to drive some economies of scale by doing some of that cross-training and having them answer more questions than they were previously when they were in their individual help desk.

MR. PORTER: How does the cross-training work? Is it a "train the trainer" affair or is it going back to school? I mean, technology is changing by the day, as we know, and I'm just curious as to how you bring everybody up to the same level, at least, of being able to assist where we're at.

MS. FANCY: It is one of a variety of those options and really trying to maximize all of the mechanisms that we have. So it could be through documentation and making sure that things are very well documented, or that we understand what previous problems were in incidents so that if they crop up again we have good answers for them. So building that knowledge management, it is about staff members training each other - a bit of "train the trainer" - and there's always the keeping up with the technology trends and that more formal technical training that everyone requires to keep up with the demand.

MR. PORTER: So in your department, your responsibility covers every aspect of telecommunications within government? That's just for my own clarity.

MS. FANCY: Yes, the five areas that we're covering from a contract perspective. Our responsibility is to make sure that we provide the telecommunications that are required by the departments in order for them to deliver their programs and services, so we have five areas. They are: data, the wireless or the mobile, the local, Internet, and long distance. Darrin can correct me if I'm wrong but he is shaking his head yes.

MR. PORTER: It sounds like you got it right. So the data and the mobile and stuff is all quite obvious but we're talking about office lines and the hard lines as well here, not just mobiles, right? We're talking about the entire office structure, everything.

MS. FANCY: Yes, absolutely, we're talking about data networks, we're talking about your local voice, yes. The responsibility for us is to make sure that government is acquiring those services and getting value.

MR. PORTER: Any idea how many employees there are?

MS. FANCY: Well, all of that is outsourced, so we have contracts with vendors that provide those services for us. What we are doing is we go through the tendering, we're managing the contract on the day-to-day basis, we are planning around what technologies and what the requirements are of government. We're understanding where the industry trends are and what vendors in Canada and local vendors have to offer, so that's basically our role. The delivery of the service is through contracted, private sector organizations.

MR. PORTER: And again, just for clarity, how many different contracts do we have right now, so the data, for example, and Internet, would that be one and the same?

MS. FANCY: No, they are different contracts.

MR. PORTER: I guess each of them potentially could be separate contracts and maybe they are.

MS. FANCY: They are.

MR. PORTER: They are all separate, individual contracts?

MS. FANCY: Yes.

MR. PORTER: So again, just with - I don't know, it always seems like it's ever-changing in this business and everybody is offering competitively now in this area, a number of different options and rates and so on. If I understood you right a few minutes ago, you said you had a three-year contract - is that standard with each of these contractors?

MS. FANCY: The standard is five years.

MR. PORTER: With the three-year, four-year options?

MS. FANCY: Yes, the standard is the option to exercise at one year and then another option to exercise a year. Our standard has been sort of five-year contracts. Basically with the data, the wireless and Internet, we go out for tender on a yearly basis actually.

MR. PORTER: On a yearly basis? So those aren't five-year contracts then?

MS. FANCY: That one is not a five-year contract. That one is more of a commodity, so we go out on a yearly basis with that one and just try to see what the best price is and it's the least complex to transition out. For data contracts, they are basically five-year contracts.

MR. PORTER: Maybe it's not a fair question but I'll throw it at you anyway - in the 15 months, I think I read here that you've been sort of up and running now, you would have done then, for your data, at least one new tender in that period, is that right?

MS. FANCY: The data contract was awarded in 2008, before we took over, so we have exercised the two one-year options on that data contract. That is due 2013, so we will go out with an RFP in May 2012.

MR. PORTER: Was there a change in service provider during that tendering process? So you went out at the one-year interval, for the data as an example.

MS. FANCY: No, we would not go out for tender at the one-year interval.

MR. PORTER: So I guess I misunderstood what you were saying a few minutes ago. It sounded to me like you were saying that at the one year you were going out with your data.

MS. FANCY: No, we have a five-year contract for data, broken up so that at the end of three years we sit down and have information around, are we getting value for that contract, is it still good, from a terms and conditions, from a dollar value? Then we would exercise the option with that particular contract, to extend it another year. We've done that twice.

MR. CHAIRMAN: I think Ms. Fancy said that it was the Internet contract that was one year.

MS. FANCY: Yes.

MR. PORTER: Thank you, Mr. Chairman, for that clarity because I missed that part, I thought she had said data . . .

MS. FANCY: And last year we did tender for Internet, yes.

MR. PORTER: Right, and I'll go to that one as an example, I may have asked this question already - was there a change then in your Internet provider at that point in time?

MS. FANCY: I'll pass that to Darrin.

MR. MACKEIGAN: Yes, there was.

MR. PORTER: And that was totally based on, I'm going to assume, costs being able to be provided at the minimum requirements that you needed.

MR. MACKEIGAN: What we do is we score our tenders based on a combination of technical requirements and pricing. That combination differs by service. In the Internet one, it was more weighted towards price and we did see a significant price decrease for that tendering process.

MR. PORTER: Thank you, and we have one sole provider for that, do we? There's not two or three or whatever? You use one consistently across government, or how does that work?

MR. MACKEIGAN: For the Internet . . .

MR. PORTER: For the Internet, that's what I'm talking about right now, just the Internet.

MR. MACKEIGAN: When we're talking Internet, we're talking government's feed out to the rest of the world that comes into our data network and right now that is one supplier.

MR. PORTER: So covering all of this, which is pretty broad, given there are God knows how many phones, et cetera, around, do you know the number of users? I mean every government office you'd be responsible for each of these different aspects. Is that correct?

MS. FANCY: Yes, from a phone perspective there is probably close to 16,000 phone-centric lines that exist in government.

MR. PORTER: Those are hard lines?

MS. FANCY: Right.

MR. PORTER: What about mobiles? How many BlackBerries - I guess everybody has a BlackBerry now, as opposed to maybe just a phone.

MS. FANCY: There's around 2,900 BlackBerries.

MR. PORTER: And those would all likely have some sort of data package on them, given the need and the purpose.

MS. FANCY: Absolutely, and the purpose and how they would be used within their departments to deliver programs and services, yes.

