

# **HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

**COMMITTEE**

**ON**

**PUBLIC ACCOUNTS**

**Wednesday, April 8, 2015**

**LEGISLATIVE CHAMBER**

**Service Nova Scotia**

## **Public Accounts Committee**

Mr. Allan MacMaster, Chairman

Mr. Iain Rankin, Vice-Chairman

Ms. Margaret Miller

Ms. Suzanne Lohnes-Croft

Mr. Brendan Maguire

Mr. Joachim Stroink

Mr. Tim Houston

Hon. Maureen MacDonald

Hon. David Wilson

In Attendance:

Ms. Kim Langille  
Legislative Committee Clerk

Mr. Gordon Hebb  
Chief Legislative Counsel

Mr. Michael Pickup  
Auditor General

Ms. Evangeline Colman-Sadd  
Assistant Auditor General

### **WITNESSES**

#### **Service Nova Scotia**

Ms. Joanne Munro, Chief Executive Officer

Mr. Scott Farmer, Associate Deputy Minister

Ms. Natasha Clarke, Director, Service Integration

Mr. Gary Robitaille, Acting Executive Director, Strategy & Corporate Services

Ms. Noreen Zakhia, Policy Coordinator, Nova Scotia Business Registry



House of Assembly  
*Nova Scotia*

**HALIFAX, WEDNESDAY, APRIL 8, 2015**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

9:00 A.M.

CHAIRMAN

Mr. Allan MacMaster

VICE-CHAIRMAN

Mr. Iain Rankin

MR. CHAIRMAN: Good morning everyone, I call this meeting to order. We will begin with introduction of committee members, starting with Mr. Maguire.

[The committee members introduced themselves.]

MR. CHAIRMAN: Before we introduce our guests, there was a question about relevance of questions in our last meeting. I thought it would be best to address it at the start of today's meeting. I conferred with our legal counsel, Mr. Hebb, and there was some information provided that there is a general requirement of relevance for questions asked to witnesses with respect to the issue before the committee. However, there are no specific rules governing the nature of the questions that may be asked by members of the committee.

Past practice that I have observed is that there has been quite a bit of freedom in the questions asked and I guess it is something that is evolving over time. I do welcome if people question the questions being asked but I wanted to state that, as I ruled last week, there has been freedom for people to ask questions as long as it is related to the subject matter and as long as it is related to past expenditure.

I don't know if there are any comments on that but if there are none, we will proceed with the meeting.

We will move now to introduction of our guests and we'll begin with Ms. Munro. Please introduce yourself and allow your colleagues to introduce themselves and start with your opening comments.

MS. JOANNE MUNRO: Mr. Chairman, thank you and good morning to the committee members. It's a pleasure to be here today to discuss our work regarding Access to Business and Access for Citizens. I'm Joanne Munro, CEO of Service Nova Scotia.

[The witnesses introduced themselves.]

MS. MUNRO: We appreciate the opportunity to talk about the exciting and innovative work that Service Nova Scotia is doing with Access to Business and Access for Citizens. The office of Service Nova Scotia was created a year ago this month, with a mandate to deliver higher levels of service in all that we do and be a leader in regulatory excellence.

Service Nova Scotia touches every single Nova Scotian. We have over 5 million customer interactions annually through our various channels and programs. We deliver, on behalf of government, everything from your driver's licence to home heating rebates.

To deliver on our mandate we have to modernize all aspects of our operations and focus on service for clients. This is exactly what we have done with the new structure that we put in place earlier this year. Our staff have been working diligently to deliver on our key priorities: service excellence, red tape reduction, program modernization and regulatory excellence. As CEO I also have a mandate to ensure that we play our part in making it easier for Nova Scotians to interact with government and that everything we do aligns the provincial government's overarching direction and priorities.

The work our service integration team has been doing with Access to Business and Access for Citizens directly ties into these mandates. With the changes we have made at Service Nova Scotia, I feel we are in a perfect position to further advance these initiatives. We want to make things better for our clients and we are actively working to make that happen.

Our world is in constant change. Technology is continuously evolving and impacting on our lives at work and at home. There is no better time than now to modernize and bring the province into the 21<sup>st</sup> Century. The changes in the last two decades alone have been phenomenal. The Internet has not only changed how we communicate but how we shop, how we bank, how we do research, how we purchase vacations, entertain ourselves, listen to music, and so on. It has also changed how citizens expect to interact with and receive information from government.

Completing transactions online tends to be more convenient for the client, faster and more cost effective. Usage studies show that 79 per cent of Nova Scotians are online, with two-thirds of Nova Scotians conducting personal transactions like banking, booking

flights, and paying bills online. Until now government services haven't been keeping up with this evolution - we are an analogue government operating in a digital world. We must do better. Nova Scotians expect access services quickly and conveniently from wherever they are. We are looking to digital technology to provide them with what they want and need.

Not all Nova Scotians are comfortable accessing the services online and there are others who need help to do it. We will not leave anyone behind; as we build our digital services we'll have strategies in place to ensure our entire population is accommodated. I'd like to start by defining "digital." Digital doesn't only mean online. We mean Internet-enabled such as desktop, laptop, tablet, mobile, or digital devices not even yet invented. Access to Business and Access for Citizens are two connected portfolios of projects that are focused on improving access to information and services for businesses and individuals in Nova Scotia through a single authenticated online service.

The service is already generating benefits for government. Access to Business has been identified as a key project under the province's strategy to grow the economy and it aligns closely with the previous Red Tape Reduction initiative. Mr. Chairman, we launched the online service for business at the end of 2012. Since then 19 updates of enhancements and new functionality have been added and over 38,000 clients are using the service. Today, business clients can do so much online, and Natasha will get into the greater detail later in our conversation.

In early 2013 we also launched the electronic birth bundle kiosks in nine hospitals across Nova Scotia where 97 per cent of births take place. We have a 90 per cent uptake on the program. New parents find it much easier to electronically register the birth of their child right at the hospital while also applying for a health card, Canada Child Tax Benefit, request their child's social insurance number, and apply and pay for a birth certificate. This 20-minute interaction would have previously involved several calls to different departments, a lot of paperwork, and visits to offices at different levels of government - likely with a newborn in tow.

This is a practical example of how this work can benefit Nova Scotians and various government programs and departments. We need to develop a culture that puts Nova Scotians' needs first when we plan our service delivery. We're aiming to give citizens and businesses a better, more convenient experience. There's a huge opportunity to shift government organizational culture. Going forward we're building a client-centred, collaborative, innovated and integrated culture. We're working to create a single point of access for government services online. It's about making things simpler for citizens and businesses. It's our commitment to continuous improvement. As we progress we will continually adapt and improve to better serve the needs of our clients.

Thank you, and we welcome your questions.

MR. CHAIRMAN: Thank you, Ms. Munro. We'll move to Mr. Houston of the PC caucus for 20 minutes.

MR. TIM HOUSTON: Thank you, Mr. Chairman, and thank you for the introductory comments; they're helpful.

Just to orientate myself a little bit - I know this group has been together for about a year I guess, since April 2014, what would your staffing levels have been for the past year - how many FTEs would you have had?

MS. MUNRO: When I came aboard in July - I was appointed in July - there were about 875 FTEs. (Interruption) Oh, 815.

MR. HOUSTON: Do you have a sense of what that number will be going forward - like what do you expect that to be in the year coming now?

MS. MUNRO: Yes we do, and that number is around 670.

MR. HOUSTON: That's quite a change. How is that change coming about - people moving to other departments?

MS. MUNRO: Yes, there have been moves to Internal Services as the shared services model. So that would be the world of technology - Gary, I should probably refer to you for the specifics of the transfer of the staff.

MR. CHAIRMAN: Mr. Robitaille.

MR. GARY ROBITAILLE: The complement of staff that are moving from Service Nova Scotia to the ICTS branch of the Internal Services Department - the complement is about 108. There are four specific teams from Service Nova Scotia that are moving as part of that transition to the provincial shared service model.

MR. HOUSTON: So the overall FTEs are dropping from 850 to 670, so 180, and 108-ish of that - what would the other 70 difference be?

MR. ROBITAILLE: Seventy-two, I believe, is the number that is moving as a result of government's decision to realign the Registry of Motor Vehicles program. Before, there was a dual responsibility between the Department of Transportation and Infrastructure Renewal and Service Nova Scotia for the road safety program - more commonly known as the Registry of Motor Vehicles. Government made a decision to realign that and put that under one department. So 72, I believe, is the number that is moving from Service Nova Scotia to the Department of Transportation and Infrastructure Renewal.

MS. MUNRO: That have moved.

MR. ROBITAILLE: Have moved, yes.

MR. HOUSTON: Thank you. In terms of the services provided, some services you provide - like the home heating rebate, there is no fee for that - but a number of services you provide, there would be a fee for that. So thinking of the services you provide that Nova Scotians pay a fee for, what would be the top three or four services you provide - like licence renewal, I guess. What would be the main services you provide that are kind of revenue generators, let's say?

MS. MUNRO: I would go to the top three transactions, so Registry of Motor Vehicles is a large registry with volume of transactions - new licences, renewals of licences. That would be the top volume.

The next one within our department would be the licences for fishing and hunting - the anglers. That's another very high-volume transaction. What would be the third, Mr. Farmer?

MR. CHAIRMAN: Mr. Farmer.

