

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, June 1, 2016

LEGISLATIVE CHAMBER

**Office of Service Nova Scotia
Registry Infrastructure Renewal**

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Public Accounts Committee

Mr. Allan MacMaster, Chairman

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Mr. Tim Houston

Ms. Lenore Zann

Hon. David Wilson

[Mr. Ben Jessome replaced Mr. Chuck Porter]

[Mr. David Wilton replaced Mr. Brendan Maguire]

[Mr. Bill Horne replaced Mr. Joachim Stroink]

In Attendance:

Ms. Kim Langille
Legislative Committee Clerk

Mr. Gordon Hebb
Chief Legislative Counsel

Ms. Nicole Arsenault
Assistant Clerk, Office of the Speaker

Mr. Michael Pickup
Auditor General

Ms. Evangeline Colman-Sadd
Assistant Auditor General

WITNESSES

Office of Service Nova Scotia

Ms. Joanne Munro, Chief Executive Officer

Mr. Scott Farmer, Associate Deputy Minister

Mr. Norman Hill, Executive Director, Registries

Mr. Gary Robitaille, Director, Information Technology

Mr. Peter Hackett, Executive Director, Highway Engineering & Construction, TIR



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, JUNE 1, 2016

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIRMAN
Allan MacMaster

VICE-CHAIRMAN
Iain Rankin

MR. CHAIRMAN: Good morning everyone. I call this meeting to order. I would like to remind everyone to place their phones on silent so that we do not have interruptions.

Today, we have the Office of Service Nova Scotia to discuss registry infrastructure renewal, and we will begin with introductions.

[The committee members and witnesses introduced themselves.]

MR. CHAIRMAN: Thank you very much. We have some time for your opening comments now.

Ms. Munro, would you like to lead in that?

MS. JOANNE MUNRO: Thank you. Good morning, Mr. Chairman, and members of the committee.

While we are here this morning to talk about registry infrastructure renewal and associated costs, I would like to take just a few minutes to focus on our exciting future at Service Nova Scotia. We are committed to achieving our vision of becoming a public sector leader in service excellence and program modernization.

To achieve this, we must support and encourage a culture of innovation and collaboration. We owe it to Nova Scotians to ensure all of our operations are modern, efficient, effective, and responsive. As you are aware, we are moving forward with a government-led approach to modernize the registries, and the full modernization of the registries is a five- to ten-year undertaking, and we are at the very beginning of this journey. It will be a challenging project, but I have tremendous confidence in our Service Nova Scotia team and our ability to do the work.

Every day, our front-line teams are doing their best to serve Nova Scotians in person, by phone, and online, striving to deliver the highest quality services possible. We are doing a good job, but we must continue to improve the way we deliver services. This year, we are piloting a seasonal workforce to help during our busiest season at Access centres - late Spring, and summer. We hope this will assist us in meeting our target of serving 80 per cent of our clients within 20 minutes. I look forward to doing a post-review on the pilot in the Fall and learning from the initiative.

It goes without saying that people are relying more and more on technology and mobile devices in their everyday lives, and that includes how they interact with government. That is why we are continuing to develop online services like hunting and fishing e-licences, and an improved online application process for heating assistance rebates. These are areas that are currently 100 per cent paper-based. We know Nova Scotians expect more online options, and we are responding accordingly. In today's digital world, not having an online option for these transactions is unacceptable. We are modernizing our service offerings in a way that reflects how people actually live their lives, and the same holds true for business. Time is extremely valuable, and we understand that business owners and operators need to focus their limited time on being successful.

We still have much work to do to bring our services in line with what Nova Scotians expect in today's digital world, but I believe we are on the right track, and the path we are on will contribute to a stronger Nova Scotia.

If we fall behind in technology and digital platforms, we will miss out on opportunities and be outpaced; that is why we need to keep our momentum going strong by staying focused on what matters and executing with excellence.

As we expand and enhance our online services, it is important that we leave no one behind and we understand that there are those who prefer to interact in more traditional ways or have limited access to services online. Assisted Digital is support for people who cannot use online government services on their own, and we will make sure that support can be through someone guiding the user through the actual digital service, or entering a user's information into the digital services on their behalf. To be clear, Service Nova Scotia will leave no one behind. We're proud of the work we do at Service Nova Scotia, and this is an exciting time for us.

In closing, I want to acknowledge and thank each and every member of team Service Nova Scotia, as well as my colleagues here today, for their ongoing work to serve the citizens of Nova Scotia. Working together we will raise the bar and help foster a stronger Nova Scotia. Thank you to the committee members for listening. With that, I welcome your questions on registry infrastructure renewal and associated costs.

MR. CHAIRMAN: Thank you, Ms. Munro. We will move to Mr. Houston for 20 minutes.

MR. TIM HOUSTON: Service Nova Scotia revenues I think are in the \$150-million range. Can you tell the committee what the profit is on that? You have revenues. What are the expenses, and what's the profit from Service Nova Scotia that goes to the provincial coffers?

MS. MUNRO: I wouldn't categorize it as profits, but our gross revenue, if I could break it down for you: the RMV system, or the RMV registry, is \$118,900,000; land is \$13.5 million, this is gross revenue fees; and the RJSC is \$15.4 million. On the operating costs, total costs, we've got RMV at about \$25.3 million; land at \$8.9 million; and RJSC at \$6 million. Would you like me to go further? We have breakdowns of direct costs.

MR. HOUSTON: Sorry, what was the \$25 million then?

MS. MUNRO: The \$25.3 million is costs for the RMV program, Registry of Motor Vehicles program.

MR. HOUSTON: So the revenue is \$118 million, and the cost - do you mean the computer program?

MS. MUNRO: No, total cost, so that would be direct and allocated. The remainder of the net revenue, which is \$93.5 million, goes back to the central registry or TIR on supporting roads, infrastructure, and bridges.

MR. HOUSTON: Okay, so I used the word, profit, and you're using . . .

MS. MUNRO: It goes back into the program to support the programs offered.

MR. HOUSTON: Right. What was the word you used instead of profit? Net revenue, was it?

MS. MUNRO: Net revenue.

MR. HOUSTON: Okay, so let's talk about motor vehicles: \$118 million; costs are \$25 million; net profit's \$93 million or so. Do you have a target as to what that should be? Do you look out five years and say well we would like that \$118 million to be - what type of modelling do you do for that?

MS. MUNRO: It's based on a per-transaction and we have actually around 500 transactions that are executed against the RMV system. I think on a historic basis - I'd have to go back - that's a pretty consistent number on volume for transactions. But maybe I could . . .

MR. HOUSTON: So you're modelling the revenue per-transaction to go up?

MS. MUNRO: As we look to modernize the registries, it's probably too soon to understand exactly where that's going to go because there's going to be some channel shifting with in-person as well as online. So as we modernize these systems, our desire would be to reduce the overall cost in delivering these programs to Nova Scotians.

MR. HOUSTON: Well there's always - revenue is one side, and cost is another, so you're trying to reduce costs. But I'm just asking, are you looking at increasing the revenue?

MS. MUNRO: Not at this point. It is a transaction service based on volume of need for citizens to transact over those 500.

MR. HOUSTON: Okay, and the cost per-transaction, you're not modelling that to increase?

MS. MUNRO: I think there's a standard process around our fees. Our fee increases have been historically and since I've been here, one-time fee increase of around 2 per cent. That equates to CPI, which is standard for a number of fees that are throughout our business.

MR. HOUSTON: Oftentimes we hear the terminology of cost recovery and recovering the costs for the government to do a transaction, but in this case, there's obviously well in excess of the cost, right? These are pretty huge profit centres for the province.

MS. MUNRO: Yes.

MR. HOUSTON: In terms of the Ernst & Young consulting study - I think Ernst & Young was paid \$700,000 plus some incrementals. I think they were paid almost \$825,000 to do a study on this, and I guess it is that study that determined that it would be a government-led modernization - was that their advice?

MS. MUNRO: I think I would go back to what we spent on support for this initiative and deep-dive methodical analysis over the last 14 months. So, to break it out for you - \$700,000 was spent in support, with E&Y as our advisor over two phases in that 14-month period; \$100,000 was for legal services in preparation of the RFSQ document; and there was \$25,000 to support a fairness monitor to monitor the RFSQ process and to ensure its integrity. So, when you look at that over the 14-month period, yes, \$825,000 was spent.

The role of E&Y was two-phased. The first phase was they were asked to assess the viability of alternative service delivery, and that was a \$100,000 initiative that went through a standing offer process where five bidders put in their request or their submission and they were the winners of that particular competition.

The second phase was a phase for \$600,000, and it was retained using the high-value alternative procurement process. So that statement of work included a number of deliverables, the first being a detailed assessment of various operating models and options; the second being supporting the vendor consultation, the RFSQ process, which is a significant process; and the third was preparation of that document management in preparation of the data room and development of vendor evaluation tools and supporting the vendor interview and evaluation process. Their role was to advise and to provide us options and insights and provide a global perspective around alternative service delivery, which they have. Their role was not to provide a recommendation.