MR. PORTER: I recently in my office transferred from - I guess I didn't realize it was available or maybe it wasn't available at the time when I became an MLA - you just purchased your BlackBerry and you claimed it on your expenses as you would any other office expense. Recently, in August, I went over to the government plan. Now there seems to be considerable difference in pricing. Can you tell me what the average price of a BlackBerry is - and I'm talking about the service costs of a BlackBerry as for a user per month.

MS. FANCY: I'll pass that to Darrin.

MR. MACKEIGAN: The average across all of government, our average rate per user would be about - and this would combine both the data portion and the voice - would be around $54 a month.

MR. PORTER: So that's obvious you are getting the better buy based on quantity, volume, call it whatever word you want.

MR. MACKEIGAN: Right, our plans are rationalized so we pay a flat rate to activate the device and then we pay a flexible rate on our data, so we have a base data plan on all our BlackBerries. We have a flat rate for four megabytes of data and if the user goes above that, there are flexible tiers above that but it always goes back every month to the base rate. Then for voice calling, we pay a per minute price.

MR. PORTER: Because I am saving about $100 a month, from just being on a private plan - I wasn't aware, actually, until . . .

MR. MACKEIGAN: It's a customized plan specific to us that we've negotiated with the carrier.

MR. PORTER: Recently we were actually able to do that and it is in place, but there is a considerable saving there to be had, obviously, buying in bulk or whatever the right word is. So there are 2,900 of them out there, BlackBerries and data. I guess probably we are all BlackBerry, given that we're Bell Aliant. Is that our contract currently for coverage?

MS. FANCY: The approved standard for a Smartphone in the Government of Nova Scotia today is a BlackBerry. That is the only device that we support technically.

MR. PORTER: Is there a reason for that?

MS. FANCY: Yes, there are a couple of reasons around our standardization with the BlackBerry. It is a very secure device, which is important and it aligns with our standards for security. It is also the most efficient way to deliver e-mail to the BlackBerry.

MR. PORTER: The reason I'm asking that question is, why not Apple or the iPhone, I guess it's called - again, my technology on these things - I know how to answer it and send an e-mail. Just as an example, here we see in Europe last night that there was a huge issue with BlackBerry. This morning they were saying on the radio, here in Canada there were issues and nobody was receiving or sending messages. Now, that could happen with any technology as far as I'm concerned, having worked in that field for awhile. There are some who do not use BlackBerry and who do use iPhones, as an example - will there be an opportunity to do either/or, or will that just be part of the tendering process in future when that might be the best deal out there, as an example?

MS. FANCY: I think that there's probably always an opportunity to look at other technologies. From the Chief Information Office's perspective, what we would be looking at is, does it meet our security standards? Can we provide the technical support that we need to have these phones out in public servants' hands, helping them deliver service? We're always looking at the industry trends - where is the industry going? What opportunities are there? How can we drive down the costs? Right now we're sort of sticking with the BlackBerry as our standard. We're open and looking at other forms of devices as they present themselves and as the business case presents itself. There is always an opportunity to expand that, but right now we're with the BlackBerry.

MR. PORTER: I'm by no means suggesting we shouldn't be BlackBerry users. I'm just wondering about competition and how that would go. I know that there are a lot of BlackBerry users and I guess I know with all of the Apple stuff, that there are a lot of people who favour those too. That's fine, thank you.

MR. CHAIRMAN: The first round for the PC caucus has now expired. I will move now to the NDP caucus. Mr. Preyra, you may start.

MR. LEONARD PREYRA: Welcome, and thank you for a wide-ranging and very informative session on government telecommunication. I just have a series of general questions to start off. I was going over your presentation and listening very carefully. It seems to me that you have an awful lot of clients. You have government departments, citizens, businesses and people applying for contracts. How do you keep all of those things together? Let me give you a general question, how do these clients rate in rank in terms of the amount of time devoted to it and the kinds of demands they're making on your office?

MS. FANCY: Certainly from a focus perspective, our direct clients are internal to government. They would be departments and agencies of the provincial government. Our job is to make sure that we're delivering the IT services that they need to in turn deliver to the citizens and businesses of government. Our focus is to make sure that we understand what the requirements are of the departments and the agencies as it relates to IT type services, and to make sure that we're organized and agile enough that we can deliver them in a timely way that's also cost efficient.

We're more of an internal consulting organization and service delivery organization, so our first level is to our departments and agencies that we would see as our first line of clients, but the work we do enables them, so indirectly we're impacting the citizens and businesses of Nova Scotia.

I mentioned the Technology and Information Strategy. One of the ways that we're focusing our work and making sure that we're working on the right things is to develop the Technology and Information Strategy, which we had many conversations with the departments and agencies out there around their priorities. We understand what government's priorities are, we've looked at business plans and we really target our work and our services around what the priorities are.

MR. PREYRA: What are the principal demands from internal to the system or external in terms of the needs of government departments, citizens and agencies that you're coping with? What are the big challenges there?

MS. FANCY: Certainly they're looking for technology that can help them transform the way they're delivering services today, so how they can - as departments and agencies - be more productive and also reduce their costs. They are looking for technology in helping them reach their budget scenarios and reduce their costs and increase their productivity. They're also looking for assistance as it relates to delivering services and programs electronically, so how we can get more and more services on-line so that citizens can access them in a very convenient way.

So looking at those two pieces and also probably the third area would be around access to information and making sure that there is appropriate access to information when required. So looking at those sort of three main focus areas, our job would be to make sure that we have the networks in place, that we have the back office sort of infrastructure, that we have the servers in place, the networks are there, the tools are in place to allow these departments to deliver and to achieve those types of mandates.

MR. PREYRA: In general then your guiding principles around efficiency, effectiveness, affordability, security, accessibility . . .

MS. FANCY: Partnerships, collaboration, yes.

MR. PREYRA: You said something about freedom of information - I mean that's always a tension in the information world. You want to make information available, accessible, efficiently available, but on the other hand departments and citizens are very concerned about privacy and protection of security of information. Could you tell us how you are dealing with that tension?