MR. SCOTT FARMER: From a revenue perspective, it would be Motor Vehicles first, and then Registry of Joint Stock Companies is about \$14 million a year in revenue. That's a variety of different types of registrations that take place there. Land Registry would be in and around the same, and that would be registrations of deeds and mortgages and those sorts of things, as well as Property Online subscriptions. From a revenue perspective, those would be the top three.

Within each of those, there are a number of fees. On the RMV side, for example, there are fees that break down by weight of vehicle and licence type and those sorts of things. But at the highest level, those are the three categories that generate the most revenue.

MR. HOUSTON: So Motor Vehicles, Registry of Joint Stocks, and Land Registry. You mentioned that the Registry of Joint Stocks would be around \$14 million in total. Land registry is somewhere in there as well. How much would Motor Vehicles be in order of quantum?

MR. FARMER: Round numbers, Motor Vehicles would be about \$120 million per year in revenue.

MR. HOUSTON: There has been a lot of talk in the media lately about - there has been a fee increase in Nova Scotia, and that has generated a lot of talk about the revenues generated by the fees as compared to the cost to the province to deliver the services. We've recently heard that the service fees that are collected only cover a small percentage of the actual cost to deliver the service. I'm wondering first off if you agree with that statement - that the fees collected only cover a small percentage of the cost.

MR. FARMER: In the Motor Vehicle example, the revenues associated with the provision of the registration services exceed the costs by a significant margin, but that difference funds road construction in the province. That's the basis when you look at the program in a larger sense, and the difference between the fees collected and the cost to administer the program, in round numbers about \$90 million. We spend more than that on road construction in a year so in that respect, the fees are, in fact, under the cost when you think about it in the largest sense.

On the land side, there has been work done in the past to assess the level of expense associated with the cost to run the entire program. Consistently we have found that they are generally in line - the land fees and the cost to administer the program.

On the Registry of Joint Stocks, we haven't undertaken that same detailed analysis that we have done but for Service Nova Scotia we've got what you would call a matrix organization. While we collect fees for services, we share the services that go behind those, whether it's contact centre, in-person services, our online services or the program staff behind the programs, so it would require a very detailed cost analysis to match up the specific fees with the costs.

MR. HOUSTON: So when we hear that the fee is just for cost recovery and the increase in the fees is to help make the recovery of costs more realistic or more fair or something, that doesn't sound like that is really a fair summary of what's happening and the reality is that the fees do cover the costs of providing the services but, particularly in the case of motor vehicles, the fees that are collected from Nova Scotians go to fund other operations of the government, in this case roads - there are gas taxes and other things that go towards roads.

I just want to zero in on what we are talking about today, which is the responsibility of Service Nova Scotia which wouldn't spill over to road construction; it would be delivering of services to Nova Scotians and making sure that what is collected on the fees covers that.

I appreciate that clarification because I do have a lot of constituents who do raise questions and I have some examples here of well, I pay x dollars for this, how does that really cost that much to do that? I think it's fair to them to understand that there are other reasons the fee is that; it's not just a cost recovery of service. I thank you for that clarification.

I was wondering, as this was happening with the fee increases and the conversations that it generated amongst Nova Scotians and in the media, I was wondering if we were looking at the fee being the recovery of costs, with the move to technology and the Internet, if there were any discussions within the department of providing more information to Nova Scotians in terms of this is the fee you pay for this and this is why it costs this much to deliver it, so making that kind of breakdown public.



I heard Mr. Farmer say that there's a little more to it than that, especially on some of them, but I'm curious - to Ms. Munro - if you've thought about that type of level, providing those types of details to Nova Scotians.

MR. CHAIRMAN: Ms. Munro.

MS. MUNRO: Thank you for the question. I wish there was the clear transparency to match activity with cost of activity. Unfortunately our financial systems within government don't do that matching as we would with a management accounting system where you match your revenues and your costs and you know exactly, through activity-based costing, what anything would cost.

There will be a lot of work to do around the transparency. We do know that digital services are most cost effective, as noted as well in the *Tax and Regulatory Review* from Laurel Broten, quite a significant change of in-person to digital online. So it makes sense from convenience, as well as being fiscally responsible and modernizing our systems, to moving more online.

I would love to get to the day, to be frank, that you could be that clear on your costing here within the world that we work in on our financial systems.

MR. HOUSTON: So maybe someday.

MS. MUNRO: Someday. As a business person, yes, I would love to be able to do that.

MR. HOUSTON: I do want to stick with the fee, the recent fee increase just for a little bit longer. When the fee increase was announced to Nova Scotians, I'm wondering what took place building up to that? Specifically, can you explain the process from your side? The fee increases for the services that you provide, was that something that you kind of bubbled up to the minister or to the deputy minister saying, hey, we really need to increase these fees? Or did it come down the other way, as - you will be increasing these fees?

MS. MUNRO: There are certainly some fees that would be within our jurisdiction, but as well, we're a service arm for many departments in government, so those decisions to change and increase fees would be made elsewhere.

Certainly, our communications started with Finance and Treasury Board and that's where we had to begin our analysis and look at the CPI adjustment and do the work internally. For further information, could I refer to my colleague, Mr. Robitaille in the Finance and Treasury Board world?

MR. HOUSTON: I guess, Mr. Robitaille, the very specific question I would now ask would be, did the Department of Finance and Treasury Board come to you and say, here's what the fee increase will be for these services?

MR. ROBITAILLE: The direction that we received from Finance and Treasury Board was for a specific percentage, the 3 per cent increase. We undertook an exercise to evaluate the changes that would be required both from a technology - if there were any business processes that needed to be evaluated.

MR. HOUSTON: Sure, but was it a question? Like, is 3 per cent reasonable given your cost of delivery, or if you have any suggestions on what the fee increase would be, or was it as part of the budgeting process that it came down and said, we're going to increase fees by 3 per cent?

MR. ROBITAILLE: I'm not aware of any direct conversations we had program by program. As Ms. Munro indicated, the decision to raise fees is generally undertaken on a broader scale because of the lack of our ability as a government to pinpoint a specific cost for a specific licence or transaction. It's generally processed as a cost recovery effort based loosely or tightly on CPI. The direction that we received was for a 3 per cent increase.

There was a process whereby we had to communicate with Finance and Treasury Board if there were any exceptions, meaning - we did have a few exceptions that we sent back. There was a new fee - ferment-on-premises, the U-vint and U-brew licensing that were just implemented in October. Given that those were a new fee, it was established that there was no need for a price increase, so we indicated a request for an exemption on that.

MR. HOUSTON: So I am a little curious about the other ones because it is described as a cost recovery. That's how it was pitched to Nova Scotians - we need to increase the fees to help recover more cost. I think in a lot of these fees, the fee already well exceeded the cost, so it goes away from being a cost recovery to a revenue generator. It becomes a profit centre for a lot of these fees, and I was curious about that.

MR. ROBITAILLE: There may be instances where individual fees do potentially exceed the cost of delivering that particular permit or licence. But for every one that there is that's over, I'm . . .

MR. HOUSTON: Yeah, and that's why I was curious if there was any analysis of any to say, 3 per cent increase across the board, and describe it as a cost recovery without actually understanding what the cost is. It's pretty hard to accept.

MR. ROBITAILLE: To be fair, I think the direction from Finance and Treasury Board was the 3 per cent increase across the board to keep the revenue in line with the cost in general terms. They did certainly ask our department or our office, as I'm sure others as well, where there were any exemptions that just simply did not make sense, knowing that we're closer to our business than Finance and Treasury Board are. Again, we did put

forward a number of exemptions that were accepted; all the exemptions we put forward were accepted and no increase.

MR. HOUSTON: Okay. Last question on the fees; maybe back to Ms. Munro. I notice that the date change for the fee increases varies a little bit. I think most vehicle permit fees increase June 1<sup>st</sup> and land registration was April 1<sup>st</sup>. I'm just wondering, why is that, that there were different dates for the fee increases? Was that part of a discussion?

MS. MUNRO: I believe that implementation in order to change the fees requires some work on the technology front . . .

MR. HOUSTON: Okay, so there is a technology issue, okay.

MS. MUNRO: So I think that there is a gap issue there on timing.

MR. HOUSTON: Okay, fair enough. The minister has recently - there has been a little bit of discussion about maybe privatizing some of the work of Service Nova Scotia. I'm just wondering, are those active discussions that you've been part of?

MS. MUNRO: Yes.

MR. HOUSTON: Okay. Have you personally met with other provinces to discuss how they may have privatized similar services?

MS. MUNRO: First, I'll say we're looking at alternative delivery of services, which is not necessarily privatization. It is about partnership between government, the private sector, and employees or labour. So we have reached out to other jurisdictions here in Canada to understand what their experiences have been, what their learnings have been, where their benefits are, and as well, understanding globally what's happening in this trend for providing private sector services. It's about reaching out beyond our borders to understand and learn what's happening from our partners here in Canada, and also to learn from other jurisdictions.

MR. HOUSTON: So that's discussions with other jurisdictions and regulators and stuff. Have you also had any discussions with any private sector companies about how they could interact with the province?

MS. MUNRO: That's part of our early learnings and wanting to understand this space a bit better and what their offerings might be, yes.

MR. HOUSTON: So would that be one or two companies or quite a few? I'm just trying to get a sense as to how . . .

MS. MUNRO: In the early stages, we had four conversations.