MR. HOUSTON: Okay. The first \$100,000 project, it sounds like they did a lot of reports. How many reports did they do - did they do one for each phase?

MS. MUNRO: There was no one document of reports. There were a number of workshops, there were a number of analyses that culminated over the period of that 14-month bit of work.

MR. HOUSTON: At the end of that, they gave a recommendation?

MS. MUNRO: Not a recommendation - numbers of assessments and options and workshops that we used in preparation of options that would have been presented to government.

MR. HOUSTON: Okay. I just want to make sure I understand. So, Phase 1 was \$100,000.

MS. MUNRO: Yes.

MR. HOUSTON: And it was to look at whether it should be government-led or whether it should be outsourced. Right?

MS. MUNRO: It was the viability of an ASD - did it make sense to spend any time in this particular space understanding . . .

MR. HOUSTON: I don't understand what an ASD is.

MS. MUNRO: . . . what was happening in other jurisdictions globally, and alternate service delivery.

MR. HOUSTON: Okay.

MS. MUNRO: So, was it a viable option that might make sense for our province.

MR. HOUSTON: So, for \$100,000 they came back and said, hey, take a look at this?

MS. MUNRO: It proved out that it was worth to spend more time understanding the options available to us in alternate service delivery.

MR. HOUSTON: It just seems odd that it would cost \$100,000 to have somebody tell the department that you should look at the alternatives because there are alternatives in other areas, but the department was not happy that those alternatives existed so they needed somebody to confirm - but they must have done a report at the end of that stage I guess.

MS. MUNRO: Mr. Chairman, it is certainly a very complex space, \$150 million revenue line for the Province of Nova Scotia. This is also about having specialty expertise in this area that we do not have at the ready within Service Nova Scotia, and capacity as well. So, we needed to be able to work with advisors that certainly have knowledge and expertise in this space. It is a detailed analysis. There is a summary report for the first phase of that work that would have been completed in May 2015, and that gave us some insight as to whether or not we would want to spend the effort on the go forward with further, more detailed analysis.

MR. HOUSTON: Okay. Would you table that report for us from Phase 1?

MS. MUNRO: We would put it through the FOIPOP process and make sure there was a vendor review on it, yes.

MR. HOUSTON: So they did Phase 1 - \$100,000. They came back and said you should look at alternatives. They put that recommendation to the department or to somebody. I'm just asking if I can see that and you're saying you're not sure; I should check with somebody else.

MS. MUNRO: There is proprietary information, potentially, in that report, so I would just make sure that we would put it through the regular rigour around FOIPOP and a vendor review.

MR. HOUSTON: Maybe, Mr. Chairman, we can ask for that as a committee as opposed to having to go through another FOIPOP process. We have the members right here today.

MR. CHAIRMAN: Yes, our clerk, I believe, has noted your request for that information. We'll approach the department after today's meeting.

MR. HOUSTON: Okay. So then after Ernst & Young said you should take a look at this, then there was another RFP for somebody to help take a look at it, I guess, right?

That was a \$600,000 project, which they ultimately won. You mentioned a few different phases of that project, I think five or six different phases. What was the first part of the \$600,000 project? What was that phase?

MS. MUNRO: The second phase had a number of deliverables in the statement of work: a detailed assessment of various operating model options . . .

MR. HOUSTON: But I do want to walk through these, so I don't want to go too quickly, if we can. Mr. Chairman, I apologize. Was there a price paid for that deliverable? Was the \$600,000 broken down by deliverable, or was it just a fixed contract for \$600,000?

MS. MUNRO: Mr. Chairman, it was a fixed contract with the deliverables attached to that one cost.

MR. HOUSTON: Okay, so that particular deliverable, that sounds like that would have been also done as part of Phase 1, right? There would have been a lot of overlap between Phase 1, \$100,000, you should look at the alternatives. Then Phase 2, the very first deliverable saying here are the alternatives. There would have been quite a bit of overlap between those two things?

MS. MUNRO: I would say no. The work was definitely distinct and we needed to understand the space of alternative service delivery in other jurisdictions. I know that in the comparison between vendor-led and government-led, we had to look at economic benefits, costs, and risks. That would have been part of the second phase. The experience of all the other jurisdictions would have been part of the first phase. Interest and qualifications of the perspective partners was part of the second phase, obviously in the RFSQ, and so on and so forth.

If I could, Mr. Chairman, could I defer to my colleague Mr. Farmer to see if there's anything else he might want to add?

MR. HOUSTON: Sure, as we go forward, that's fine. What was the second deliverable of Phase 2? We're on Phase 2 now.

MS. MUNRO: Okay, supporting the vendor consultation request for supplier qualifications process, the RFSQ process.

MR. HOUSTON: Is that talking about where we're at now on the selection of somebody to build the new computer system?

MS. MUNRO: No, that would be really looking at the capabilities of vendors - were they interested in the registries business; did they have the capabilities, the track record, and the experience to do it? How confident were we that they could actually enter into the space and deliver? I would say the process itself was very robust. The fairness monitor said that it was certainly a best-in-class approach. It was a testament to the advice and the

advisory councils that we had, and our legal support. It was a big undertaking for those five vendors to respond, and they did so very thoroughly, and certainly we thank them for that.

MR. HOUSTON: So that's purely on the outsourcing, at that stage in the process? We're looking at five vendors who would just take it over for a fee?

MS. MUNRO: There was a consortium for each of those five, and it's whether or not they would have interest in delivering on all nine areas of the RFSQ. If you recall, there are the three registries, then there was front-line service delivery, there was back office, and there was IT. There were nine quadrants that they could actually determine whether they had interest in or no interest in.

MR. HOUSTON: Mr. Chairman, I might want to come back to that, but I was interested in the various deliverables. The last couple of deliverables you mentioned, were any of those deliverables having to do with where you are right now in terms of trying to find somebody to revamp the computer system? Is there anything in the E&Y \$600,000 phase that is useful going forward in terms of picking somebody to build the new registries?

MS. MUNRO: In fact, the review of the registries, a review such as this has never been done in the past 25 years. To be honest, it needed to be done. Information that was garnered and data for the last 14 months for sure will be used on the go forward. It's evidence-based, data that we didn't have before, and information in the learnings. There have been key learnings over the last year that we can use, and certainly in the space of IT and understanding what's available to us as options and solutions, which will be part of the review on the go-forward in determining what's best for the province and the registries.

MR. HOUSTON: So Ernst & Young didn't make a recommendation - they didn't say do a government-led, they just provided the information?

MS. MUNRO: That is correct.

MR. HOUSTON: They didn't weigh in - there was no point in the process where they said, well, this is a route the government should take?

MS. MUNRO: No, they did not. The evidence and the facts were presented, and through that assessment it was evident to us that the financial benefits, vendor or government-led, were fairly close. If I can elaborate, on the vendor side they showed a net revenue increase of between 7 per cent and 12 per cent over a 30-year term. In government-led, we were around 5 per cent to 10 per cent over that same period. When you look at points and then you translate that over into the qualitative risks, which now you're definitely going to be looking at, as you would, it proved that it was not the right decision for us to go vendor-led with too many unknowns and too many risks associated.

MR. HOUSTON: This is kind of where I started, so I did want to come back to that. Those increases, projections in net revenue over that time period, there must have been a

set of assumptions that were given to them. What were those assumptions around revenue per transaction - just that it would stay flat over 30 years?

MS. MUNRO: No, revenue transactions, the fees, a 3 per cent increase was applied to all fees starting in the current fiscal year. That was the fee assumption. Historical fees and revenues were used to develop the revenue forecast.

MR. HOUSTON: Historical fees and revenues.

MS. MUNRO: So we took the historical, we used that, and then there was a 3 per cent increase from the current year with no additional short-term increases assumed. It was 3 per cent. Could I defer to my colleague just to confirm the annual . . .

MR. HOUSTON: Sure. It sounds like a one-time 3 per cent bump over 30 years was what was modelled.

MR. CHAIRMAN: Mr. Farmer.

MR. SCOTT FARMER: It was modelled as an annual 3 per cent, but it was modelled the same for both the vendor- and the government-led approach. So the gross revenue stream would have been the same regardless under either scenario. It wasn't modelled in such a way that a vendor would have increased it over and above what a government increase would be. Of course the actual increase will be subject to government decisions and directions going forward, but it was based on an historical 3 per cent.

MR. HOUSTON: So 3 per cent per year is what the model was, that the fees would go up 3 per cent per year for every transaction - online, in-person, whatever, up 3 per cent?

MR. FARMER: Essentially on a CPI-type of assumption.

MR. HOUSTON: Okay, that's interesting. Just before we leave that, I guess what I would say is that you mentioned on a government-led initiative that this is a five- to 10-year project. Do you have any expectation of whether service would be interrupted during that time frame? Is the plan done yet for how it would roll out to get from today to the new systems?