MS. FANCY: Certainly from a privacy and confidentiality of information view, the privacy world is within the mandate of the Department of Justice. Where we fit into that is making sure that the information we house on the technical infrastructure is technically secure so we're not making decisions around what information is or isn't released, what's confidential and what is free to be distributed. We are more on the IT side and the very technical aspects of making sure that our IT security is robust and that we're protecting the information that is housed within the infrastructure that we're responsible for.

MR. PREYRA: So there would be cross-departmental collaboration then in all of this because clearly, one department sets the policies and considers what information should be freely available or the levels of protection available, but you're on the front end of that where you actually have to implement that.

MS. FANCY: Exactly. Certainly, we work very collaboratively with all the departments and agencies within government. We'd work with Economic and Rural Development and Tourism if we were looking at economic development opportunities, we work with Justice as it relates to privacy and confidentiality, and also information management people within the individual departments and agencies themselves. It's a constant collaboration in making sure that we understand what's expected of us and that we deliver that.

MR. PREYRA: It seems to me - and certainly not here, but in Ontario - most of the issues that have emerged in this area have been around health information and vital statistics and the security of that information. Is there a higher level of engagement on that issue? How are those sets of issues addressed?

MS. FANCY: What I've observed with the Department of Health and Wellness is that it certainly is a main focus of theirs. The Department of Health and Wellness and the health information is held on different infrastructure with a different organization that is responsible for it.

MR. PREYRA: So that information is segregated from the general department information system?

MS. FANCY: Yes, it is.

MR. PREYRA: There are no plans to bring those into this larger universe that you're creating of information?

MS. FANCY: Not yet that I'm aware of.

MR. PREYRA: That's good because I think there is a lot of nervousness on both the users of the system and in terms of clients themselves as to how that information can be used.

I have a sort of more general question. As a user, just a general individual using the system, one of the most frustrating things is the contract that you sign with your carrier, if you can call it that - the constant changes in the contract, the services that are provided, but also redundancy and obsolescence. You want to keep up with the technology but you don't want to jump into something too early, you want to get out of something early if it's no longer working. How do you manage that challenge of staying up-to-date but not getting too much and staying too long into a contract.

MS. FANCY: Certainly within the office we have a contract management group and we also have individuals who are focused on industry trends and innovations and technology. We're very much looking at our road map of technology, when we refresh that technology, and mitigating risks around when it makes sense to replace it from a risk perspective. At some point it costs more to sustain than it does to replace, so we're on top of that and paying attention to that.

Really the technology we bring into government is based on a business need - the department has a need for a specific technology - so we're very much grounded in not technology for technology's sake but what technology are we bringing in here in order to enable and advance the priorities of government.

MR. PREYRA: There is a tendency, certainly at the individual level - I'm sure not in this government - to go for all the bells and whistles and all of the great upgrades and things like that. Is there a process in place for keeping a check on that, to make sure that in fact what we have is what we really need and that it meets the needs of government and meets the limitations of the taxpayer?

MS. FANCY: That's right, yes, we do. There is always a lot of hype around new technologies and the possibilities that brings. We certainly do spend a significant amount of time communicating to our clients around yes, this is good, but it's too early to adopt. So we definitely have those conversations with the broader IT community.

Our sort of stance or position on that is that we're not going to adopt sort of the bleeding edge technologies, there's too much risk in that. We want to be innovative and we want to use technology to improve our service delivery but we wait for that sort of second upgrade or that third release, to make sure that other organizations have tested it and worked out the bugs and we're a lot more confident that there is less risk in some of this new technology.

It is that fine balance of making sure that we lever new technologies for the advantage of Nova Scotia citizens and businesses but, at the same time, managing the risk that is associated with some of the bleeding edge technologies. A lot of what we do around establishing standards and investigating new technologies and how that fits in and how we would support it, I'll align with that.

MR. PREYRA: Now I know when - I think it may have been last year - when Service Nova Scotia and Municipal Relations was in, they were talking about innovations in our own technological universe that were being exported to other regions. Can you tell us something about that? Where is it that we're sort of at the front end and where is it that we're sort of following others?

MS. FANCY: I think that I'm not exactly 100 per cent certain on the example they were talking about but I think it was a Registry of Motor Vehicles application and the fact that they have been able to lever that in other countries that have been able to take advantage of that. I think where we're leading in this particular province is in our standardization of back office technologies and the fact that the health care sector, the education sector, provincial sector, and 50 per cent of the transactions that are in municipalities are run on the same back office tool, which is SAP. There's a lot of interest in North America, specifically in public sector organizations, of how that was accomplished. I think that would be one of the leading examples.

MR. PREYRA: If you can just move into - sorry, did you want to add something?

MR. MACKEIGAN: I can say, more related specifically to the services we were talking about here as well, the method we use for contracting for these and our contracting structure has been shared with other provinces and they've adopted that model as well.

MR. PREYRA: That's exactly the area I wanted to get into next. One of the criticisms that the Auditor General has made in general of governance is the ability to actually negotiate these contracts and oversee them and make sure that the terms of the contract have been fulfilled. Do you have a specific agency for contracts, looking at contract compliance, management and service agreements and whether or not those terms are being respected?

MS. FANCY: Being a fairly new office, we had the opportunity to look at how best to structure ourselves to, in fact, make sure that we're living up to those requirements. We have a procurement group that makes sure that we're adhering to procurement policy and regulations; we have people looking at that. We have a contract management group and we're continuing to build on that to make sure that we have good documentation around our contracts; that we're making sure that our suppliers are living up to the terms and conditions in those contracts; that we're on top of it from a roadmap of when do we need to start to tender.

We also have a strategies group within the office that's looking at doing the medium- to long-term planning. They're looking at the future and current requirements of government. They're looking at where this technology is headed. They're developing a roadmap around - this is the vision of how we're going to use the technology in this area. That group, a lot of their work is input into how we go out and tender for these particular services. So we have roughly three different teams that are focused on the type of work that you've mentioned.