MR. HOUSTON: Okay. So just in general terms, this would be a tender process? How would it kind of work if you were to go forward?

MS. MUNRO: We are in early stages of the exploratory work to understand what value there might be in looking at this more closely, so no decisions have been made. In anything that we would do, we would fully align to the procurement process of government, but at this point no decisions have been made.

MR. HOUSTON: Fair enough, but in terms of even the early analysis around value, do you have a sense as to how much the province could save if it were to move forward with . . .

MS. MUNRO: No. We are still certainly working with our consultant in that space right now with the work that we've talked about publicly. We're in the process of that, doing data collection, and we'll look forward to getting a sense of what the opportunities might be.

MR. HOUSTON: So in the life of a project, do you have an idea in planning and execution and all this type of stuff? Would you say this is just at the idea stage?

MS. MUNRO: Yes. We're in the exploring stages for sure.

MR. HOUSTON: And in other jurisdictions where they've done it, has it taken years from idea to move, or what?

MS. MUNRO: Yes, it could take - depending on when you make the decision to say yes, we're interested in this now, it could be anywhere from eight months to 24-36 months. So it really depends . . .

MR. CHAIRMAN: Order, please. We'll now move to the NDP caucus and Mr. Wilson.

HON. DAVID WILSON: Thank you Mr. Chairman, and welcome. Thank you for coming. I'll continue on I guess. I was going to save it for the second round, this topic. I do have some questions on the fees, but I can get to that in a few minutes.

In your opening statement, you mentioned a lot of streamlining; a lot more people are going online to renew licences and access government services. It sounds like we're heading in the right direction to have almost 70 - you indicated 79 per cent of the population utilizes the Internet. How is that playing into the decision to move towards possibly - I'll call it privatization; I know you won't - but moving to privatization when here we have your new identity of Service Nova Scotia, which will kind of try to streamline and work to maximize efficiencies, why all of a sudden would you look at - if you are being successful, which I think you are - privatization and moving outside? Do you not feel that you could maximize savings and provide the best service by keeping it in-house?

MS. MUNRO: Thank you for the question. Going back to coming into Service Nova Scotia and the mandate, it was service excellence and program modernization. In looking at alternate service delivery, certainly for the digital world that's what our clients are expecting, they want to be able to interact with government whenever they want. They want the convenience and they want to be in the 21<sup>st</sup> Century. Our private sector colleagues in Google and Twitter and everybody else are setting those standards as to what we need to do. We're not going to be leading it but we need to be able to evolve and be relevant in the digital space.

When it comes to alternate service delivery, from what we've learned from other jurisdictions and why they would have gone down that path, there were many benefits or what they saw as value in providing public sector services in a sustainable way. That means everything from cost avoidance, when you look at large capital expenditures that are required and, to be frank, we have systems that are very outdated, that need to have a lot of investment. So is that investment better from our pockets here, with our resources which are limited - we know that very well - or do we partner with an outside organization, to be able to continue to modernize, innovate and update our systems?

There is as well innovation that there is benefit from. There is being able to have service models that were more nimble, I guess. There is a lot of process and structure around government and to be able to run a service organization, I think it's in our best interest when we see that there is trending all over the globe, as well as in our country of Canada and other jurisdictions, that they have seen benefit to be able to keep up to the expectations of our citizens and provide services that they want, while us remaining core on our core accountability to citizens, which is education and health care.

It's about using your resources more strategically, I guess, at the end of the day. Is there a way that we can do that? If there is no strong business case then we certainly wouldn't move down that path.

MR. DAVID WILSON: So I would say that that is really driving - is that what's driving this initiative, realizing the updating that needs to happen to our service, meaning the Internet and computer services?

MS. MUNRO: Large investments are going to be required in order to get us to where we need to be and modernize our systems. That is certainly one reason that we would want to look at it but we understand jurisdictions that have really benefited from this. We want to understand whether or not it would work in our jurisdiction or not.

I would like to, if possible, defer to my colleague, Mr. Farmer, if he had any supplemental comments to answer your question.

MR. FARMER: So the discussion that we have had when we talked with the other jurisdictions that have pursued this, you need to assess the opportunities carefully. Not

everything is going to be a fit but there are some things that are a good fit and provide long-term value. The ultimate analysis will be - is there a net benefit and a long-term value?

Sustainability is an important consideration for us. All these registered programs have a large system that goes behind them and they are costly investments and costly to maintain; they are very technology-dependent. As an example, our Registry of Joint Stocks application is due for upgrade. If we were to proceed with that, we estimate that it would be in the range of \$4 million to \$5 million to do the necessary upgrade.

Of course there are many things that government can spend capital on so if there are ways to achieve the benefits and the outcomes and that we need from a program perspective and avoid the capital expenditure, that would be a potential benefit but it's going to require us to look at the opportunity from a number of perspectives: from a technology perspective, a legal perspective, a financial perspective and really get a full view of what the opportunity would be.

MR. DAVID WILSON: I appreciate that, but we can't fool ourselves. Because we're faced with potential investment to upgrade, it's similar to our hospitals, our schools, and our buildings. It's a requirement of government to continue to make sure that we have the resources there to support the services that we provide Nova Scotians. You can't kid yourself. If a private sector's willing to make a \$4 to \$5 million investment or utilize their services, it's going to cost Nova Scotians. There is some difference of opinion around privatization, P3s, and the savings that you see. Ultimately, yes, we won't see a \$4 to \$5 million investment on our books, but long-term service agreements with these companies are going to cost in the end. I appreciate that.

What I'm concerned with is making sure that we look at the whole delivery of the services - not only what Nova Scotians receive, but those same Nova Scotians are working within government, and often we see this privatization, I'll call it, at the demise of good-paying jobs - more importantly, in rural Nova Scotia. Government is an important component to the economy of our rural communities in the province, and often when we make these decisions, or government makes these decisions, those are the first communities that lose out. You have maybe a dozen good-paying jobs in a rural community. Is that in the picture, in the mix? Is that being talked about, saying there is an impact on jobs here if we do outsource - privatize, whatever you want to call it - services that are currently provided by the government?

MS. MUNRO: Thank you for the question. What we have learned in other jurisdictions is that alternate service delivery and moving down to that model is not about labour savings. In fact, for the venders to look at opportunities, they want and need and often put in requirements for a number of staff to move over to their organization. It truly is a partnership. It's not about labour savings. That's not where the value is. As well, in other jurisdictions, again, no decision has been made; we don't even know what the potential benefit could be on all fronts that Mr. Farmer talked about.

To be clear, our employees are our primary concern. We'll respect all privileges and rights within the collective bargaining. Rural Nova Scotia is another area that we want to make sure we continue to invest and grow in, from my perspective, and our citizens live from the tip of Yarmouth right up into Cape Breton and Sydney. So it's about being able to provide access and services for all our citizens.

MR. DAVID WILSON: I'm glad to hear that, because often they are the first to feel the pain of any change, especially in the labour side of things. Do you have a projected cost savings in mind while you're moving forward? I know you won't have concrete figures, but do you have a projected cost savings? If we do this, other than the \$4 to \$5 million investment that we need to upgrade the system, do you have a ballpark figure that potentially we could save that? Or have other jurisdictions indicated what they have seen in savings?

I say that because often we hear, well, let's do this, let's change this model of delivery, and there's this savings - and they don't materialize. I'll give an example of the amalgamation of the district health authorities. It was supposed to be \$13 million in savings, and we just learned now that we're almost \$5 million in the hole the first year, and who knows how much more? The minister said it's going to be years before we see that savings. So do you have a ballpark figure on what projected cost savings might be by potentially moving in this direction?

MS. MUNRO: No, I do not. Again, it's very early in the process. I think, though, that we're driven by finding a way to be sustainable in providing services that are expected to our citizens, so it's about going forward in a sustainable way that is fiscally responsible.

MR. DAVID WILSON: In other jurisdictions, what information have they provided so far? I know it's early on in those discussions, but have they indicated their alternate service delivery was a benefit because of this? Have you received that information or is it too early to see what other jurisdictions have saved?

MS. MUNRO: Certainly in our discussions there was high-level discussion and sharing around their benefits. One was cost avoidance on their systems; one was that staff were basically - basically 95 per cent of staff moved over to the new organization. We're pleased with that. All rights and privileges were maintained; in fact they're actually doing the work they want to do. They're well supported. The FTE in the staffing was on an ongoing basis as a service organization is. Streamlining - I guess speed as well, very responsive to the needs of changing systems for client enhancement and that type of thing.

There was a revenue piece as well. They could look at the valuation of their registries or their service and they would structure out a revenue stream, whether it be royalties or up-front payment. Ontario has just signed a 99-year deal, and we understand that Manitoba as well has signed a 30-year deal, which is all public, in the public eye, but they see value for this and it's a combination of many areas of opportunity for value and benefit.

MR. DAVID WILSON: Is it still just the three areas - the Land Registry, Registry of Motor Vehicles, and the Registry of Joint Stocks that you're looking at? Has it expanded? You're concentrating on those three service registries?

MS. MUNRO: Yes, going back to the Throne Speech, all departments were looked at with a critical eye - how you deliver your service and is there a better way to do it. So as part of our response to that, we're looking at those three registries only.

MR. DAVID WILSON: So was this an initiative - you talked about the Throne Speech - or a directive from the minister, from the Department of Finance and Treasury Board, or was this a suggestion from within the department saying here's how we could save some money potentially? Are you able to elaborate on where that starting point was? I know the minister made the announcement, but was it a directive from the government?