MS. MUNRO: The full plan for all three registries, no, is not complete. We said when we announced that we were going government-led, we certainly have a number of top priorities, the first being the RFP being released for the Registry of Joint Stock Companies. That would be the system that is in most need. It is a 20-year-old system; registries are normally replaced every 10 to 12 years. This registry is 20-years old and, in fact, that RFP was soon to be released prior to making the decision to go more in a detailed look-see around alternative service delivery; so, that RFP was held. Now the team is in the process of refreshing, renewing, making sure that the requirements are correct, engaging with stakeholders ...

MR. CHAIRMAN: Order. Time has expired. We will move to Mr. Wilson.

HON. DAVID WILSON: Thank you, Mr. Chairman, and thank you. I think I will continue on with a few other questions. I know my colleague covered some of the material. I will try not to repeat the questions that he asked but I am definitely concerned around the cost and did we get good value for it. I think you indicated that there has not been a review done ever or in 30 years. Potentially, in the future, the information you have will help form decisions as we move forward.

During the consulting, the \$800,000 or \$825,000, you initially indicated Phase 1 was at about \$100,000. When that phase was finished, they made a recommendation that we should look into this. Was a decision made by the minister, or did that go back to Cabinet for approval to go forward to Phase 2? Is that how the process happened, or was the minister the one who signed off on it to go into Phase 2, and the additional \$600,000 I think you said, for Phase 2?

MS. MUNRO: The process was the information was compiled. We certainly briefed the minister, but it did go back to Cabinet, formally, to ask for their direction on next steps.

MR. DAVID WILSON: Okay, and you had mentioned a high-value alternative procurement process for that next phase. Are there other projects being considered under that alternative procurement process now or over the last six months within the department?

MS. MUNRO: Specific to the registries?

MR. DAVID WILSON: Well, yes, as we move forward, are there other projects or reviews that you are looking at that would go under that high value alternative procurement process? We went to that to go to Phase 2. Are we foreseeing using that method as you go forward or was that used just for this one review that was done?

MS. MUNRO: Thank you for the question. I think it is too early to know. We know that this is a large undertaking and certainly working collaboratively with our partners and Internal Services and with the Department of Transportation and Infrastructure Renewal who owns the RMV registry is going to be critical, but I will never say never. This is a complex space; it is a very important revenue line for the province and we would want to make sure that we do the work right. We need to understand capacity and we need to understand what skill sets we might need on the go-forward that we might not have. I would say it is too early to know but we know that we cannot do this all on our own.

MR. DAVID WILSON: Are there consultants now within the department, or do you have external consultants currently, as we sit here, looking at support for the department and how we move forward to modernize the registries?

MS. MUNRO: No, there are no consultants now looking at this program. We are obviously spending a fair amount of time connecting with our partners and doing our own review and think on this, on next steps.

MR. DAVID WILSON: So, as a committee, we look at expenditures of government, of departments. Here we have, I know over the last two years a lot of anxiety, and I mean the anxiety especially towards the employees who work within the registry and within Service Nova Scotia, Access Nova Scotia specifically, who for this last couple of years, have been - I've talked to many who just didn't know what was going to happen.

What did we get for this review, for this money? I know in the end, employees were happy to know that right now the government is not going down the road to privatization of the registries, but did we get good value for this? Has this set up a framework into the future, so if there are other services that your department or Internal Services is going to look at, this is the process we're going to see now, as we continue on, if government looks at other services that they may think we need to privatize or need to change? Is this how we're going to work now, so that there's a process in place that evaluates the benefits or the negative impact it may have, if the government decides to go down the road, to change the way services are delivered within government?

MS. MUNRO: I'm actually doing what I call road shows, going out into the field and speaking with our team. I can rest assured that the work - and I communicate this to the team - had to be done in any regard and looking at our registries and doing deep-dive analysis, so I will share with you what I would say our key learnings are last year. In any regard, the work had to be done, and I wouldn't have put the team through the anxiety of it - and I know that there was. Our commitment was to keep transparent and to communicate as often as we could with new information, as we went through the process.

With that, key learnings: we certainly know that there are firms with interest and qualifications and true capabilities to deliver on the registry services. The government-led approach is a choice based on performance expectations. Service Nova Scotia needs to meet or exceed those expectations. We now know what the vendor community could do, and we now know what we will need to do, in delivering on meeting or exceeding those expectations.

We certainly have a better, more accurate understanding of our direct and indirect costs aligned with each of these three registries, and certainly a better understanding of the capabilities of the new IT systems and what options there might be out there now in the marketplace for IT systems. We would work with our IT partners in deciding on what would be the best option for the province.

We also have a better understanding of what becoming more client-centric looks like, from an operator's perspective. We know that with these systems, if we keep them the way they are - they're high-cost to run, they're not flexible, they aren't client-centric, and we can't implement legislative change quickly and efficiently. As well, we know that we

need to, on the go-forward, with the size of this business - it's \$150 million - we need to understand our best path forward. The information we have in the deep dive analysis is going to help us now with the go-forward on government - what "good" looks like.

MR. DAVID WILSON: You mentioned going out and talking with your teams; our caucus met with many stakeholders: surveyors, realtors, and appraisers, many who often interact with the registry in other jurisdictions that went down the road of privatization. The reports weren't good. Their experiences were negative: increased costs for them. They very much felt through this process that they were not consulted properly or early enough. I'm wondering why that didn't take place.

I'm not an accountant, but I look at the net revenue - I think that's the term you use - it's somewhere around the value of about \$107 million out of that \$150 million. I think what was in place was yielding quite a bit of revenue for the province, so why would you think that the stakeholders feel they were not consulted? Would you disagree with their assessment of that, of the consultation, or lack of consultation, they feel happened through this process, for people who use the registry and who have had experience in other jurisdictions that went down the road of privatization?

MS. MUNRO: We actually had to do our homework first, to make a decision as to whether we were or were not going to go with a vendor-led modernization of the registries. That process had to happen; that research and analysis had to happen. We didn't understand the scope, if it was to move forward, and in fact it has not moved forward. On the go-forward, we certainly communicated to our stakeholders that, at the right point in time, if a decision was made to go alternate service delivery with a vendor, we would have engaged with them on the go-forward. The decision has been to not go vendor-led, so we're going government-led, and can assure you that there will be consultation with our stakeholders and clients as we look to build these multi-year plans around the registries and what they need and what government needs and what our citizens need.

MR. DAVID WILSON: So as you move forward to implement - and as you indicated there were some recommendations - but as you go forward to implement changes that you see, do you foresee streamlining services that would result in layoffs, for example, for employees throughout, especially the Access Nova Scotia facilities?

MS. MUNRO: I want to be clear. Our role is to make our service offering efficient, effective, and responsive. That will be through initiatives like process re-engineering - there's a lot of duplication, Lean Six Sigma approaches, and that engages our staff involved in the process. There are also things around our digital offering: more convenience, a lower-cost channel. But to be clear, that is not through layoffs and cuts. That will be through natural attrition, where folks decide to make a career choice elsewhere or they retire. That type of productivity can then be baked back in with either not filling those roles or changing up those roles to redirect them in other areas where skills are needed. So the answer would be that that's not primary on our modernization agenda.

MR. DAVID WILSON: Thank you for that. I know that would give some relief for the staff. I talked to a couple of employees who were working this summer - I think you could call it the seasonal work program or pilot project, I guess - knowing the Access Nova Scotia building and facility in Sackville. For years, when I first got elected, that was the main goal, to get one in Sackville. From my interaction there, I know it's always busy. Some people go in and take a number and leave for an hour to do their errands and come back. It's a busy facility, and hopefully you'll see the benefit of that seasonal workforce project that employs people. It helps people who may have retired come back part time, and it's definitely a benefit.

What's next, as you move forward? Over the next couple of months, what is the goal for the government to try to achieve better services or improve the service delivery over the next couple of months? Are you able to give us any detail on what's on the horizon over the next six or eight months, or maybe a year?

MS. MUNRO: I would say the first priority in Mr. Hill's space is the RFP for the Registry of Joint Stocks. As I mentioned, that's a 20-year-old system, and it's certainly very difficult for businesses to interact with a 20-year-old system. It's ripe for opportunity to drive out better transaction and better service for our business community.

That work is underway, looking at refreshing it and making sure it's relevant before it actually goes to the street. With that, we have our partners going to be involved in that, as well as stakeholders. That's really the first priority.

I would say the second one is to continue on the journey around enhancing our client service culture and our client experience. There are lots of things that are not system dependent that can be done to help our teams deliver better service. You know, one innovative approach is the workforce management pilot. There is lots of work starting around our Lean Six Sigma and getting our team involved there, but even their soft skills that our team would benefit from as well.

It has been very technical and program driven, but we are a service organization and we need to help our staff members deliver on service skills. So there is lots around it, the client piece and non-system-related enhancements that we would want to stay focused on. And we continue to work on red-tape reduction as well with our program modernization business and all the legislation that runs through that shop; there is a lens there as well for red-tape reduction. So, there is lots of work to be done; there is no lack of opportunity in looking at how we interact with citizens and businesses.