MR. BLAINE MAXWELL: One of the questions that was asked quite a bit earlier was, what improvements has CIO brought? I might mention that the Contract Management Group, for example, is a new group that was developed with CIO in recognition of the fact that there needed to be more focus on contracts and supplier management. There are actually three people and that is their complete focus at this time and will specialize in certain contracts, such as Darrin does with telecom.

MR. PREYRA: I think I have time for one more question before I hand it off to my colleague from Cumberland North. This is more about the long-term plan. As you know, the government has announced plans to move to a more common procurement strategy to other agencies. I think you mentioned the MASH sector. I just want to ask how that process is going and what do you see happening in that?

MS. FANCY: From a telecommunications contract perspective, the provincial government goes out to tender; we award the contract. The MASH sector is eligible to lever the prices that we get on that contract. There are various public sector organizations, in municipalities, in academia, in school boards and in the health care sector that take advantage of the provincial contract and the prices that we are able to negotiate. There are some efficiencies that are gained across the broader public sector in Nova Scotia.

We've certainly taken a look at that and had a lot of discussions around - that's good, but how could we improve that, how can we make this better across the public sector because it is one taxpayer. We're now starting to look at different strategies around that and perhaps having specific public sector organizations within the MASH sectors take part at the beginning stages of developing the RFP and including their requirements in our tenders, so forming partnerships across the broader public sector, which will increase the volumes that we're looking for and should decrease the costs. From a strategy perspective, we're starting to look at other options by which we can improve the efficiencies, that we can work together across the broader public sector to achieve.

MR. PREYRA: Thank you. I'll hand it over to my colleague, the member for Cumberland North, who has been waiting patiently.

MR. CHAIRMAN: Mr. Skabar, you have four minutes.

MR. BRIAN SKABAR: Thank you. I come from kind of a transitional generation. I was a federal public servant for a long time and I recall the first day a computer got put on

our desk. Four of us had to share it and they taught us how to use e-mail. I'm still borderline technology resistant and it's not for lack of trying. With my hand-held device I probably use about 30 per cent of the capacity. I had a relatively senior position and it got to be, after a number of years, when you're looking at entry-level people it was as important that they were as knowledgable in technology as they were with the particular programs that they have. Are there still any people like that, like I am or used to be, that are still trying as hard as they can but just don't get it?

MS. FANCY: I'm sure there is. Certainly, if we look at the demographics in government I'm sure there are staff who are still looking to sort of lever the benefits of technology. I think, in recognition of that, one of the things we're working on is developing training capacity within the office, so that we can provide either ourselves or provide mechanisms by which people can get training to bring themselves up to speed, to get more comfortable with the devices and to actually achieve sort of maximal benefit from that.

MR. SKABAR: Even now, I upgraded lately, three or four months ago, I have a new hand-held device and I hate it. There are things there - I just got comfortable with what I was using before and I haven't yet resorted to the last ditch of reading a book. For someone like me - and there are a couple of colleagues of mine, or acquaintances I should say anyway, who are in a similar position - can we sign up for a course? Do you have one? How can I better use the technology that is available to me?

MS. FANCY: To my knowledge, I do not believe we are providing BlackBerry training, is that correct, Darrin?

MR. MACKEIGAN: No. We have access to it, though.

MS. FANCY: We do have access to training and we can direct people to that training, but we're not the providers of it, so we can help you out.

MR. PREYRA: That's what you have children for.

MR. SKABAR: Yes, that's what I have children for and other reasons too, I guess. So having said that, I depend highly on our IT staff and people to show me, I can sometimes sense their frustration in having to tell me things a third time, but I just don't use it often enough. I don't think I'm untrainable, but it's something that is here.

The other thing is, we were talking about different devices, is there really competition out there? When we are talking about one device or another provider, is there real competition?

MS. FANCY: From a device perspective?

MR. SKABAR: Correct.

MS. FANCY: Absolutely, yes, there is competition in most of the technologies that we would deploy. Are you talking from a Smartphone perspective?

MR. SKABAR: Yes.

MS. FANCY: Certainly from a Smartphone perspective there are a lot of other Smartphones out there in the marketplace. We've said BlackBerry is our current standard. When we look at the different devices that are out there and the applicability to government, we're looking at things like, does it have the functionality, can it be supported by us remotely, does it have the security features? There are specific things that we would be looking for before we would introduce a new device into government.

MR. CHAIRMAN: Excuse me. We're going to move back to the Liberal caucus for the second round. Are we going to go to Mr. Colwell? I should have noted actually that we were joined by another member of the committee, Mr. Keith Colwell, the MLA for Preston, and he will now take up the questioning on behalf of the Liberal caucus.

HON. KEITH COLWELL: Thank you very much. You mentioned the SAP program. Is your department now managing the technology around that?

MS. FANCY: No. we are not. That is still within the Department of Finance.

MR. COLWELL: Okay. I know there are a lot of technology providers out there and you talk about that in some detail. Is there any policy or any non-official policy to try to buy local technology, where it is possible, providing it meets all the requirements of government?

MS. FANCY: There isn't a policy around that. We certainly follow the sustainable procurement policy and we adhere to the NAFTA rules. In some cases, within our tenders, there is some waiting and criteria around local economic development benefits. We would work with Economic and Rural Development and Tourism on that, but our main focus for our tenders is really around meeting the requirements of government, making sure that the services are secure and making sure that we have good value.

MR. COLWELL: Yes, I know with the economy in such a mess, and it seems to be getting worse and worse, particularly in the U.S. and I think it is going to hit us just as badly again, I just thought it might be - I know under NAFTA and all those agreements, I've run into those before, there's very limited things you can do but, when possible, it would be nice to be able to consider - as long as the company is totally qualified and can meet the requirements - local companies.

MS. FANCY: As we work through this next round of tendering from our telecommunications perspective, we will work with Economic and Rural Development and Tourism and have the dialogue around those types of things as we pull together the tenders.

MR. COLWELL: I know for myself, and some of the other people have talked about the costs - I changed from Bell Aliant, which is an American company, to EastLink and had a substantial saving in my telephone bill of hundreds of dollars per month. Also I previously had the Internet with them as well and the speed of my Internet was bumped up at no extra cost because I switched my telephone. Have you looked at that sort of costing around total government?