MS. MUNRO: Certainly with me coming in, being new, I was looking at everything, so there were things that I would say would be bubbling in my head, but certainly conversations started when we started to look in other jurisdictions - in fact, public sector innovation forums where you can get information as to what's happening. So when you look at a new leader coming in and you're looking for opportunity to streamline and make things better and not get the service lens, as well as Red Tape Reduction modernization, those conversations started.

I think it's always a collaborative conversation. The more you learn, you kind of say well maybe there's something we should learn more about. Again, alternate service delivery is not new. How the public sector might be using it is innovative and it is part of our responsibility, I think, in operating the business to take a look at it.

MR. DAVID WILSON: Do you have a timeline that we might see possible changes - do you envision this potentially in a year's time? I would assume it's not going to take hold this fiscal year - but maybe it will, I don't know. Maybe you'll answer that. Do you have a timeline in mind on when these talks and when you figure out where you would go to the minister and say here is a proposal? Of course, that would have to go to Treasury or go to Cabinet.

MS. MUNRO: Yes, the regular process around decision making, but we're looking to have the initial work, the exploratory work, to kind of give us some sense of whether or not this would be of benefit or value in order to bring it back to the minister by mid to end of May.

MR. DAVID WILSON: Okay, thank you. Something that comes up often when we talk about information that government has on our citizens - and with these ones, you will have access to quite a bit of information - security always comes into mind, is that something you're looking at, making sure is a high priority for allowing a private company to now have access to all this information, personal information. Is that something that is definitely in the forefront, to make sure whatever decision you make - if it's choosing a



company, for example - that they have a good track record on security and ensuring that the information that they have is kept within the controls that should be in place to protect that information?

MS. MUNRO: Yes, thank you. So not only in our digital space - I mean, it's a core tenet around security in order to have a successful online digital offering. Clients and citizens need to feel that their information is held in trust, and there are lots of processes in place around the privacy information assessments that go on and the work that both Ms. Clarke and Mr. Robitaille help lead within Service Nova Scotia.

Certainly around the alternative service delivery, what we've seen in other jurisdictions is the data and the programs - everything is continued to be owned by and the responsibility of government. None of that would be hived off. So from a security perspective, I think, in everything that we do, there is no business that cannot have security as a number-one priority in ensuring the integrity of their systems and their service offerings.

MR. DAVID WILSON: Now I know a number of years ago - and I think it was on some government records, the company that was coming in to oversee them - there were concerns around some legislation - if it was a U.S. company for example - and our information potentially - and I think under legislation that the U.S. Government has access to it if they wanted to - not to say that they were going to.

Is that still a part of - you know, you mentioned you talked to maybe four companies now, I think you said in a previous question. Is that something you keep in mind also, making sure that our information is contained as well as it can be?

MS. MUNRO: Yes. For sure. That's certainly a requirement. I'd like to defer to Mr. Farmer to talk specifically about that requirement.

MR. FARMER: We mentioned a couple of times around the early stages of the analysis, but if we were to go with any particular opportunity, there would be some certain must-haves that would go along with that. A must-have that would go along with any arrangement would be the appropriate protection and security for personal information - the requirements under FOIPOP - and there are requirements that we have, from a responsibility of the citizen's perspective, to make sure that information is protected. So that would be a must-have in any event.

In terms of the requirements to ensure that data is kept in Canada, those requirements continue and that would be a must-have under any potential agreement as well.

MR. DAVID WILSON: Thank you. I think we're a couple of seconds away, so I'll allow that to go.

MR. CHAIRMAN: Thank you, Mr. Wilson. We'll move to the Liberal caucus and Mr. Rankin.

MR. IAIN RANKIN: I'll go along the same theme with the fees. Obviously it's a challenging decision that has to be made, whether or not to increase fees. I'm just wondering, are you cognizant of the last year that the fees were increased for services in Service Nova Scotia?

MS. MUNRO: I do believe the last increase for fees was 2013.

MR. RANKIN: Okay, so we're talking about two years ago. Before that, it was probably relatively the same time, two or three years?

MS. MUNRO: Could I defer to a colleague?

MR. RANKIN: Yes.

MS. MUNRO: Mr. Farmer, can you recall?

MR. FARMER: I would be going from memory on the frequency of the - typically, it has been every one to two years that there has been a fee increase. I couldn't give you the specific dates, but we can get that if you'd like.

MR. RANKIN: No, that's fine. I guess what I'm trying to get at is it's more of a regular occurrence and it's not something that just came out of nowhere. I guess the question is, whenever this happens - what is the alternative? You really have three choices if you're going to provide a service: you can increase it at the source, you can increase general taxation, or you can leave it there for future generations to deal with. I think it's easy in Opposition to want all three, but you do have to choose one. If you want to recover costs, then I think the fairest way is the first one, and the least fair way would be the last one, to do nothing.

Probably, I guess the best thing to do - can you provide, since 2013, have power rates gone up in the last two years? Have utilities gone up? In particular, have wages and salaries gone up in the last two years?

MS. MUNRO: In response I would say that all three have gone up. Certainly we know from the collective agreement, there have been increases as well, so I would say that all three have gone up. The cost of living has gone up and I certainly know that my food bill has gone up.

MR. RANKIN: Right, so would it be fair to say that costs, overall, have gone up by at least 3 per cent?

MS. MUNRO: If not more, but yes.

MR. RANKIN: Thank you. That's all I have.

MR. CHAIRMAN: Mr. Stroink.

MR. JOACHIM STROINK: Thank you for your time today. I want to have a discussion about the red tape reduction. My big question is, Jordi Morgan has met with you and gave us a D- on our red tape for businesses in Nova Scotia. So my question to you is, where did that conversation come from and where did he get the analysis of a D- presently?

MS. MUNRO: Yes, we have met with Jordi as a key stakeholder for us. He was kind enough to come and speak to us about the grade. Certainly Mr. Farmer has the details around how the grade came about but he did say that we are on the right track. When we met with him in January, there were a number of things that hadn't transpired. Certainly in our business, with our mandate of service excellence and program organization, we had yet to announce the restructure and the appointment of Mr. Farmer to actually drive out that opportunity.

There is a lot of opportunity for program organization and regulatory excellence and we are structured now to be able to get at that and to actually look at opportunities to make significant progress. That was one thing that I know he was very pleased to see, so we have accountability there. As well, the Premier has recently announced the Office of Regulatory and Service Excellence so we will have a way to connect into the centre to ensure that we're all marching to the same tune and looking at the priority of government, which is program organization. I think that will be another positive from Jordi Morgan's perspective.

I also would like to point to the work that Ms. Clarke and team are doing around the digital online channel, how that actually plays into program modernization and regulatory excellence, specifically around the industry sector bundle, which the first one to go will be restaurant and accommodation bundle.

If I could, I'd like to defer to Ms. Clarke to actually elaborate on that because it really proves the point around the work in streamlining and making our regulatory system simpler and easier for business.

MR. CHAIRMAN: Ms. Clarke.

MS. NATASHA CLARKE: Thank you very much. I absolutely love talking about this project for a number of reasons. What's so great about this work is that Nova Scotia is a leader in this area. A lot of jurisdictions in Canada have made progress online and they've put forms, you can take payments and some things like that but what we are really talking about here is actually transforming how government interacts with itself and how we see the client.

I know in your package we sent there is a picture and this picture is what it takes an entrepreneur today to start a restaurant in Nova Scotia. Wow! We can do better than that. Even having this picture for an entrepreneur helps them navigate because without this picture, they have to google, they have to do all this research and try to figure that out. They are not experts in government, they are experts in operating a restaurant or operating an accommodation. What we can do is we can do things better for them and we can simplify things for them.

Nova Scotia has taken a very first step in this concept of bundling services from the client's viewpoint. We have done that by gathering our stakeholders internally, to start creating an opportunity for our conversations to happen with program owners. We have an advisory group comprised of entrepreneurs and industry associations, focused on how we can look at our processes and do things differently.

From this project, through a very heavily engaged process, we have now created a new way for businesses and would-be entrepreneurs to find the information they need to start a business in this particular sector. But not only have we just focused on this sector, we now have the ability to easily add additional sectors, and we focused primarily at first on small to medium-size enterprise because we know that's where burden hits that group most significantly. Entrepreneurs trying to run their organization that is in the small to medium-size they do not have managers and accountants and lawyers, and this big army of staff to try to figure out government regulation and figure out what department and what level of government.

So we wanted to create a very dynamic and easy way for would-be entrepreneurs to access government programs and services, figure out what they need to comply with, pay for it, get the information they need, and get out of dealing with government and get on to growing their business. That is what we want people to focus on - we need, I believe our role is to help people navigate the waters of government.

What's great about this project is yes we have lots of forms that are going to go online and we can take attachments and we can do all this whiz-bang technical stuff, but what we have done is we've started to have a conversation internally and with our entrepreneurial colleagues on how we can do things differently.

MR. STROINK: That's an awesome first step. I guess for me what I'd like to see too is the ability - and maybe you can walk me through this, beyond the restaurant and the accommodations, what's next to reduce the red tape because you pointed out with 27 permits the province has, the flipside of that is municipalities have just as many. You know we can't control the municipality's red tape reduction but we can kind of lead by example and ask them to look at that, have that discussion within municipalities, especially in rural municipalities where they are cash-strapped but they're trying to find ways of getting funding. How can we, with this Red Tape Reduction, facilitate or help municipalities see what we've done to better our businesses within Nova Scotia?