MR. DAVID WILSON: So, you mentioned a 20-minute process for clients. What is the target that you are trying to reach, what is the average now - do you have those numbers available?

MS. MUNRO: So, this is really quite new and, you know, exciting for our teams to understand. What we understand is citizens are happy with their experience in our Access

centres, but the problem is wait times. That would be the number-one pain point, wait times, and I certainly understand that.

Our target is based on the Institute for Citizen-Centred Service, so we use our benchmarking with the public sector at the national level, and it is relevant and it comes with analysis and researches 80 per cent of our clients served in 20 minutes. Once they start hitting that 19-minute mark, it gets a bit antsy - and it is about being respectful of people's time.

So we have started tracking, which we have the capability through our Qmatic system, to actually be very purposeful around that measure; and we do track it by Access centre daily; and we provide a weekly report. In fact, I have that report for the last six weeks; it gives us a rollup for the province. The rollup for the province, you are going to have red spots throughout and there is going to be green and there is going to be yellow and that is how we track where we are doing well and where we need improvement, and how our staffing aligns to that.

For the last six weeks, we could be as low as 53 per cent, so not close to that 80 per cent, but we can be as high as 77 per cent. So, it does depend on traffic flow and we are getting a very good handle on that I would say but, as you know, in any large people business there is sick time, there is STI, there is vacation, and there is not a lot of, let us call it "buffer" in the system for backfill. So our job is to try to use the resources that we have better and more effectively and very targeted, and how do we share those resources in the areas that are having difficulty. So we now have it . . .

MR. DAVID WILSON: Okay, that is great - a long answer for not really getting an answer.

Could you provide the committee with that report over the last little while? That way, then, we could see the numbers, and that it is really all I was asking.

MS. MUNRO: I am sorry to misunderstand, but yes, we do have the report.

MR. DAVID WILSON: Okay, no, that is fine. I will pass it off to my colleague.

MR. CHAIRMAN: Thank you. We will move to Ms. Zann - you have just about a minute and a half remaining.

MS. LENORE ZANN: Thank you. You had mentioned that there was going to be a government-led approach to upgrading the registry, so I was wondering, is there going to be a role for the private sector in that approach?

MS. MUNRO: I think I have said it is a big undertaking, a complex undertaking, government-led. We feel confident that with the team we have - we know we cannot do it on our own - we will be working with our partners in Internal Services, as well as our

partner in the Department of Transportation and Infrastructure Renewal. When it comes to IT solutions, there is so much happening and the technology is moving so fast.

I would say that I would defer to my colleague in IT. What we did find is that there are build, buy, and lease options that are out there, so software for service, we have now cloud options that are available to us. We want to find the best solution that is flexible, client-centric, and provides the needs of government and provides us data on the go-forward.

MS. ZANN: Since I don't have much time, is part of the goal of the registry renewal process to reduce labour costs?

MS. MUNRO: I would say the goal of the registry modernization is to provide a sustainable and convenient service to citizens and business. That means they want more convenience in digital. The belief is that we need to provide choice to our individuals. Our job is to ensure that each of those channels is efficient, effective, and responsive.

MR. CHAIRMAN: Order. I do apologize; time has expired.

We will move to Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: Thank you for being here. My husband has a question about registering his fishing trailer. I'll leave that for after.

This was the first consultation at Service Nova Scotia in 30 years?

MS. MUNRO: Say again?

MS. LOHNES-CROFT: Was this the first consultation ever taken on at Service Nova Scotia in 30 years?

MS. MUNRO: My understanding for these registries is they had not been looked at in this deep way for 20 or 25 years, or ever. Colleagues, do we have anything further? I think I'm correct.

MS. LOHNES-CROFT: I think the overlying concern, at least the most vocal one, was ASD versus government-led options. I understand that the consultation showed them being very close cost-wise. We're always trying to help the taxpayer out. Why was the decision made to go government-led versus ASD?

MS. MUNRO: Thank you for that question. Obviously we said from the beginning, and certainly the minister said, that the business case to go to an alternative service delivery, with vendor-led, had to be a strong business case and beneficial to Nova Scotians.

The initial work that was done with the cost modelling and so forth showed that the net revenue upside over a 30-year deal - these deals tend to be longer in nature - was that the vendor could generate a net revenue line of 7 per cent to 12 per cent over that period of time. That would be through efficiencies and lots of different strategies to improve the service offering, and process and productivity improvements. On government-led, that cost analysis came out with us saying, what could we do in the area of productivity efficiencies and effectiveness? We saw a revenue line increase of 5 per cent to 10 per cent over that same timeline.

When you look at the difference, depending on optimistic or pessimistic, in that range, you're talking points. It wasn't like there was a 20 per cent upside on the financial modelling. With that, it is very tight. I would say that even private sector businesses do deep analysis, ROIs, and understand what the return is before they start to spend shareholder money. We were doing the same thing, the same analysis with taxpayers' dollars: what are we going to get on the return?

With that very narrow upside, it's also looking at qualitative. Qualitative means: labour impacts, legal impacts, system impacts, shareholder impacts, and risks associated with all those. At the end of the day, in looking at the narrow cost modelling upside - everything's based on assumptions, but we feel very confident in our assumptions, and they're conservative - the risks to actually transition into vendor-led did not give us that strong business case that we were looking for. With the team in place at Service Nova Scotia, we feel confident that meeting or exceeding those expectations in the cost modelling for government-led is do-able, and we're looking forward to the challenge because with the challenge comes some opportunity. So that's the decisioning, it's about the financial modelling and the weighing and the balancing of qualitative and quantitative and too many unknowns and too many risks. As we all know, to negotiate a complex deal like this and get a contract takes a lot of energy and calories as well and there's risk associated with negotiating a deal as well. It's not inked until it's inked.

MS. LOHNES-CROFT: So you obviously looked at other jurisdictions to see how the vendor-led process worked. Which jurisdictions did you look into?

MS. MUNRO: Yes, early on we looked at and visited Ontario, Teranet runs their land registry; we looked in Manitoba, Teranet runs their land registry and their personal property; and Saskatchewan, ISC runs a number of registries there, land and personal property and companies.

We looked at those and we actually talked to management in those businesses, as well as government leaders, our equivalents as well as the vendors. From that assessment and understanding their experience, it was one that certainly said it's well worth looking to see why our other jurisdictions have done this and where they see the upside and there was upside. That started our process of looking deeper into the viability of a potential ASD option for Nova Scotia.

MS. LOHNES-CROFT: But it didn't seem necessary for Nova Scotia, as far as cost saving and whatnot? The others obviously must have found some cost savings or benefits to going private.

MS. MUNRO: I think every jurisdiction is different and every jurisdiction has its own motivators. In each of those deals there were lump sum payments paid up front. In Ontario's case there was \$1 billion. They've just renewed for 50 years. In Manitoba there was around a \$75 million upfront lump sum payment and they've signed on for a 30-year deal.

I think it's hard to compare every jurisdiction because each of our systems are different and our needs are different and where we are in the registry lifecycle, I guess, might be different. So it was worthwhile to hear why it worked for them.

Our job was to ensure that we went deep within our systems and data and actually compiled them in this way. For us, lump sum payment was not - that's a structural deal, it's not something that was a make or break for us in any regard.

MS. LOHNES-CROFT: So the information was brought, I'm assuming, to the minister and it was the minister's decision to either go ASD or government-led?

MS. MUNRO: We certainly briefed our minister in full as to what we had as options, or what the analysis and research showed us and that decision was - we compiled it. It's very complex to put it together but our direction was to go back to Treasury Board and Cabinet with the findings that we had and it's the decision of government.

MS. LOHNES-CROFT: I noticed in some of your feedback to other members here, you talked about ongoing communication with the staff at Access Nova Scotia during this process and I think we all know there was a lot of concern and anxiety by staff. Can you tell me what you learned with your communication with staff that might have led to keeping with government-led?

MS. MUNRO: Certainly communication with staff was our primary goal and priority for us. It was paramount. Certainly there was a lot of information coming from different areas. Our commitment was to speak to them as regularly and as often as needed. In some cases I'd be out there saying, there's no decision yet; this is where we still are; it's complicated. That was a bit frustrating, to be honest, but they needed to see us as a team and they needed to see us and getting the information right from the folks doing the work and the analysis.

We did everything from a CEO communications to video conferencing in whatever shape or form, to make sure that our teams were well informed with the information that we had at the time. It was key to us to be transparent and open - we provided avenues for lots of different questions, and we had an ongoing question and answer dialogue.

Sometimes the answers were not fulfilling because we did not have the answers, you know, just not yet, we do not have that.

So, certainly, staff as well as stakeholders and clients, they were part of our assessment and understanding where their concerns were and where the risks were. Our goal was to get to the right decision, which we feel we have, which is government-led, and now it is about engaging all parties in our go-forward planning.