MS. FANCY: As we look at each one of our five areas within the telecommunications piece, we will look at how we organize the tender and what we put in the tender. We'll have vendor consultations around, what are local vendors, are they available to provide, where are they going in the future? That will help formulate, actually, our tender documents.

In the past, government has drafted the tender documents and vendors have been allowed to comment on those, so there is a fair number of input into how we actually structure the tender. We have a group within the Chief Information Office that is looking at how best to structure that to get the best value.

Currently we are going out with separate tenders so there isn't sort of the bundling of data and local and wireless, that sort of thing. They are viewed as separate commodities and have been going out to tender separately. Darrin, I don't know if you want to add anything.

MR. MACKEIGAN: Our last round of tendering is - we mentioned we spoke to the vendor community on exactly that topic. Our original tender back in 2002-03, everything was bundled together and vendors were given the opportunity to bid on the whole chunk or individual pieces.

When we went out again in 2007 and talked to the vendor community, the message that came across strongly to us - for us to get best value - was to break the services up individually and not bundle them together. We did follow that and we did see a substantial saving in terms of dollar value, but as well as the service level that we're receiving we were able to drive that up as well, so increased speeds and dollar savings based on following that strategy.

MR. COLWELL: That sounds very positive. Any idea on how much you saved, in dollars?

MR. MACKEIGAN: It's hard to quantify because some of the dollars were direct savings, others were reinvested into higher service levels. So the idea being that we may have kept spending at the same level but we were able to get a higher level of service, such as in the education sector, we were substantially able to increase the amount of band width and data flowing through the schools and educational institutions. That, in turn, would be sort of a soft saving, so I can't really quantify them.

MR. COLWELL: A soft saving but definitely an improvement at no extra cost, so that is probably a substantial saving.

MR. MACKEIGAN: Yes.

MR. COLWELL: One question - I've got a computer in my office, which I don't use very much, I tend not to use it because technology is so old on it, the software. Is anything going on there to upgrade the software on the government computers?

MS. FANCY: Yes, certainly. In the creation of the office, one of the first things we did look at was the personal computers themselves and looked at putting together a policy around evergreening the computers themselves. Then we did look at the software that is on the personal computers, wanting to establish a standard footprint of what would go on the personal computers, so we would have one or two or three images that would be consistent across government.

In looking at that, we did also look at the types of software that people are running and the versions. Our plan is to move everyone towards the same version and to also move more towards Microsoft. Currently that would affect sort of our e-mail systems, so we are looking at moving in a direction away from GroupWise and implementing Microsoft Exchange or Outlook.

MR. COLWELL: How long has it been underway and what is the cost to date?

MS. FANCY: We just went through a six-week planning exercise around what our roadmap would be in rolling out Microsoft. I'll be getting another presentation on that very shortly. It looks like it is between 13 and 15 months, from a rollout strategy. We have over 10,000 personal computers so we'll be rolling that out.

The project is about change management and making sure that people are properly trained, to be able to take advantage of the new technology on the desktop. Costs will follow very shortly around, we're estimating somewhere around $4 million.

MR. COLWELL: Has that already been budgeted or is that something new?

MS. FANCY: That is something that would be a capital project and that would be inserted for consideration by government with all of the other capital priorities and projects that have been submitted for consideration.

MR. COLWELL: Does that include the actual software itself? I know that must be really expensive for 10,000 computers, and/or the training, or is it - how is that broken down?

MS. FANCY: That is training, change management, implementation, making sure that it's up and running and that public servants can use it. The software is already owned by government.

MR. COLWELL: How long ago did they get the software?

MS. FANCY: Two years, perhaps, I'm not exactly sure. I can find that out for you and let you know.

MR. COLWELL: Two years is a lifetime in software. Have there been any upgrades in effect that would automatically come?

MS. FANCY: Absolutely. When we buy software, it comes with all of the upgrades. So as there is an upgrade path and that software is improved and additional functionality is added to it, we have the right to use that as it is advanced. That's all part of it.

We've been rolling out the office productivity tools, like the Word and Excel, putting that on the desktop, so there has already been work done to make sure that these suites of tools are on the desktop. The big one is moving out from one e-mail system to another but there has already been a plan around that.

MR. COLWELL: That's quite an undertaking just to retrain everybody. I know the GroupWise system, I simply don't use it, it's so much easier to use the Microsoft system. It must be quite a change in culture that you have to work with and that has got to be very difficult and very expensive to get everybody trained.

MS. FANCY: Well actually there is on-line training that is available and is part of the software. The Public Service Commission is also going to be offering training in their regular curriculum. We're going to try and get out ahead of this early and communicate to deputy ministers and to departments and agencies around all of the different mechanisms that are in place now, so we can do a lot of the training up front. We want to do it just in time, but at the same time I think we can get out ahead of it from a training perspective. Once you've used one e-mail system, the principles are the same so it's just mainly teaching people what to click on, what it looks like and what the icons are. We've established a road map around that as well for training and some options for people.

MR. COLWELL: I find that most people I deal with today that have computers at home and most people that are working and use computers at work have them at home, most everybody uses the Microsoft operating system - whether they have an Apple or they have some other type of computer. That transition should be relatively easy for those individuals.

MS. FANCY: Absolutely. There are people in their personal lives who use a variety of e-mail systems at home. We will have a change management person on the team. We've done some work around the readiness of departments to accept this new technology, so we've got a very good idea of that and it has been factored into the project in the plan.

MR. COLWELL: Have you done any cost analysis to how much, with a better operating system - the system now is sort of antiquated and it's not easy to use and the new systems are so much easier to use, point and click and you can pretty well do anything on the computer without very much experience at all - how much cost-saving will that be for government in time lost and just the ease of using it?

MS. FANCY: We have not gone into the actual productivity of all of the departments and how they're delivering their programs and services. Some aspects that we're going to be implementing with Microsoft are things like desk-to-desk video conferencing, so you'll be able to sit at your desk and video conference with someone in another building through your personal computer. We certainly see a lot of efficiencies with that, so as government is trying to cut our travel expenses, this type of technology where we're offering desk-to-desk video conferencing will really help so that people don't have to travel as much. I think there is a significant amount of savings and productivity we have there, but I do not have the exact numbers with me.