MS. MUNRO: Good question. I think overall in program modernization, Red Tape Reduction, we have to get our own house in order first and, I think, lead by example. So Mr. Farmer and team, we want to be a flagship for the government in being able to show and demonstrate how we can actually take the policy and the legislation that we own and make it better and modernize it.

We will now be certainly connected to the new office of regulatory excellence in service and that is a collaborative effort with New Brunswick and ourselves, so that will be interesting to see how we can move along that line to make some real gains and real benefit. And with the focus that I know Mr. Farmer will have, and the focus that will be at the centre, I'm confident when the focus is there you can actually get traction.

With our Minister Furey, who is also responsible for Municipal Affairs and very committed to this, I think it's about the collaboration, working with our counterparts in municipalities, say these are our learnings, this is what we've done, this is what we've accomplished, and offer continual help, guidance, and leadership, I think that dialogue is very important, even myself and my colleague, Mr. Dan McDougall, the Deputy Minister of Municipal Affairs.

The offer, the wanting to help make all Nova Scotians better in this space and to make everything easier I think is certainly on everybody's mind. So now it's about collaboration and conversation, but I think we have the structure and the will to get things happening. It aligns to both the oneNova Scotia report and the tax and regulatory report. Our call to action is now, and the urgency is there so I believe that there is a real sense, and we certainly have the alignment to do what needs to get done.

MR. STROINK: I guess after the restaurant and accommodation platform, what's next for you guys to start making it simpler for businesses?

MS. MUNRO: I'm going to defer that to Ms. Clarke. I do believe, I just want to make sure it's 100 per cent, so I'll defer to Ms. Clarke to answer that.

MS. CLARKE: No problem. We will continue to roll out additional industry sector bundles and, as I mentioned previously, the investment that has been made on this particular functionality we will now quickly be able to add additional sectors. We've done some high-level analysis on which are the more heavily burdened small, medium-size enterprises and some sectors that have bubbled up are convenient stores, gas stations, trucking and a few others, and so those will be sectors that we will move forward on next and we've done some preliminary analysis and very incremental changes need to be made to now add that functionality online, which is great, and we'll be able to reap those rewards faster for our would-be entrepreneurs and existing entrepreneurs.

I think this process has been really transformational. We've had really great input from existing entrepreneurs who have been in and working with us on our designs and giving us feedback on things like - I wish I had this when I started my business because it

would have been a lot clearer to me, all the different pieces that I needed to do, and now I'm even wondering if I have a few of these things that I'm missing.

I think part of that, and what Ms. Munro highlighted, is we can put things online and we can make things simpler, there's still a conversation for us to have about what are the right things to be asking people to comply with. We have to make sure we balance public safety with our regulatory needs but how can we do that in a way that's simple and easy and ensures public safety.

Entrepreneurs tell us they don't want to not comply. They understand the value of good regulation but just don't make it difficult. This work that we're doing I think is a good step to make it simpler and easier and I'm eagerly looking forward to the creation of these two new organizations, as well as the work at Service Nova Scotia, to have the conversation be also about what are the right things for us to be asking.

MR. STROINK: I guess looking at the convenience stores and gas stations, what is your timeline on those, on that initiative?

MS. CLARKE: I would anticipate us rolling out bundles for those in the coming fiscal year.

MR. STROINK: I'm just curious to go into the cost of the whole implementation of this project, I mean it's a lot of programming and stuff like that so what is your budget on this?

MS. CLARKE: Up to this point, by the end of this fiscal, we would have spent about \$12.1 million in capital. A significant amount of that was upfront dollars to get what I call the technical wires set up, things that I would have to defer to my colleague, Mr. Robitaille, to provide a much more detailed explanation on.

I like to use the analogy of we had to build the house so we had to put the basement in and the walls up and we had to make sure the door had a really good lock and the roof was tight. Now we're getting to work on what is the right furniture for us to pick? Some of it is going to come from IKEA and some of it might come from a fancier place. That just depends on what our clients need.

This is a significant investment for government but I think it's one that we have to do. We use this analogy back at the office where we can choose to still use Morse code or we can use the telephone, like the rest of the world does. Not to be cheeky about that, but that's kind of the transformation that the Internet has created.

Ms. Munro highlighted Google and Amazon and Twitter, they are the organizations that are driving clients' expectations. When we started the road map for this work in 2008 and 2009, the iPad didn't exist. So in this very short period of time clients' expectations have skyrocketed.

My child does not understand commercials, he gets frustrated by that. He expects that he can scan photos by clicking them with his finger. This is a generation that we have to make sure Nova Scotia is going to be enabled to serve in the future. That doesn't mean that we are driving everything to the digital channel and that we should leave people behind, we can't do that, but what we are going to be able to do with digital services is create capacity in our organization to better serve vulnerable Nova Scotians, to ensure that we have people ready and able to serve on those very high complex transactions, instead of those things that I can do easily in my own home, at my convenience.

The other aspect of this is I think it's important for Nova Scotia to be seen as a leader, not just in Canada but internationally. We need to draw citizens to live here in Nova Scotia. If we aren't in the digital space and we aren't competing, or at least in the conversation with organizations and governments like the U.K. and Australia and New Zealand, then we're going to get left behind.

I do appreciate that this is investment and it does absolutely compete with some other significant initiatives and priorities for government, but I think in order for us to free up the space and time for us to focus on education and health, we need to make the time to invest in the foundation.

MR. STROINK: Thank you very much.

MR. CHAIRMAN: Ms. Miller.

MS. MARGARET MILLER: Thank you so much for your presentation and also for the information package. It was really great to be able to go through that and I can really find there is a lot of information there for the public and a lot for us as MLAs to be able to take to our constituencies and to other Nova Scotians.

I have a question. Mr. Robitaille was answering a question a little while ago and he was talking about cost recovery. He didn't get to finish his statement, he was interrupted on that. I think it started - for everyone that is over the cost, would it be so many under? Would you remember that?

MR. ROBITAILLE: I do remember making that comment. It was more of a general comment, because we don't have the analysis to say that we have nine fees over the cost of delivery and exactly nine fees under. The statement that Ms. Munro made about not having the level of detail around our activity-based costing - it's very difficult when you pick apart an organization that is as broad as Service Nova Scotia, with as many fees as we have, to drill down into a specific fee. That work largely - we don't have the ability to do that on a per-fee basis, but overall, there's a general recognition that costs go up, our labour costs go up, our software licensing costs go up, for the most part operating costs continue to go up, and so it's reasonable on the whole to address those cost increases with a cost recovery mechanism.

MS. MILLER: One other question. We haven't heard much about the service yet. I know it's fairly new and a lot of things are moving and I love the enthusiasm that you're showing across the floor - it's wonderful. How do we get this message to the public? We need the public to know that. Is there going to be some kind of a campaign to inform the public about what's going on?

MS. MUNRO: Thank you for the question. Certainly, the first launch, around the Access to Business piece - it was by design to get it launched, to have businesses use it to provide feedback, to tell us what's working really well and where there might be opportunity for improvement. We're able to actually take information from the user and make changes and upgrade it and make it better.

We have gone through that now. I know that for the next fiscal, we are focused on an awareness campaign and we want to be creative and innovative with that as well. If I could, I would like to defer to Ms. Clarke to talk about her thoughts around awareness, because I know it's key. People have to know what's available and what's out there, but how can we do it in a smart, creative way?

MR. CHAIRMAN: Ms. Clarke, we have just about a minute.

MS. CLARKE: Thank you. Quickly, there are two parts to this, I think. The first part, which is really critical, is we need to make sure we build the services so that they're easy to use; then people will prefer to use those services.

But to speak to an awareness campaign - absolutely. We want to make sure we're leveraging many different approaches to build awareness. How we leverage existing partnerships that we have - with the Barristers' Society, accounting firms, our Access Centres, our industry association partners that we work with - so that we can build awareness of what actually is available in the service, through conversations and relationships and materials that we would provide to those partners to spread the good news about the kinds of things our citizens can take advantage of.

MR. CHAIRMAN: Order. We will now move back to the PC caucus and Mr. Houston for 14 minutes.

MR. HOUSTON: Thank you for the open and forthright answers today from all of you; I really appreciate it. I do want to circle back to the fee increase just one more time. There's a lot of toing and froing going with the fee increases here today on this side, as you can see.

I guess the point I want to make clear to Nova Scotians is that the fee increase is not about recovering more of the cost. The fee increase is about maintaining a profit margin and about making sure revenues go up. A lot of the fees are not about recovering the cost of service. They're about recovering the cost of service and collecting a bunch more money to fund other operations of government. That is always the case in government, and I think



that just needs to be made clear that this is a tax. It's a recovery of money from Nova Scotians that can be used for other purposes, and they increase that to collect more. It's as simple as that.

I do have a question for Mr. Robitaille, because he was talking about some fees that he put forward, that Service Nova Scotia thought should be exempted from the fee increase. There were two examples he gave that were relatively new fees, and the exemption was - they were exempted, if I heard you correctly. I'm wondering, were there other fees that Service Nova Scotia went to the Department of Finance and Treasury Board and said, you might not want to increase this fee? Was there a list that went, and were other ones accepted, or was it just the two and they were both accepted?