MS. LOHNES-CROFT: Did you learn anything about how private vendors are delivering services differently, that you may implement now going forward? Are there ways of, you know, the process, how they operate in their individual offices and how it may benefit us to take on some of their practices?

MS. MUNRO: I would say that their approach to this is very similar to our approach to modernizing of the registries. The one factor that they have that we do not is the profit margin. Coming from my background, I have a service background, and I would say, yes, we had some learnings, but it is really around productivity improvement, process re-engineering, understanding transactions, building out our digital offering for convenience, and working with our staff. I mean the ones who work on the front line know how best to serve and modernize our systems from a transactional perspective, so I am sure we will engage them.

I would say we will always look to jurisdictions, our colleagues in New Brunswick, our colleagues in British Columbia, who are very much on that go-forward modernizing of the service offering, and we will always learn from them. We cannot be in our own little world and not understanding what is happening in other jurisdictions and what is happening globally. I would say, yes, we certainly would learn from them, but their expertise is more around IT, not necessarily the service front line, and so we will continue to work on the path that we have - and we have lots of great opportunities there.

MS. LOHNES-CROFT: Thank you. Still more time?

MR. CHAIRMAN: Yes, you sure do. You have about eight minutes remaining.

MS. LOHNES-CROFT: Okay. You also mentioned that the consultation showed that there was a lot of duplication of services. Do you want to expand on that - can you give us examples of some of the services that you found duplicated, or maybe tasks that are duplicated, and how you plan to go about changing that?

MS. MUNRO: When I talk about duplication, it is around the manual, and the process, and the paper flows, and extra steps. We do know that the digital channel is a more cost-effective channel than in person and the face to face. But with our systems, modernizing our systems will ensure that we can actually deliver services at a lower cost with less duplication and more expediently and more client-centric and, obviously, reacting and being able to implement legislation more quickly.

It is very cumbersome on the RMV side to introduce change due to legislation and what that costs and the time it takes to actually change our systems and our back ends. So, duplication, I think, comes with actually looking very closely with the end-to-end service offering and the process flow. And some of that work - actually a pilot is happening in Sackville branch around Lean Six Sigma, where staff are engaged with how we actually improve our processes and why I touch this paper two and three times - how do I touch it once? So, I think that is where the duplication is, it is all around the clunkiness around some of the process flow.

MS. LOHNES-CROFT: Okay, great. Thank you very much. I will hand it over to my colleague.

MR. CHAIRMAN: Mr. Wilton.

MR. DAVID WILTON: A lot of the questions have been answered here, but I am just wondering, being in business and my constituency has a number of businesses, what kind of red tape reduction are you going forward with? I know the minister stated a number of times that he's trying to reduce the red tape in government today so I'm wondering if you can elaborate on that a little bit.

MS. MUNRO: Certainly. Our mandate is service excellence and program modernization. There's red tape reduction in things like the digital work that we've done through restaurant accommodation bundle and the convenience store bundle, so when you actually look at journey-mapping and understanding the project flows and actually standing up a service like that on line, which is a one-stop for those particular industry sectors and there'll be more to come. The next one to come out is the express start-up bundle for new businesses starting in Nova Scotia. It puts a light on how many steps and how many touch points there are and how complicated it is to actually stand up a business in any particular area.

With the work that we're doing within our digital team and as a collaborative work right across the government organization, it identifies where you can cut and there will be ongoing work within the digital space to ensure that those processes are reduced and steps are reduced and it's very streamlined. That's one area where we're doing red tape reduction.

The other area is really in the program modernization branch under the leadership of Mr. Farmer. That's things like reducing licences or eliminating them: the amusement licence, which was just eliminated, for charities like bingo halls and so forth, licences where we don't see the value for them. There is a slight revenue impact but it's about the right thing to do and reducing red tape.

Mr. Chairman, could I defer to Mr. Farmer to just add a couple more examples to share with the member?

MR. CHAIRMAN: Certainly. Mr. Farmer.

MR. FARMER: Red tape reduction is a really strong focus for us as part of our program modernization efforts. We tasked all of the leaders in the various program areas to make that a priority. Ms. Munro talked about the amusement licence, that was a redundant licence that was eliminated in the Fall of this year. There are about 400 different organizations around the province - bingos, bowling alleys, zoo - the zoo in Oaklawn - that are carrying this licence but weren't really receiving any benefit and there wasn't really any inspection activity that went along with it. It was a redundant, out-dated licence that went back to the time when there was a place for an amusement tax so that was eliminated. The fee and the licensing requirement was eliminated for that.

We're looking for those kinds of opportunities, things that might be outdated. We repealed the piece of legislation that was outdated, the Land Holdings Disclosure Act, in the last year. We've also looked where there are redundancies. There was cellphone legislation in the province that conflicted with newly-introduced federal cellphone legislation. We removed that. Recently there were changes that impact the growing alcohol-manufacturing sector in the province to remove the requirement to have a separate retail licence from their liquor licence establishment for the sale of the product.

In the Registry of Joint Stock Companies the biggest leap we'll make from the red tape reduction perspective is the implementation of a new system and an upcoming business start-up bundle.

On the land side where we've been modernizing for a very long time, and moving to a digital land registry with digital submission, we continue to implement new technology and online forms that can be submitted by the legal community, electronically, making it easier for them to do their jobs. We've got a whole pipeline of other things that will be coming forward through policy legislation and regulation as we proceed. Red tape is something that we really put quite a priority on in Service Nova Scotia.

MR. WILTON: Just a follow-up to that, is there any worry that you wouldn't have these facilities anymore and they'd just use online ways to register? Will there always be an access to those in buildings?

MR. FARMER: Our model with online services going forward is to provide choice and provide another avenue for citizens and businesses to interact with government. Often it's a win-win with digital services. It's lower cost for government to provide, it's a higher quality of information and data that we get coming in, and it's more convenient for the citizen or the business.

But at the same time, we recognize that's not going to be the mode that everybody chooses. They may need assistance in person, they may need assistance by phone, or they may need assistance to complete the online application in some cases. Our aim is to create

that as an option and promote it to those who would benefit from it and would be in the mode of using those services, but also to ensure that no one is left behind.

For example, in the Fall, we'll be introducing an online application form for the Heating Assistance Rebate. That will allow people to get the rebate faster through a simpler process, but there will still be paper forms available, and people will still receive pre-populated forms by mail that they can mail in. We hope that there's good digital uptake, but we want to make sure we're providing all the supports for the people who choose not to operate in that mode.

MR. CHAIRMAN: Order. Time has expired.

We'll now move back to Mr. Houston for 14 minutes.

MR. HOUSTON: I do want to go back to the financial analysis of government-led versus the alternative service delivery. What we heard is that after 14 months, I guess, of Ernst & Young time and roughly \$800,000 of taxpayer investments, it kind of said, well, there's really not much financial difference between whether we keep it in-house or whether we outsource it to a third party. I find it quite remarkable that the numbers were so close. "Remarkable" is one word, I guess; there might be others.

I do want to drill down on that. There were five vendors who were in this process with Ernst & Young's Phase 2. Did each one of them provide their financial outlook as to what the return to the province would be? We always hear in terms of, well, under government-led it was this number, and under private enterprise it was this number. I'm wondering if under private enterprise there were really five numbers and somebody picked one. Does that make sense?

MS. MUNRO: I think I've got your question. We should be clear on what the Request for Supplier Qualification, the RFSQ, process was for. It was designed to provide information, first, about whether there were interested parties in the marketplace. We didn't know what the marketplace was interested in or if they were interested in these nine quadrants. The second is, if so, what experience and capabilities did they have in delivering the registry services. The process did not involve bids or financial proposals per se. That would have come later if we actually moved into an RFP process.

MR. HOUSTON: You've used that example a couple of times, that the business case wasn't there because the numbers were so close. Is that something that you calculated internally?

MS. MUNRO: On the modelling, we would have used our advisers as well. There was information that came back from the vendors. But it was not a financial bit. We were looking for capabilities, what they would have done. They had access to our data rooms, and they had our numbers. It's about them understanding - would they have interest in this space or would they not, and did they have capabilities in the space or did they not? We

used our advisers, who certainly have global expertise and understand each of these vendors, as to how they would drive out a model on the financial side as well, compared to the government-led.

MR. HOUSTON: The headline that we've always read on this was that there was no real financial impact to the province. That's something that the department determines based on numbers that came back from the five respondents, or that - where did that come from?

MS. MUNRO: Correct, that would be our modelling. There is upside. There was an upside to go with vendors, but was it great enough? It was conservative, and we had to base it on assumptions provided to us by our advisers.

MR. HOUSTON: The set of assumptions - there were assumptions around revenue. We know that the assumption was that fees would go up 3 per cent per year. The assumptions around, I guess, expenses - what were those assumptions? You wouldn't know how efficient and how productive the third party might be, but you would have had to have made some assumptions about your own ability to be productive and efficient. What types of assumptions were in there? Maybe something we can table for the committee?