MR. COLWELL: How close are you to having this desk-to-desk video? That could be in Yarmouth or in Sydney, someone talking to each other.

MS. FANCY: That's part of that 13 to 15 month road map that we've established, and it also ties in with going out to tender with some of the telecommunication tenders that we're going out with. We're looking at 13 to 15 months so depending on when we start, that would be our end date coming out from there.

MR. COLWELL: I know when you video-conference, you have to have really high speed connections on the Internet. Do they have those in place now?

MS. FANCY: Yes, we do. Darrin, did you want to comment any further on the connections from a data network perspective?

MR. MACKEIGAN: That was one of the savings we spoke to earlier, when we talked about our last contracting. We drove up the speed to the connections within our data network, so we now have those lines in place to be able to handle those types of services.

Just to expand a little bit on what Holly was speaking to, we're now looking at desk-to-desktop video conferencing, but we've also over the last couple of years seen a large increase in the amount of room-based video conferencing, which we now have in place. In departments, we're seeing those systems pay for themselves in a very quick time period and the reduction of staff travelling across the province where three or four people

will go in a room in any community across the province and be able to meet with head office in Halifax, and that type of idea.

MR. COLWELL: That has tremendous possibilities, not only in travel costs, but also time saved so that things can happen faster and make sure there's better efficiency overall in government. They should be commended on pushing that forward. The faster you get that in place, probably the better. It sounds like my colleagues here - a few people are going to need a tremendous amount of training, but they'll have to look after that themselves.

I know with using this technology, the speed of the system is very important. Not many people, I believe, understand this - we have the fastest connection in the world between here in Europe. Nobody seems to know that and nobody has taken advantage of it. That is a tremendous economic development tool that nobody really pays any attention to. It means that we can connect faster to Europe and also to the U.S. than anywhere else in the world.

Has there been any work done around that? I know it's a little bit outside of where you're at - really with economic development - to capitalize on that.

MS. FANCY: Not that I'm aware of. That doesn't mean there isn't something going on but nothing that I've been involved in.

MR. COLWELL: When you're working with your systems, have you access to this particular cable in this system for conferences outside of Nova Scotia that maybe some - wouldn't it be necessary in different departments of government to make sure you access that speed?

MR. MACKEIGAN: We wouldn't be accessing that directly; that would be through our carrier. What you are referring to, I believe, is the landing point at Hibernia out in Ketch Harbour.

We contract our data connections to our carriers and then our carrier, at their level, if we were doing a conference with somebody in Europe, it would be through their connection, which may travel across that very cable. We can't say for sure; it's the path that the data follows through our carrier.

MR. COLWELL: And you are confident that the speed that you are going to run with your video conferencing - if you've got quite a few video conferences going a long time, that takes a tremendous amount of capability - do you feel that you have enough of that in place now, or at least enough to get the system started and then it can be upgraded?

MR. MACKEIGAN: Like I've said, we are now doing room-based video conferencing today. Part of what we'll be doing as we move forward with our unified

communication strategy is, we're going to look inside the network at the various buildings we have in place, to determine if the networking within the building is strong enough to be able to handle those types of signals and provide those types of services.

The actual lines that we have in place today, we're very confident that they have the capacity to be able to handle these types of services. We are not sure internally, within the buildings, whether we're there yet or not and that's part of what we'll strive for, in moving forward.

MR. CHAIRMAN: The second round for the Liberal caucus has now expired. We'll move to the second round with the PC caucus, up to 11 minutes should you wish it.

MR. PORTER: Thank you, Mr. Chairman, and I probably won't take that long; just a couple of quick questions to finish off. I just want to follow up on Mr. Colwell's point for a second, with regard to the upgrading that you spoke about and the software. Will all of those individual pieces of software require a licence of their own?

MS. FANCY: When we negotiate for and buy software, we're buying it as a corporation or as an enterprise. By saying if we have 10,000 employees within government we're going to buy software for 6,000 or 10,000, we get the economies of scale and we drive down the price. So in a lot of cases when we're buying software, it's not so much on a per-user basis as it is buying for the enterprise.

MR. PORTER: Thank you. I only asked that question because I know if you buy Microsoft Office and you throw it in your computer, I think it might let you throw it on three different computers if you wanted to, or to whatever it is, the key will only go in so many times.

Also from my previous employer, where we worked with a great deal of technology, it was very specific about every computer having its own licence. So if you bought a program for that computer and you downloaded that software, everybody had their own, it was licensed, et cetera. It was all very formal and I'm not sure why it is that way, it's a government entity as well.

MS. FANCY: I guess different software would present different licensing models. We have been trying to cut down on administration and in trying to track down who has what licence and making sure that we are legal, has lent us to do more enterprise licensing. So we license for the enterprise and make sure that whoever is making use of this to gain the benefit has a legal copy. That way we assure that we're doing our due diligence from that perspective, rather than tracking every licence and making sure we're not using more than we paid for.

MR. PORTER: Exactly, that's why I asked the question. That's obviously the best way, if you are able to do that.

The only other question I had was, I want to go back to the 2,900 BlackBerries for a moment, with me being one of those. I don't have a computer in my caucus office here in Halifax, as an example. I have a computer in my office, I have a laptop, I have this thing here that takes me everywhere. I'm finding - and although to Mr. Skabar's point I'm no wizard on it, I can e-mail and I can answer the phone and every once in awhile I'm able to get on-line, so it does most everything. Everywhere you go you have it with you, your work is always with you because most of us are generating work via e-mail and telephone unfortunately or fortunately depending how you look at it. So it's always there, you're never away from it.

Can you tell me, am I one of those who doesn't have a computer to go along with? Are we looking at those 2,900 users maybe not needing a computer to go along with that as well or a lower number of computers? I know in my office I have two - my secretary has one, she does the bulk of the work obviously. There are reasons you need a computer - it's easier, you're typing letters, et cetera, there are reasons for all of that.