MR. ROBITAILLE: No, there were a number of fees that were put forward for exemption. I'd be speaking off the top of my head, from memory. There was another fee around the land program that was increased by 17 per cent the previous time, and it had a lot to do with some rounding, so it was generally acknowledged that there would not be an increase for that particular fee this time. We put forward that exemption, and it was accepted. I don't have the information about exactly how many fees were exempted, but I do know that all of the fees that we submitted exemptions for were accepted by Finance and Treasury.

MR. HOUSTON: Maybe at some point we can get a list of what those fees were at another date. I appreciate that. We have talked about red tape. Red tape is a very topical conversation these days. I guess my question for Ms. Munro would be, do you have dedicated staff that are reviewing regulations and looking for ways to improve efficiencies? Are there people dedicated to that purpose?

MS. MUNRO: Thank you. In the program modernization branch, under the leadership of Scott Farmer, there are a number of program policy analysts whose role is to look at our policy and our programs. I know it will be a key priority - or it is a key priority - for Mr. Farmer to start to look at opportunities and build our processes so that there is a constant revolving opportunity. We know what it takes to put legislation and changes through, but it's about where opportunities are.

MR. HOUSTON: So Mr. Farmer, roughly how many people would be dedicated to - let's call it looking for ways to reduce red tape?

MR. FARMER: Well, it's an element of the program areas, so it would be spread across a number of people. It's not a core that has that responsibility. It's a portion of a number of people's jobs, so everybody that has a leadership role or a policy role associated with a program is associated with that. If you picked a program - registry, joint stocks, land, residential tenancies, any of the consumer protection programs - that's an element of the role that people play there. I hesitate to put a number to it.

MR. HOUSTON: It's on everyone's minds.

MR. FARMER: It's on everyone's mind, and it's an area of focus that I will be driving in the new role that I'm in.

MR. HOUSTON: That's a fair answer. Ms. Munro, recently Service Nova Scotia - I don't know if they did hire, or were advertising to hire, some new executive directors. How many executive directors have you been searching for over the last couple of months?

MS. MUNRO: As part of our restructure, announced in January, we moved from five executive directors to seven.

MR. HOUSTON: So two new positions. We talked about the overall FTEs of the group maybe going down to, I think it was 70? Is there a mandate to reduce FTEs for Service Nova Scotia? It's going to reduce, because people are moving to other departments, but is there any mandate that says to get it down any further?

MS. MUNRO: No.

MR. HOUSTON: The black boxes, the program for monitoring gasoline sales, is that something that falls under Service Nova Scotia?

MS. MUNRO: Yes.

MR. HOUSTON: So that's a program - I think when the minister announced it, he said it would - I think it was about a million dollars, if I remember correctly, to install black boxes on the gas machines. I'm wondering, has that program started? Are there black boxes showing up on gas station pumps yet?

MS. MUNRO: Yes, you're referring to the Petroleum Price and Volume Tracking System.

MR. HOUSTON: For sure, exactly. (Laughter)

MS. MUNRO: This is actually under the leadership of Scott Farmer as well, with the program modernization piece, but my understanding is that we're in the RFP mode for the providing of the technology in order to move down that path. So yes, we're moving forward on it, and the price of the program is around \$1.2 million, if I recall.

MR. HOUSTON: Okay. So Mr. Farmer, you're developing the RFP. It hasn't been distributed yet; it's still being prepared?

MR. FARMER: We're in a procurement - preparing for the procurement around that, if you like - so we would anticipate that we would begin the implementation of the program probably in the Fall of this year, but there are some steps that need to be taken around the procurement pieces in advance of that.

MR. HOUSTON: Do you have any kind of a sense as to when the RFP would be awarded and everything would be done and all the black boxes would be on the pumps?

MR. FARMER: Well, once we begin, it's probably about 18 months to get it rolled out. We would anticipate having the procurement closed up in the summer in preparation for beginning implementation in the Fall.

MR. HOUSTON: Now, is this something that had been discussed inside of Service Nova Scotia for some time, or was this a new initiative that came from the minister?

MR. FARMER: This is a project that has been in existence as a concept for some period of time within the department, but there were no steps to move to full implementation until the recent announcement in that regard.

MR. HOUSTON: A lot of retailers that I speak to, particularly in rural Nova Scotia, they say that this information about how much gas they sell and all this type of stuff is already - they said we already fill out forms and provide that information. So is that true, that the information that the black boxes will collect is already readily available to government?

MR. FARMER: No. If it were readily available, we wouldn't go to the expense and the trouble of putting this in place. This will give us information that we don't have today that will really better enable evidence-based decisions in terms of the effects that gas prices have, the effects that promotions have, what the real volumes and average prices are, the degree to which various grades of gasoline are sold. It will provide a much richer base of information to inform policy and decision-making going forward. There are elements of information that we have, but not to the level that this will provide.

MR. HOUSTON: Would it be fair to say that the main policy that you're trying to inform is the deregulation of gasoline?

MR. FARMER: Well, it's information that government wishes to have to inform its decision-making going forward as it relates to gas regulation, what will be most effective.

MR. HOUSTON: Okay. I do want to go back to the restaurants, because even recently with the fee increase, I did hear from a lot of people who have restaurants that had permits and renewals that ordinarily would have been renewed in March - February/March period - but they were told you can't renew them now until April/May or something, it was sometime. They were a bit offended because they felt like, well, they're not letting us renew because they want to get the higher renewal rate because there was quite a jump in that fee.

I wonder if you can speak to that, Ms. Munro maybe. Are you familiar with any situations in Service Nova Scotia where renewals have been held off to a certain date down the road and why that might be?

MS. MUNRO: No, I'm not aware of that. If a renewal is up, a renewal should be transacted. I'm wondering, with the fees for the restaurant and the accommodation sector, when they're actually coming into play. I mean I don't have that information at my fingertips and would be happy to get that.

MR. HOUSTON: I'm just wondering if - let's just say a fee would have ordinarily been paid in March and for some reason Service Nova Scotia was not ready to accept that fee. Maybe it's a technology change, who knows what it is, I mean there are probably a number of reasons, maybe it's a larger program change that's happening there - is there any precedent or would it be fair that Service Nova Scotia would say, I know you are ready to pay your fee but we're not ready to accept it so you are grandfathered in on what you would have paid?

MS. MUNRO: I'd have to actually come back to you with an answer. From where I sit, from a service perspective, I would not want to see that happen, but if you are talking about something specifically, then I'd have to go back to our client experience branch and delve into that a bit deeper. I certainly have not heard of anything in that light.

MR. HOUSTON: When you say you wouldn't want to see that happen, you wouldn't want to see somebody have to pay a higher fee later on because Service Nova Scotia was not accepting it?

MS. MUNRO: If a renewal was due now, we should be able to accept the renewal due now.

MR. HOUSTON: Okay, maybe we can get some further information on the restaurant renewals that may have taken place. One of your colleagues might know about the technology part. Is it the case as we sit here today that the technology is not prepared to accept any fees? It's not the case, okay.

MR. CHAIRMAN: Mr. Robitaille.

MR. ROBITAILLE: No, there's certainly no technical reason why we would not have been able to accept a renewal that was due in March, in March.

MR. HOUSTON: Okay, fair enough. I just wanted to ask one question in my last couple of minutes here - couple of seconds here. I'm looking at a press release from December 17<sup>th</sup> that talked about streamlined services for restaurant accommodation operators. It talks a bit about the program that we've discussed here. In there there's a line that says it will include the ability to request and pay for services such as liquor licence renewals, food safety and permits to sell food.

Food safety seems like an odd one. Service Nova Scotia doesn't have any responsibility for food safety, do they?

MS. MUNRO: I'll defer this to Ms. Clarke.

MR. CHAIRMAN: Ms. Clarke, just seconds.

MS. CLARKE: You remember the picture I showed you with all the boxes on it. What the beauty of this work is we are the facilitators of conversations with programs from multiple departments. The bundle is actually going to provide the ability for someone to apply for around 60 to 65 different licences and permits that actually Service Nova Scotia doesn't have the regulatory responsibility for.

MR. CHAIRMAN: I do apologize but we have to stick to the timelines and we must now move to Mr. Wilson.

MR. DAVID WILSON: Thank you, Mr. Chairman, and before I get into my next line of questioning, I would like to continue on with my colleague. I appreciate him bringing up certain topics and it's around - I think I have it right - the petroleum pricing index monitoring program, is that what was? No, I've got that wrong, the black box program as my colleague said, on the gas pumps.

Mr. Farmer mentioned that the information that will be collected will drive government policy into the future and look at trends, the effects of promotion on maybe why - I think that maybe gas wars would have, or lower prices, or competitiveness but also the cost of fuel, when it goes up, when it goes down. Are those trends not commonly known? I mean there are a lot of people who deem themselves as experts whenever you see prices go up or go down. Is that not commonly-known information that you could utilize to provide suggestion to the minister or government on a policy change? Is that not something you could look at other jurisdictions? I would think that information is commonly known.

I know for myself when high gas prices are there, people don't travel as much; they don't take those road trips. I mean that could be the basis of some of the policy that government is looking for. Is that not commonly known and are there other jurisdictions that you'd go to instead of investing \$1.2 million in a monitoring program?