MS. MUNRO: In fact, it is in the technical briefing that was - the first thing, the ramping of savings would be associated to attrition, process efficiencies, and other operating costs. So yes, there are assumptions made in that regard. They would occur in the first 10 years with the final outgoing change of about 40 per cent. So we're thinking 40 to 44 per cent is what the vendors would have been driving out over a 10-year period.

In looking at that, government-led, we assumed - we had "optimistic" and "pessimistic." Those were the ranges. So with those ranges, under alternate service delivery with a vendor, it ranged from 29 to 44 per cent over that 10-year period. In government-led we had a range of optimistic to pessimistic of 4 to 18 per cent, based on certain things that would have to happen.

MR. HOUSTON: Are you reading from a document that you'd be willing to table for the committee?

MS. MUNRO: And in baseline it's zero to 4 per cent.

It's some sundry notes that we have.

MR. HOUSTON: Okay. Would you be willing to table that?

MS. MUNRO: Yes.

MR. HOUSTON: Thank you. You mentioned at one point that you briefed the minister. Did that briefing involve a recommendation to the minister? Let's keep this government-led, was that your recommendation to the minister?

MS. MUNRO: No, it was not. We provided the information that we had. There were a number of options there, and there was a range. It really is a decision to be made by government. Our job is to provide the research and the analysis and to package it in a way that it is comprehensible and you can understand it, and then there was dialogue that happened. So there was not a recommendation that came from Service Nova Scotia; it was really the analysis and the research and the compiling of the story.

MR. HOUSTON: Usually there's some kind of a summary that says "this is what we would do," but not in this case?

MS. MUNRO: We had options.

MR. HOUSTON: How many options were there?

MS. MUNRO: We had three options.

MR. HOUSTON: What were they?

MS. MUNRO: Baseline - which would be status quo - government-led, and vendor-led.

MR. HOUSTON: In the vendor-led, did you actually - would it be vendor-led with this person, with this Party?

MS. MUNRO: No, it was vendor-led. Obviously if we went back to Cabinet with this analysis to receive direction and let's say go left or go right, if there was a decision to go vendor-led, it was permission to go to an RFP. That decision was no.

MR. HOUSTON: How many times would you say you went with - how many iterations were there of, "well, I need more information before I can decide"? Was that an ongoing process for a couple of months?

MS. MUNRO: I would say that we brought in the analysis and the presentation, and then we did not go back, and then we got the decision.

MR. HOUSTON: And was there more information requested, particularly around the financial - the net profit numbers and stuff?

MS. MUNRO: No, the work that was provided at the time was fulsome.

MR. HOUSTON: Okay, thank you. Just if we can get that, Mr. Chairman, those assumptions, that would be great. That will detail the assumptions on productivity and efficiency and attrition and all those things - I think it's all in that document you are reading from?

MS. MUNRO: Detailed assumptions, yes.

MR. HOUSTON: Okay, thank you. In my last few minutes I do want to talk about the Land Registration. So there was a decision to close the Pictou office, the Land Registration Office. I think at the time the media said it was to save costs, right? But it didn't end up saving any costs, I don't believe, because the office space is still rented at the same price it was for a few more years. Is it the case that the province is still paying for the rent in that office that was closed to save money?

MS. MUNRO: In fact, with the Land Registration consolidation from 18 down to five, the Pictou office was scheduled to close in 2019, to coincide with the expiry of the lease. In that planning, due to staff availability and people making personal choice - the staff availability was the reason that that office was closed sooner than anticipated. We are working with municipalities and so forth to find an alternate use for that space or another tenant. We need to stay obligated and connected and honour that lease commitment until 2019. I am happy to report that over the period of time since we announced this initiative a year ago in the last budget, our cost savings are being realized; we are on track and we will hit the \$2 million in savings with the rationalization of the Land Registration Offices, with 2019 being our modelling for the Pictou office closure.

MR. HOUSTON: Okay. So, in terms of staffing issues, everyone was retiring. Is that what was happening there in the Pictou office?

MS. MUNRO: There was a process in transition. Some people decided to retire; some people moved on to other opportunities or were relocated. There is a whole process when we have closures like this that people can make personal choices that work for them. Obviously, when they knew that the office was to close in 2019, we saw that in many offices people accelerated their decisions because they wanted certainty and they wanted to make those personal decisions.

MR. HOUSTON: Okay. In terms of the - I want to come back to that again - but in terms of the three options presented to the minister, which was status quo or alternative service delivery or government led, is it true that the collective bargaining agreements do not allow for alternative service delivery? Was that something that you agree with, that it was not possible to do an alternative service delivery model under the existing collective bargaining agreements, and did that factor into your advice to the minister?

MS. MUNRO: Certainly we looked at labour impacts, and we committed that any deal that would be on the go-forward would respect the rights and privileges of our employees under their collective bargaining agreement, which has happened in other

jurisdictions. That was our position and we stated that publicly from the get-go that the rights and privileges of employees would stay the same. They had to be neutral or better.

MR. HOUSTON: Okay. That would not have come into play with the Pictou Land Registration Office, would it? I guess that you are talking about people making personal decisions.

MS. MUNRO: The land registry consolidation and the process around team members, staff members being laid off was followed as per the collective agreement requirements.

MR. HOUSTON: Okay. The land registry produces about \$13 million in revenue and I think you said \$8 million of expenses for a net revenue of \$5 million. With the consolidation of the offices, presumably that net revenue is projected to go up. Is that the idea behind it?

MS. MUNRO: The net revenue would not be projected to go up other than through the normal modelling. You are referring to the ASD modelling that we did?

MR. HOUSTON: I am focused purely on the Land Registration now. You mentioned a consolidation of offices targeted for 2019 and various stages in between. So, I guess the consolidation of those offices would be to improve efficiencies and improve net revenue. Right?

MS. MUNRO: Yes.

MR. HOUSTON: Okay. I hear from a lot of land surveyors that it has caused a lot of problems, particularly in the Pictou County area, with the closure of that office. It has made things like property transactions a little more complicated and a little more expensive. I am just wondering is the department looking at whether that consolidation makes sense in terms of the impact it is having on the people that use it? How are you balancing that against, this is the goal to improve net revenue and it is degradation of services for those who need it? Are you looking at that?

MS. MUNRO: I would like to respond and then I will certainly have my colleague, Mr. Hill, also provide a response. We know that that business model has changed where 70 per cent to 75 per cent of our clients actually interact online for the Land Registration, 20 per cent are by mail or courier, and 5 per cent are walk-in. So with those 18 offices across the province, which was required back in the 1900s because of legislation requiring a Land Registration Office in each county, times are different and we are modernizing to reflect the needs and wants of our clients.

It is about being productive and providing convenience to our clients. At the end of the day we also have an intent, as we build out this Land Registration, transactional activities that would come with a modernizing of the registry, but if I could . . .

MR. CHAIRMAN: I'm not sure if my microphone was on - I'm going to repeat myself. Time has expired for PC questions.

Ms. Zann, we'll go to you for the next 14 minutes.

MS. ZANN: Thank you very much. I'll be sharing my time with my colleague to my left.

When I was last talking with you I was going to ask - you had mentioned there will be a government-led approach to upgrading the registries. You mentioned there would be a role for the private sector in this process, and you also mentioned that you're going to be digitizing a lot more of the work done there, which makes sense.

Are you expecting that that would be replacing some jobs by digitizing parts of the registries?

MS. MUNRO: I think it's important that we recognize that citizens and businesses want to interact with government in a way that's convenient - tell it to me once - and they want to interact with government as they interact with the private sector, so certainly that's part of our modernizing and our systems need to be able to support that in that regard. As well, we need to support our folks on the front line so they actually can interact in a more modern way, if you will.

The intent would be there are large transactions that are not complicated, that make sense. I mean that's what the financial services industry does, they put those large volume transactions online for convenience and then ones that require more handholding or are more complex, they would do in person.

I feel there will be evolution. As we continue to modernize our processes and our procedures, we're going to be engaging our staff. As I said, no layoffs, it will be through natural attrition. Our hope would be that we would be providing valued, in-person services and those services that are more simple and easy to transact online, that people can do from their homes or wherever they are, on their mobile devices.

I think change is inevitable. We don't stand still, and we have a very talented and committed workforce. They know that it's important to offer all three channels to our citizens. As Mr. Farmer talked about, there's a digital strategy that would go with any of that so that no one is left behind and that we help them interact online by actually helping them or inputting their data for them, so there's a whole strategy around this. I'm hoping that answers your question.

MS. ZANN: Thank you, it does. Also, I was going to ask about with the announcing of this government-led approach to upgrades, In January the government brought in a new process for hiring temporary employees, a company called Flextrack that will now recruit temporary employees from employment agencies on behalf of the government. So going

forward I'm just wondering, what role will Flextrack play in staffing services for the registries?