I'm just wondering, is there a planned reduction because of the number of BlackBerry users? A supervisor with Transportation and Infrastructure Renewal, for example, who's probably on the road all day - does he or she have a computer in the office too or does their administration look after those needs? Would there be a plan going forward - you know we're always talking about savings, savings, savings, which is great - or is that just part of the cost of doing business? I think today it's probably just part of the cost of doing business, but you talk about the future and where you're going and looking for any number of things.

MS. FANCY: There are different scenarios being looked at and it's certainly the responsibility of the department itself as to who has computers and how those computers are used. There certainly is a large demand for personal computers for those people who are actually working on applications, so they may have a particular system on there that they need to do their job. Besides the e-mail and those sorts of things, there are real transaction-based systems that they're using - whether they're a caseworker or an accountant or whatever role they may have in government - so there is a real need to have those personal computers. It's a management decision whether they feel that this is a worthwhile tool for them to be able to deliver services with.

What we have looked at is if someone has the need for a laptop because they're on the road a lot or they're a remote worker, do you actually need a laptop and a personal computer on your desk - probably the laptop would do, so that kind of rationalization, more the number of devices rather than whether you have a personal computer or not.

MR. PORTER: I guess that's what I was getting at. As this technology increases, so does the other decrease maybe a bit? I'm just wondering if there will be a point in time where I guess we would see a decrease in the number of computers and maybe we're already seeing it to some degree. As I said, I don't have one over here at my office, I don't

see the real need, there is enough administration, service at home, et cetera, in my office there.

MS. FANCY: Exactly. One thing we do know is nothing stays the same, everything is changing.

MR. PORTER: Yes, it's ever-changing, there's no question about that. With those few questions, Mr. Chairman, thank you.

MR. CHAIRMAN: We are back to the NDP caucus for up to 11 minutes, should they wish to use it. We'll start with Ms. Conrad.

MS. VICKI CONRAD: I want to thank you for your presentation and I must say I'm really impressed with how far the office has come. It has just been 15 months and certainly the office has been able to look at all of the needs in terms of information technology.

The question I want to ask is around the province's disaster mitigation and recovery systems. I'm really pleased to know that your office has recognized that this system really needs to be improved. I would think that the office would be working really closely with EMO to look at what those improvements may be. Could you just give me an idea of what some of the options are that are being explored for improvements so that the public has better access to that disaster information if needed?

MS. FANCY: Absolutely. We have been working on improving our resilience absolutely since we took over managing the services about 15 months ago and prior to that, government has also been focused on that and it has been in a variety of different areas. One, we've been investing in our current data centre - investing in the physical aspects of that data centre and improving its resilience from looking at generators, batteries, UPSs and electrical - and making sure that we stay current and up-to-date in improving the physical space of the data centre and the resilience of that.

We've also been investing in innovations and technology, which allows us to have sort of two separate pieces of infrastructure and an application that can run on one server, but share the load with the other, and if one server happens to go down there's fail-over. We're establishing and using technology to also improve the resilience and that there's automatic fail-over if something happens, so working in that area as well.

The third area that we're working on is, we'll be releasing a request for information very shortly around doing some event or industry consultation around data centres in general and really looking at the strategy that we have inside the province for our data centre and looking for opportunities to improve efficiencies, to improve effectiveness, to improve the resilience around data centres, back-up and recovery. We have people who wake up and think about this every day, but there are also industry experts out there, and suppliers and vendors who are very good at this business. We'd like to reach out to them

and have them provide us with input around what they feel the possibilities are. We'll combine the expertise - both in-house and what we're going to get through this RFI process - to put some opportunities to government to consider, to improve our resilience in this regard.

MS. CONRAD: Do you know if there are any new emerging technologies in - I guess what I'm thinking about is, for myself I have perhaps four different numbers. I have my home phone number, my cellphone number, a fax number and an office number, and then I'm linked to phone numbers here in Halifax as well. Do you know whether or not that would relate those technologies to perhaps having one centralized number or some number that can link all of those numbers together? I'm not sure how it would relate to disaster information and how it's shared back to the public, but I see it as kind of a tangled web of numbers, if you will, that we all use.

MS. FANCY: I agree. Darrin, could you speak about the unified communications strategy?

MR. MACKEIGAN: To the specific there of having the large number of numbers, what we're going towards with our unified communications strategy, is to try to get people down to one number, but on multiple devices. So the idea being you'd have one central number you'd give out, that would be your main contact number. Now that number - through different technologies - will be able to be reached on your landline and your PDA. Also, there will be the idea of using a soft phone, so a piece of software that's on a laptop or other computers, so as long as you have an Internet connection you can log into that device and you have your phone number with you no matter where you are in the world. We're looking through that as part of our unified communications strategy. Our goal to come out of that is to have the solution where all our employees will only have one number, one single point of contact.

MS. CONRAD: That sounds amazing. I never know what number to give people sometimes.

MR. MACKEIGAN: The example we use is, we have a presentation we show with a business card with "Joe Civil Servant Nova Scotia" with about 10 different contact points; that's without unified communications. When it's brought together, it is one e-mail address, one phone number for all points of contact.

MS. CONRAD: Thank you. That's the only other question I had so I'll turn it over to my colleague if we have remaining time.

MR. CHAIRMAN: Mr. Ramey.

MR. GARY RAMEY: Thank you very much. By the time you get to me, most of my questions have been answered already, but I do have a few here. I'd like to thank you all

for coming this morning, first of all. It's my understanding that long distance service went out to tender last fiscal year. Am I correct on that?

MR. MACKEIGAN: Yes.

MR. RAMEY: Can you tell me if, as a result of that, there was a reduction in the cost?

MS. FANCY: There was an 18 per cent reduction in the cost of long distance. Certainly long distance is fairly inexpensive today but going out to tender did actually reduce that by 18 per cent.

The thing that we talk about with long distance is that although the contract has gone down and there was a reduction in the per-minute charge, you may see, if you look at long distance in government, you may actually see the cost increase. That would be because there is more usage of long distance in regard to teleconferencing, for instance. So we have more people using teleconferencing instead of travelling.