MS. MUNRO: I'd like to set this up and then defer to Mr. Farmer. Truly, what we have in place now is a manual system. It's very cumbersome. There is a lot of follow-up with non-reporting. This system makes things easier for the vendor, so that would be the first thing, but it also will support fact-based decision-making, which is very critical in this space.

It is not a simple topic. Gas pricing is not a simple topic. We do work with URB. We're trying to find ways to help Nova Scotians understand the space a bit better. There is a lot of work to be done. To make decisions in policy, you want to be sure of the information that you have and the facts that you have so there are no unintended consequences.

On that note, I'd like to forward it over to Mr. Farmer for some further conversation around the PPVT System - the Petroleum Price and Volume Tracking System.

MR. FARMER: Thank you. There is information, and in fact there is a bit of an industry around information as it relates to gas regulation, but this will give us very specific Nova Scotia information as it relates to volumes, prices, grades sold, the revenue associated with it, the service type - full or self-serve - to really provide a complete picture of the market in Nova Scotia and to enable decision-making.

Something that we couldn't tell you today, for example, is how many people at a rural station might put \$10 worth of gas in on a regular basis, but fill up later on. We're not going to track it by individual, but if you saw, for example, a disproportionate number of \$10 or \$15 sales at rural stations, you might conclude that people are filling up at an urban station where the price is lower if that's a regular place on their commute. We don't have that kind of information today. As well, we don't have good information about the impacts of promotions, for example.

All of this will help us from a policy perspective to provide information to government that will aid decision-making. I will note as well that in the past, the URB has identified the need and the value of having better, more detailed evidence to support decision-making around gas regulation.

MS. MUNRO: One other comment - the data we have now is not just-in-time. The data that we get with every installation of every box will give you data immediately. We have a delay in getting information, and that impacts the relevancy of the data. Just-in-time data in this particular space is critical and very important.

MR. DAVID WILSON: I hope the part of this - to get that complete picture, you do look back at trends in our province. I'm referring to closures of service stations, especially in rural Nova Scotia. The main reason that was given at the time - I believe under the Progressive Conservative Government - for the regulation was to support those rural gas stations. When I first got elected, there were a number of closures, and that seems to have plateaued and stopped.

I hope through this analysis, when you go forward with this, that the complete picture looks at historic trends of closures of rural gas stations. We have the luxury - I live in the suburbs. I have a number of gas stations that I can choose from. When you get outside the cities of Halifax and Sydney and get into the remote rural areas of our province, if you're later at night, you've got to make sure you're thinking about gas - especially down the South Shore, coming from Yarmouth and Liverpool. If it's past 9:00 p.m., hopefully you can get to Bridgewater to get some gas. I hope that's part of the complete picture.

Really, my last question on this for Ms. Munro would be, do you believe this investment - \$1.2 million - is the best use of taxpayers' dollars under the current fiscal reality that we're living in? I just heard earlier that we need a \$4 million to \$5 million

investment to upgrade services and that's why you might be looking out at privatization. Is this the appropriate time for this? Maybe you can make a comment on that or maybe you'll choose not to.

MS. MUNRO: Absolutely. The \$1.2 million is from industry. It's not directly coming from government taxpayer dollars. This is industry-spent, and those dollars were earmarked a while ago for this exact project.

MR. DAVID WILSON: So industry spent - just to elaborate quickly on that, is that cost going to be passed on to consumers?

MS. MUNRO: No, it's not. When you look at the \$1.2 million, which is what the cost of this program is - I might have to defer for detail on the industry requirement to spend in for this, or to provide dollars, but it's at .0009 per litre on the gas tank, so we'd even forward it on and put it through the pump, you couldn't digitally do it. It is so low from an overall perspective of spend. It's part of industry's commitments in the pool that's provided on the spending front. Maybe I could defer to Mr. Farmer?

MR. DAVID WILSON: Before you go there - but definitely the consumer will pay for it. Taxpayers will. I mean, the industry themselves are not going to hand you \$1.2 million and say, we won't go after the consumer. I know it's a low figure compared to the amount of money that's brought in through the pumps, but . . .

MS. MUNRO: What I'd like to do, then, is get you detail around how the industry is asked to fund programs such as this. We will get the information back to you, for sure. I don't have it with me now, and I wouldn't want to talk to it without the specifics.

MR. DAVID WILSON: I'll move on. I know there was a recent announcement that the government is going to have a new deputy minister of - I think they used the term "red tape reduction." I believe that appointment will be coming up. How is that going to work with the work that you're doing, and will that new minister oversee a component of Service Nova Scotia? Currently you're under the current minister; is that new deputy going to be overseeing Service Nova Scotia now?

MS. MUNRO: All I know is what you know from the announcement where the Premier has announced a collaboration and a new office of regulatory excellence and service excellence. So there will be a new deputy minister appointed from the private sector, and there will be two teams, one from New Brunswick and one from Nova Scotia. But my understanding would be that we would be, as a large policy shop, connected and aligning to the priorities of that particular deputy minister and helping to move the priorities and the commitments of that new deputy, but at this point that's all I know.

MR. DAVID WILSON: Thank you for being up front with that. I am a bit concerned that you know as much as I know about what the intentions of the new deputy minister for red tape reductions are . . .

MS. MUNRO: I know we're aligned to reduce it, and we want to be the flagship, but the new person has not been identified as yet. I think all government departments will have accountability to ensure that they're doing what they need to do to streamline legislation and policy.

MR. DAVID WILSON: You mentioned in a previous question that Jordi Morgan was a key stakeholder, when you were talking about red tape reduction. Could you tell us some other key stakeholders that you go to when you discuss - I know you said you had a meeting with Mr. Morgan. Can you indicate who else you would consider a key stakeholder when you're looking at red tape reduction and moving on trying to streamline and trying to improve the conditions that people find themselves in when they interact with government policies and rules and regulations?

MS. MUNRO: Certainly the Barristers' Society is a key stakeholder for us. Because each work in their own program areas, maybe I could ask Ms. Clarke first to talk about the stakeholders. She has done a ton of engagement work with her stakeholder group. Then I could defer to Mr. Farmer on the program side.

MR. CHAIRMAN: Ms. Clarke.

MS. CLARKE: Thank you. The work that we've focused on around access to business - we've worked primarily, for example, with the restaurants and accommodations bundle with RANS and TIANS - the Restaurant Association of Nova Scotia and the Tourism Industry Association of Nova Scotia. They've been really critical stakeholders in providing significant input, and trust me, not always telling us that we're doing a great job, so I love those conversations.

As well, we've been working closely with the Atlantic Convenience Stores Association, especially in light of how they will be our next sector to focus on bundling. Those relationships are really critical. Of course, as well, is the CFIB. They've been a key stakeholder for us on this journey as well.

MR. FARMER: There's a graphic that we did to illustrate the breadth of stakeholders that we have and at Service Nova Scotia we do an awfully wide range of things, everything from registry programs to gas regulation that we've talked about to alcohol and gaming. Program by program there are key stakeholders that we work with when we're looking to make changes and amendments. It's a very long list so if you picked a program area, there's a set of stakeholders that we would work with in connection with that.

MR. DAVID WILSON: If you have that available, if you could provide that to the committee, we would appreciate that. That's the key concern I hear from many - that we weren't consulted. I think those organizations would appreciate knowing that they're considered key stakeholders when changes are happening.



Saying that, under the fee increases that we've seen, was there consultation out there? I know we've heard of potential changes in the Film Tax Credit, which I know doesn't fall under your area, but have you had consultation with key stakeholders prior to the fee increases? Was there instruction that says, no, here's the increase, 3 per cent or whatever it is, you don't do consultation on the fee increases that we've seen?

MS. MUNRO: We do have ongoing conversations with our stakeholders and no one is going to be happy about fees, I'm sure we hear that all the time. In this instance, there was not a program in place that we went stakeholder by stakeholder talking about the fee increase or not. That was a Finance and Treasury Board initiative that we worked with them on.

MR. CHAIRMAN: Order. We will now move to the Liberal caucus and Mr. Rankin.

MR. RANKIN: I guess we should have the topic on user fees today. I guess I will ask if you could provide an environmental scan on the other provinces, just over the last two years, what they've done with user fees, if you could give that information. I guess my question is, are you aware of any other province this fiscal year that increased the user fees?

MS. MUNRO: I'd have to come back with that information just because I don't have it on the top of my head.

MR. RANKIN: Yes. I think Alberta, actually, due to their fiscal challenges, increased some of their fees by as much as 25 per cent in areas, by the Progressive Conservative Government which is interesting to note. I think it's a good example to show, in terms of an example here, very close to home: the McDonald Bridge is being reconstructed right now and the question was posed, how are the taxpayers of HRM going to finance that? And the fact is it's financed by the user fees and it was increased from 75 cents to \$1 not too long ago. I think that's a pretty good tangible example of what fees do to ensure sustainability, going forward, of government services. I think there is a very cogent point that my colleague is raising that government ought to show a better link from costs but even that would require probably more investment in the department.

My final question is, in order to track the 900-plus fees, would you not need more staff to do that and therefore you need higher user fee increases?

MS. MUNRO: Good point. I would say you need a whole new accounting system first off and more staff to be able to work the analysis. Right now, coming from a world where there was activity-based costing, there is a lot of costs associated with doing that and you have to have the systems to support you and that's just not our reality. It is best-guess, and you have a methodical way, but there's a lot of energy to go in play to drive out costs on a service-by-service basis.