MS. MUNRO: I know Flextrack is a new procurement system for temporary staff. If I could ask my colleague, Mr. Robitaille, to respond since that system is owned within the Internal Services Department.

MS. ZANN: Sure, thank you.

MR. CHAIRMAN: Mr. Robitaille.

MR. GARY ROBITAILLE: Flextrack is a system that is used to procure outside resources and replace the former standing offer for consulting services. From an IT perspective, I'm not as familiar with the temporary labour requirements but that same system that's used for procuring consulting services would be used to procure temporary workforce as well.

MS. ZANN: So could we say that we're going to see a shift towards hiring temporary employees through Flextrack, rather than full-time employees?

MS. MUNRO: It's very important that we have the right service model and the right staffing model for our front-line operations. I would say it's a mix of full-time, part-time, and flexible staff, so the seasonal workforce is a pilot. Our staffing model is part time and full time and the seasonal workforce is an augmented operation or innovative approach to see whether or not that might help us in achieving our service level targets. I can't say one way or the other but I know that our modelling for service is part-time and full-time staff members. We do not use Flextrack now for the Access Centres.

MS. ZANN: But are you planning to use them?

MS. MUNRO: No.

MS. ZANN: So you won't be using them at all?

MS. MUNRO: I don't see that as being needed for our Access Centre staffing.

MS. ZANN: Thank you. Right now how many part-time workers do you have, as opposed to full-time workers?

MS. MUNRO: I don't have those numbers here. I mean 650 FTEs for all of Service Nova Scotia but I certainly can get that for you, a breakdown of in-person channel, I'm understanding, for part time and full time.

MS. ZANN: Would you say that you are hoping that the model will create more part-time workers, as opposed to full-time workers there?

MS. MUNRO: I don't think I could say that because there is a real need for both, when you have an extended-hours operation.

MS. ZANN: Also though, with the digitized, perhaps you may not need as many full-time, you might be wanting to have some part-time workers as well, like more than we have now?

MS. MUNRO: Potentially, but I don't know, I don't have the facts and the data. As we build out, our online citizens' digital offering is not truly broad yet, it has to get there, so more to come on that I would say.

MS. ZANN: Yes, if you could get me whatever facts you have about that, the figures, that would be great.

Also, I'm just wondering if there's any potential at all, with this new way of doing things, for employees who are doing the same work to be paid differently, or for one to have benefits that the other does not.

MS. MUNRO: Part-time and full-time staff have the same benefits.

MS. ZANN: And they are all unionized, are they?

MS. MUNRO: Yes.

MS. ZANN: That's great. You don't see that changing any time soon?

MS. MUNRO: No.

MS. ZANN: Great, thank you. The registry renewal process has been underway now for some time. Given that the government has been closing Land Registration Offices around the province over the last few years, could you actually take us through the decision-making process around that issue and how it was decided which offices would remain open and which ones would close?

MS. MUNRO: Yes, I can. Could I defer that question to Mr. Hill, since he is our subject-matter expert?

MR. CHAIRMAN: Mr. Hill.

MR. NORMAN HILL: That was the decision process around - first to deal with which offices would close. It was based on a number of factors. One would be geography; we wanted to have an office remain open in each region of the province. There were also considerations around lease commitments. In some cases it made sense, in a courthouse situation where we paid very little rent, to keep that location open. If we had lease commitments that we had to consider, things like that, plus the staffing complement was a

consideration. We had to think about where it would be possible to get staff to move and where it wouldn't. So a number of factors like that came in. Probably the biggest one was that we still wanted to maintain a presence in each of the regions of the province, but there were other factors that came into account as well.

I know there was another part to your question, but I'm not sure I recall what it was. Part of it was why the locations, but I think it was - oh, why we did it in the first place.

That was to reflect the very different way the public of Nova Scotia and the legal community and the survey community have interacted with the Land Registration Offices; it has changed a great deal over the last number of years. At one time, it was very much you came into the office, you did your transaction in person, and you needed to have offices all over the province because they had to be near where the transactions were happening. That has changed very much since the Land Registration Act came into effect and since the digitization of that entire process has happened.

Now most transactions don't occur face to face, and they don't occur in a Land Registration Office. The vast majority are submitted electronically. Those that aren't mostly come by mail or courier. There are very, very few - I believe our estimate was around 5 per cent, or sometimes as high as 10 per cent in some offices but a very low per cent - transactions that were conducted in person. It just seemed, frankly, irresponsible to continue to keep offices open in 18 locations when a tiny number of transactions were actually occurring across the counter. It just made sense to consolidate those locations.

MS. ZANN: Okay, thank you very much. My colleague wants to ask a couple of questions, too. Thank you very much for that answer.

MR. CHAIRMAN: Mr. Wilson.

MR. DAVID WILSON: Just quickly, we heard Mr. Farmer talk about streamlining some of the applications and forms through Access Nova Scotia. Are you looking at the introduction of any new fees in any of the new registries in the upcoming months or years?

MS. MUNRO: Not that I'm aware of.

MR. DAVID WILSON: Through this whole evaluation, did you look at the fee structure? You mentioned you looked at Ontario, Manitoba, Saskatchewan. Did you look at not only just the cost of running - labour, IT, and those costs - but did you also look at what the fee structure looked like in those jurisdictions? There has been some criticism in Ontario, for example, that increases in drivers' licence fees were significant over the last number of years. Was that part of our evaluation, the impact on the clients or the users of the services within Access Nova Scotia?

MS. MUNRO: We certainly looked at the other jurisdictions. What was important to us was whether or not the province would remain in control of fees and fee increases. That was our premise, we would be in control of that as well as the data.

MR. CHAIRMAN: Mr. Wilson, you have about two minutes remaining.

MR. DAVID WILSON: Since we have Mr. Hackett here, and we're talking about consultation and consultants, I know one of the recent costs was a \$900,000 consultant fee for looking at toll highways. I know the report was going to be released or finished by April, and I'm wondering, Mr. Hackett, could give us any details on when Nova Scotians or when the government will be indicating what they're going to do, since we spent \$900,000 reviewing that process?

MR. CHAIRMAN: Mr. Hackett, just under a minute remaining.

MR. PETER HACKETT: We're just coming up to the completion of the report, probably several weeks away from actually finalizing it. When that will be released, I'm not 100 per cent sure. We're getting close, and our results are pretty much there.

MR. DAVID WILSON: Also, I guess I have to ask, will that report be released publicly? I know the minister will make a decision, but often we find we need to go to FOIPOP to get that information, get the reports. I'm just wondering, at this time are you able to advise us if that report will be publicly released? There's a lot of interest in this issue, so I'm just wondering if you could maybe respond to that.

MR. HACKETT: I can't say if it's going to be released publicly at the moment. But I do know that they're arranging at some point in time to have public consultations on the report and what we find in those findings. The information will be made public at some point.

MR. CHAIRMAN: Order. The time has expired. We'll now move to Mr. Jessome.

MR. BEN JESSOME: I just want to kick it off by saying thank you to the whole lot of you for continuing to provide a very full understanding of what our options are, considering how we can improve the quality of the services that we deliver and the best use of taxpayers' dollars.

I also wanted to highlight my gratitude for recognizing the reality that there are likely many efficiencies with respect to going digital, with respect to electronic options of intake and processing these services, but further acknowledging the importance to provide choice to those who require an in-person option to facilitate these processes.

I thought that was important to acknowledge, and again, thank you for the work you've done and continue to do to date.

I wanted to ask, through you, Mr. Chairman, for further clarification, part of the endeavour was to do jurisdictional scans and look for best practices or what have you and, in addition, consider what qualifications of suppliers or - I think an example was used, IT components of service delivery, to look at the qualifications that were necessary to provide those things.

I apologize if I missed it - we're not at the RFP stage, but was there an appreciation or acknowledgement of various companies that may be able to get involved in an RFP process?

MS. MUNRO: I would certainly say it's early days. We're just coming off the decision. We know we need to focus in on the RJSC system and multi-year plans have to be built out in partnership with our RMV, partners for the RMV, and the Land Registration as well.

There were some learnings as part of our engagement with the vendors around - and my counterpart here can probably speak to it more eloquently than I. There are traditionally build options in IT where you build your own system and then you are responsible to maintain and to upgrade and to operate. In our work over the last while, it's build, buy, or lease. So in some instances now, where the software for service and the cloud options and how we might be able to collaborate with even other jurisdictions could be an option or an opportunity for us that we really need to look at. Where is the benefit for lease options that avoids large upfront capital cost payments, and it could be potentially put into your operating budgets.

There are lots of different options and nuances and capabilities that we did not know about before, and now we certainly do, as part of this process.

As we look to build out these multi-year plans, we'll certainly be engaging with IT, ISD being our experts in this field, who are very committed to looking at multiple options and identifying, through their assessments, what would be the best for our particular circumstance. We'll obviously work with them very intently on understanding what the new go-forward - and technology is changing all the time. It's important that we keep up with the times and we understand what our options are.