So overall to government, you could see a decrease in costs - travel costs, accommodations, those sorts of things go down; teleconferencing costs and maybe a long-distance cost goes up.

Our mandate is to make sure that we get the lowest possible cost and get that value for long distance, so that it is affordable for departments to use teleconferencing and that, overall, government saves money.

MR. RAMEY: Another thing that I've heard a lot about but I profess I don't know very much about but I've been hearing about it is Voice over Internet Protocol - I think they call it VoIP or something like that. Are we looking into that provincially as well?

MS. FANCY: I'm going to pass this one to Darrin because it very much ties with what he was just talking about, around unified communications.

MR. MACKEIGAN: That's exactly the answer I just gave the other member, it was related to that. That's what we're looking to move towards, as a Voice over Internet solution. Again, we are in the process now of getting geared up to go into a vendor consultation process. We'll be talking to the industry on exactly what is available in this area for that type of service and how that can best help to meet our needs and also to help drive down our costs.

MR. RAMEY: Do you know how far away we are from coming up with maybe a proposal or a solution or whatever?

MR. MACKEIGAN: Right now, we're planning on again talking to industry and then we're preparing an RFP to go to the street for that. We would expect to be releasing

that RFP in roughly about a year's time, so the Fall of 2012 is when we'll be going out to the street for a solution. It all again relates back to it being part of our overall unified communications solution and strategy.

MR. RAMEY: Mr. Chairman, do I still have a little bit of time left here?

MR. CHAIRMAN: You still have two minutes, if you wish to use them.

MR. RAMEY: I do indeed, if you don't mind. It was my understanding from listening to your opening presentation, Ms. Fancy, you talked about nine separate organizations, I think, being amalgamated or something of that nature. What were the nine organizations? I don't expect you to just pull that right off the top of your head but can you give me a rough idea?

MS. FANCY: It was the eight IT corporate service units, a portion of those. The corporate service units provide IT services to a cluster of departments. So the infrastructure piece - the back office, the technology, the supportive infrastructure - was removed from those eight organizations and brought into the Chief Information Office, as well as the Corporate IT Operations group from the Department of Transportation and Infrastructure Renewal, so that made up the nine organizations.

Actually it was seven corporate service units, sorry, Corporate IT Operations, and a strategies group from Economic and Rural Development and Tourism, that formulated the group.

MR. RAMEY: Thank you very much.

MR. CHAIRMAN: Thank you. That concludes the questioning from the members of the committee. I wonder if our witness has any concluding remarks she would like to offer us today.

MS. FANCY: No, I have no concluding remarks. We'll just let the opening remarks stand.

MR. CHAIRMAN: That's very useful, thank you. I don't think there are any outstanding requests for information, so thank you very much for your appearance today. The committee actually does have some business to turn to before we adjourn today. The witnesses may either stay and listen to us or leave, as you wish, but thank you.

Let me just turn to a number of items. The first item of business is the formal tabling of a report from the Auditor General. This is the Performance Report for 2010-11; it was issued by the Auditor General in July. All members of the committee have a paper copy and indeed, all MLAs have a paper copy, so I'm just formally tabling it today with the committee at the request of the Auditor General. This report details the activities of the

Auditor General's department over the last year and reports on the financial aspects of its own finances.

Second, I should note that, in fact, the member for Lunenburg West is now joining us as an ongoing member of the committee and not substituting for anyone today. He replaces Ms. Raymond, the MLA for Halifax Atlantic, so I'd like to welcome Mr. Ramey on a different basis than we've seen him here before.

Next I would like to report on a number of decisions made by the Subcommittee on Agenda and Procedures. These were all unanimous decisions and although they're subject to challenge here at the full committee, I'm hoping since they were unanimous at the subcommittee there's not likely to be any challenge.

The first item that came from the subcommittee was to choose a number of topics for our forthcoming sessions. We've heard now from the Chief Information Office. We have coming the Department of Health and Wellness, with respect to the construction of the Colchester Regional Hospital. We have the Department of Education, with respect to formula grants for school boards. We have the Department of Community Services on early childhood development services, particularly daycare. We have the Department of Labour and Advanced Education, with respect to administrative penalties for occupational health and safety. We have the Department of Finance, with respect to taxation and fiscal policy. I should note that the Department of Finance has indicated that it will be available for December 7th and that date has been set aside for that particular item.

We also have the Office of the Auditor General, with respect to his ongoing reports on performances of different government departments. Two dates have been requested, November 16th for an in camera meeting to brief the committee with respect to the Auditor General's findings, and a public meeting in this Chamber on November 23rd - I'm not sure if it will be in this Chamber.

Those are all of the topics that have so far been agreed to by the subcommittee. As usual, the actual dates will be worked out by the clerk in consultation with the various departments as to their availability.

I should also note that the subcommittee took a decision with respect to Hansard, of the proceedings of this committee, and it has recommended to this committee that we should forego paper copies of Hansard and receive electronic links instead. That decision was also made.

With respect to information items, if they emerge at the hearings of the committee, these as received will be sent to all members of the committee in the usual fashion. However, there will be a listing of the items noted on the agenda paper so that we'll be able to keep track and in case any of the members of the committee wish to raise anything with respect to those items. Unless there are any questions with respect to any of that - Mr. Preyra?

MR. PREYRA: Mr. Chairman, do you need a motion to approve the list of topics as recommended by the committee?

MR. CHAIRMAN: I can't remember from our rules whether we actually need it, but it certainly wouldn't hurt to have a formal motion accepting these recommendations from the subcommittee. Perhaps you'd like to make that motion?

MR. PREYRA: Yes, I move that we approve.

MR. CHAIRMAN: Is there a seconder? Mr. Colwell, thank you very much for that.

Would all in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

That was unanimous to accept the recommendations of the subcommittee, thank you very much.

Let me note before we adjourn that our next meeting is Wednesday, October 19th and we will hear from the Department of Labour and Advanced Education with respect to administrative penalties for occupational health and safety. Unless there are any other points? Okay.

We stand adjourned. Thank you very much for your work today.

[The committee adjourned at 10:50 a.m.]