MR. RANKIN: Having said that, I do think it's important that government continue to improve and show return on investment for every user fee, so that is a good point. I think by modernizing the system and taking advantage of technology, it would be a better way to do that.

MS. MUNRO: I would agree.

MR. RANKIN: Thanks.

MR. CHAIRMAN: Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: I have enjoyed your information this morning because I think one of you did say you're here to help people navigate the waters of government. Even though I'm an MLA, I sometimes find I need help navigating the waters of government.

I must say that the package you provided us with was very clear and I hope that same information is available on your websites and helps people.

I do have a concern and when I use Service Canada, or I should say when I have tried to use Service Canada, especially their phone line, because not everyone is computer literate or has a computer available, I'm thinking particularly of a lot of our seniors who are of a different generation. When I've called Service Canada, I've never had anyone pick up a phone and talk to me. I shuddered when I heard that the veterans' offices were being closed in Cape Breton and going to Service Canada because I thought these people aren't going to have anyone to talk to.

My question is, if I pick up the phone and call Service Nova Scotia, will somebody answer the phone?

MS. MUNRO: Yes, they will. We have the contact centre and we have our access centres. Our intent is to continue to have obviously people on the other end of the phone to answer your questions and to be there to provide services to Nova Scotians.

I will say, though, that sometimes our service standard or service expectation might not be the best. That's due to our continual evolution and the capacity perspective, but our intent will always be to have people on the phones being able to respond to people like yourselves, yes.

MS. LOHNES-CROFT: So what is available online will be available to customers calling Service Nova Scotia?

MS. MUNRO: Yes.

MS. LOHNES-CROFT: You'll be able to access all that information.

MS. MUNRO: As part of the digital channel, we need to build out that modern service offering but we don't want to leave anybody behind. So as you say, from a client-centric perspective, you want folks to be able to interact in channels that they're most comfortable with.

It's not about us forcing people into certain channels, it's about effectively and efficiently having all channels available to them for their choice. That would be my lens and that's where our strategy takes us.

There might be one or two service offerings that would be only available digitally but there would have to be a lot of work to support that and make sure that there are strategies to help those individuals who aren't comfortable on that channel.

MS. LOHNES-CROFT: Okay, thank you - I'll be checking.

MS. MUNRO: Okay, please do.

MS. LOHNES-CROFT: I'll pass it on to my colleague.

MR. CHAIRMAN: Mr. Maguire.

MR. BRENDAN MAGUIRE: Thank you for coming here today - just a couple of facts. Academia and government have been using the Internet since the 1970s, 1980s. The full commercialization of the Internet happened in the 1990s. I've asked this to several departments now - the Health and Wellness Department, Internal Services last week, DCS, and now yourselves. I know that you guys are excited to move everything online but most businesses have done that 25 years ago - I was considerably younger then.

So why now? I'm going to ask the same question I ask every department - what happened? Why are we, 25 years later, saying this is a great idea, let's put everything online?

MS. MUNRO: It's sad to say that we are as behind as we are. There takes not only investment and expertise, will, in order to modernize your service offering. I think Natasha said it beautifully, the next generation, they're not going to know what a newspaper is, what mail is or how to write a cheque, so the expectations of our clients are really driving this. I think the ability to do online banking, shop online, book your vacation online is just part of our nature now, it's what we expect. So government really has to get on the bandwagon here.

Why has it taken so long? From my perspective that's a really good question. I think now we have all the right makeup to do what needs to get done. It's the client expectation piece, it's the will to get there. We have a call to action on making Nova Scotia a place where business wants to come and do business so we need to create the conditions

and the environment, and the digital space is certainly one area where we need to continue to improve on.

From your perspective, Ms. Clarke – she has been working in this space for the last five years when she joined government - maybe you have another perspective as well.

MS. CLARKE: Just to add to Ms. Munro's comments. Government in Nova Scotia actually has been playing a little bit in what I would call the online space, probably since the late 1990s. We have made some good progress but I would say we've been kind of just playing around the edges.

I agree with Ms. Munro that we have some opportunities now. In the late 1990s online banking was a new concept. I think overall citizens were a bit nervous about doing things online and not using those more than traditional methods. Flash forward to 2015 and as I mentioned earlier the iPad being created in 2008-09, Apple and companies like that have changed our clients' expectations and so people don't even think about the Internet and using those devices as technology anymore, it's second nature.

Government has competing priorities, we have a higher level of accountability around things like identity, the ability to put our kinds of transactions online that people really care about, so we can do things like vehicle permit renewals and things like that. But in order for us to really advance this digital agenda we needed some conditions to be in place and I think those are absolutely here now and this is a critical juncture for us to advance this agenda.

MR. MAGUIRE: You made a good point about businesses coming here, but that also proves my point because businesses have been using this for a long time, and if we take away the everyday person side of this - and the truth is most people have been using the Internet now for at least 15 years, like you said the late 1990s, that's 16, 17, 18 years ago - most people have been using online banking and things like that for at least 15 years, and you talk about the next generation, well this generation now has no idea what a lot of these things are.

We talk about the businesses, but they've been using it since the 1990s so it seems to me like there would have been an opportunity to at least start transitioning some of that stuff over and say well businesses are using this for everyday stuff so maybe what we could have done is start transitioning our business side of this over to online, and I'm glad we're going forward with this now.

What kind of software and technology and hardware are we looking at - like what are we using now because you had stressed that this is a massive upgrade so it sounds like to me that we've kind of been left behind on the technology side too, not just on the online stuff but the technology side now. Hopefully we're not using Windows 3.1 here - all right, that was a joke.

MR. ROBITAILLE: I can speak a little bit about the technology platform. Before we get into that though, I just want to provide a bit of context to what Ms. Clarke was saying.

Recently I was at an Access Centre and we were doing a little bit of work with an iPad and sort of helping people with their online transactions and letting people know that they can do the transaction online that they were currently waiting in the waiting room for. I approached a lady in the waiting room and she said no, not interested. She watched me help two other people do about a five-minute transaction to get their vehicle plate renewed. She had said she wasn't interested because she wasn't comfortable interacting online - she was probably in her 60s.

MR. MAGUIRE: I would argue that is the minority of Nova Scotians.

MR. ROBITAILLE: So my point is after she watched two people who were waiting in the waiting room do the transaction and leave, she came up to me and said I'm less uncomfortable doing this now, can you help me? We helped her and she was out the door. That was about a 45-minute wait - she got out in 15 minutes.

The point that I wanted to make was although we've been using this technology as a society, there has been a significant uptake in the adoption rate and it's the adoption rate of the technology among the citizenry at large that drives what we can do from a government perspective - people have to be willing to use it for government to make a sound investment.

So with that point I can talk a little bit about the investment that we've made in the technology. We are partnering with the ICT branch of ISD. We use their services exclusively to provide the infrastructure and the work that they do today is providing us the platform, the stable and secure and available platform that is absolutely world-class. They are using the latest virtual technology in terms of servers, in terms of databases - all those items. If you'd like really detailed information, we can certainly provide that.

MR. MAGUIRE: I would just like to know what kind of investment we're looking at on the IT side of it in regard to the hardware and the software. It would be very telling to know what we're running and what we're supposed to be running.

MR. ROBITAILLE: There are a number of physical servers - we use that virtual technology. We have about eight servers with this online platform. The virtual servers are in the range of about \$500 per year. I wouldn't be able to speak to the larger investment of that platform that allows us that virtual opportunity. That would be an ICT, ISD investment.

MR. MAGUIRE: Is it fair to say there is some fear within government - I mean, we've heard this forever - that computers may potentially be replacing jobs and that could have been one of the reasons this whole process has been hindered within government?

MR. ROBITAILLE: In other industries I don't necessarily see a one-to-one: you put in a computer, you take out a person. It doesn't really work that way. What we're doing - and consistent with what Ms. Munro said - this is about offering our services in the widest range of channels possible and being client-centric in our service offerings in allowing people to interact using the channel that they feel most comfortable with, and moving to the online allows us a more sustainable approach to service.

MR. CHAIRMAN: Order. I do have to cut off the questions there. I did give some extra time as well. Thank you to our guests. Ms. Munro, would you like to offer some closing comments?

MS. MUNRO: I'd like to thank you for your interest in our digital offerings and for the other topics that you rose today, and for the opportunity to talk about our ongoing work at Service Nova Scotia to improve the client experience.

We don't expect to lead the advancement of digital services, the private sector will do that, but we need to ensure we position government to take advantage of those advancements so that we can meet the changing needs and expectations of our clients and Nova Scotians.

I want to thank my team at Service Nova Scotia who interact with our fellow Nova Scotians and clients each and every day - be that in person, on the phone or online. I thank them for their dedication. We will get back to you with the information you requested and thank you again for the opportunity to have our conversation.

MR. CHAIRMAN: Thank you, our committee clerk will be following up with you on some information that has been requested by members of the committee today. Thank you for being here today.

Our next meeting is going to be on April 15<sup>th</sup>. It will be to discuss the Broten tax and regulatory review. We will have the Department of Finance and Treasury Board with us for that. There will also be an in camera briefing after that on mineral resources by the Auditor General in preparation for our April 22<sup>nd</sup> meeting.

There is just one piece of correspondence from the Office of the Auditor General that was requested on the February 25<sup>th</sup> meeting. So with that, if there is no further business, this meeting is now adjourned. Thank you.

[The committee adjourned at 10:54 a.m.]