It was a good learning and understanding what capabilities these vendors might have with their partners in the consortium as well.

MR. JESSOME: Through you, Mr. Chairman, with the intention of improved quality services, I would expect that options would not be limited to Nova Scotia companies alone, or to Nova Scotia options alone? I'm wondering, in the instance of exploring all options, what would qualify as, I guess, an out-of-province option to be chosen over a Nova Scotia company?

MS. MUNRO: I actually I think it is really too early to talk about that. Our RFP system or process is an open system and any provider that has the capability is open to being able to respond to an RFP if and when we get to that. I would say, just as we did in the RFSQ, we had global players; we had very strong players; we had very robust submissions in the RFSQ and we thank them for that commitment because it was costly for them as well as time consuming. I would say the process takes care of itself and it is an open process. It would be lovely to have a Nova Scotia company be able to win out on any particular RFP that might be issued from Service Nova Scotia.

MR. JESSOME: Thank you through you, Mr. Chairman, I would concur with that.

To shift gears slightly to discuss the pilot project and the seasonal workforce that is being moved on, I am wondering how hiring practices within - I guess I will use Service Nova Scotia - how does the hiring process couple with government's priority to hire youth in Nova Scotia?

MS. MUNRO: We have been very committed to the youth initiative by government. When it was initially launched in Service Nova Scotia I think the numbers were around 19 or 20 people hired in that first tranche and, of course, we have our ongoing summer program, which we are very active in. That is also targeted to youth and we are so lucky to have them; they bring a great energy into the business. So, the seasonal workforce was also advertised on the youth portal but it was wide open.

It is wonderful in the fact that there are individuals that this type of model of work is what works for them. They will work in the summertime and then, as our colleague, Mr. Wilson, talked about, it could be folks that go away for the wintertime, the snowbirds if you will. There is some great expertise in people who have retired who have come back. On the youth side, we have hired a number of youth workers in the seasonal and I hope that the recall program, similar to the Department of Natural Resources who have a seasonal workforce, will have them come back year after year as they work through their schooling.

It is innovative. It has not been done before in Service Nova Scotia. There is an upfront training component, which we have had great results on and great feedback on; an intensive training program to get them up and started and some shadowing in the Access Nova Scotia Centres. I am very hopeful that we will actually see a marked improvement in our service levels - 80 per cent within 20 minutes. They are coming in with new ideas and an innovative approach. It is wonderful to see and, as I said, I am really looking forward to the post-review, when we come into the Fall, when the seasonal worker, which is a five-month term, ends and we will start it again the next year if the benefits prove out.

I would like to mention as well that the seasonal workforce is to support staff who - it is a tough place to work in the summer when you have to work overtime and extended hours because volumes are just so high. You didn't plan on working overtime and you are asked to stay, and of course they do stay, but with young families and so forth that is a very

difficult way to run a business and for me it is not operationally the right approach. We need to be consistent, and people need to know when their shifts are. This is another way of getting at employee engagement as well, supporting staff in a very high-volume period for this business.

MR. JESSOME: Thank you for those very helpful responses and for your continued work. I am all set. Thank you.

MR. CHAIRMAN: Mr. Horne.

MR. BILL HORNE: Thank you. It is great to hear you here today - a lot of good news, I think, for the registries. I would ask you, were you pleased with the report that actually came back? It shows that you may have been going down the right lines and the right road for the last number of years. Maybe you can comment on that one first.

MS. MUNRO: Thank you very much, Mr. Horne. I can say that our team and I personally, obviously, were driven to get to the right answer. It was fulsome in its review, understanding what other jurisdictions were doing, even globally what's happening on this front. We needed to get a handle on the numbers, what the vendors were interested in and what they weren't, what that modelling looked like. I would say, again, there was not a recommendation from our advisers. The information that we garnered, the learnings that we have, and the analysis that we put together, we are very confident that the right decision on government-led is there.

I'd like then to echo as well that the leadership team within Service Nova Scotia is very capable and one that we feel very confident in, and that I feel confident in, that we can lead on this work and deliver for Nova Scotians over this journey. It's a great challenge in front of us, but with that comes great opportunity.

MR. HORNE: Joint stock - is there any revamping of that system? I'm thinking mostly from small, non-profit organizations, of which we have in my constituency probably over 100. It's something they have to do every year. They're volunteers, and sometimes it's onerous. In the last year it seemed to be quite onerous in getting registered. I'm just wondering if you have any comments on that activity.

MS. MUNRO: There is a great opportunity in the modernizing of our RJSC system. It is a 20-year-old system, and that's why it's first off the mark; there is a need there. It's a very manual process from beginning to end, and with that comes challenges and service issues. We recognize that we want to make it more convenient. The express bundle coming up is going to be helpful for new start-ups, but we're going to ensure that the RFP that is put together and issued is very forward-thinking around self-service, around best practices that are happening out there in the RJSC space. We certainly look forward to that.

If I could, I would like to have Mr. Hill augment my comments on that regard, since he lives and breathes the registries on a day-to-day basis.

MR. CHAIRMAN: Mr. Hill.

MR. HILL: Just with regard to your specific question about non-profits, we are mindful that under our current system the processing time for - I don't know precisely what you were talking about, but if it was about new registrations of societies, that is a very time-consuming and manual process. That may be partly addressed by the new system that we're now proposing to have in place. But part of that will have to be addressed by a review of the Societies Act because it requires processes that are very time-consuming and cumbersome, and manual. We're hopeful that in time that Act may be amended to make that process faster and more streamlined and less manual. Part of what you're talking about is the difficulty that the Societies Act is quite old and hasn't been reviewed for a very long time and is due for that. That's something that internally we're looking at reviewing that and seeing if we can amend that legislation to make it less difficult to deal with.

MR. CHAIRMAN: Order. The time has expired. I'd like to thank the department for all of the answers they provided today, and to give you a chance now to provide some closing comments.

MS. MUNRO: I would simply like to say thank you to the members here today. We appreciate your interest and we appreciate your time.

MR. CHAIRMAN: Thank you very much, Ms. Munro, and to all of your colleagues.

We do have some committee business. We had a couple of pieces of correspondence. One was from Internal Services, Information Access and Privacy Services. This was in response to committee correspondence regarding non-disclosure of the Bay Ferries management fee. That has been provided to everyone.

Are there any comments on that correspondence?

Hearing none, the other piece of correspondence we received was from the Department of Municipal Affairs and that was related to information requested at our May 4th meeting. Any comments or questions about that correspondence? Hearing none, that's good.

We will move now to an approval of a record of decision which was generated by our Subcommittee on Agenda and Procedures on May 11th, where the subcommittee approved three witnesses for future meetings, they being the Department of Immigration to discuss settlement funding; the Department of Business to discuss rural Internet access; and the Department of Health and Wellness to discuss hospital system capacity.

Is there agreement by the committee to approve those topics? I'm seeing agreement. Our clerk will make note of that.

Mr. Pickup, do you have a comment?

MR. MICHAEL PICKUP: I was just going to make one suggestion with the hospital capacity, that it include the Department of Health and Wellness and the Nova Scotia Health Authority.

MR. CHAIRMAN: Is that agreed?

I'm seeing agreement from the committee members so we will make that adjustment. Thank you, Mr. Pickup, for that input.

So we have approval for the record of decision. Our next meeting is on June 8th, next Wednesday, where the Auditor General's Office will be providing their annual report, their Spring report. So that, as it stands, if there is agreement by the committee, after the June 8th meeting we will be reconvening in September.

Is that agreed by the committee?

I see agreement. Our clerk will make note of that.

We will likely be looking at September 14th or 21st. May I suggest September 14th?

Is that agreed? Okay, I'm seeing agreement. Our clerk will make note of that. We will likely be having another subcommittee meeting around that time to add additional topics.

Ms. Lohnes-Croft.

MS. LOHNES-CROFT: Was there a training session that was planned for September at some point?

MR. CHAIRMAN: We don't have a training session planned yet. It was something we discussed, I guess you could say that Mr. Rankin and I have been discussing it. I would like the committee's input on that. Perhaps that's something we could add to our agenda for next week, to have some discussion around that. I would like to have the committee's input on that, because it's something we've discussed many times. It's not something that I want to be driving. I think it's something that the committee should, if they are interested, think about what you would like to be trained in. Really everything is on the table in that regard and the CCAF is certainly interested.

MS. LOHNES-CROFT: Perhaps they could provide us with some workshops that they do for PACs around the country and we can look at that and see if there's anything that we are interested in bringing forward here in Nova Scotia.

MR. CHAIRMAN: I'm sure they'll be happy to do that. I'll ask our clerk to be in touch with them, perhaps even today, to see if a list can be provided in advance of next week's meeting, and that could likely be distributed by email in advance of the meeting so everyone has a chance to take a look at that.

Any other questions?

If there's no further business before the committee - and seeing none, this meeting is adjourned.

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