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•(1105)

[English]

The Vice-Chair (Mr. Paul Szabo (Mississauga South, Lib.):
Good morning, ladies and gentlemen.

This is the seventh meeting of the Standing Committee on Government Operations and Estimates. This morning we will be dealing with the role and the mandate of the Public Service Commission of Canada, the Public Service Human Resources Management Agency of Canada, and the Canada School of Public Service. We'll also be looking at the reports on the plans and the priorities for all three. As well, we are responsible for the votes with regard to the Public Service Human Resources Management Agency and the Canada School of Public Service.

The votes or the estimates with regard to the Public Service Commission, being under heritage, have been withdrawn, as members know. That matter is going to be dealt with by the whole House in a special debate within the House, so we will not be addressing the estimates of PSC.

Our witnesses today are, from the Public Service Human Resources Management Agency of Canada, Michelle Chartrand, president; from the Canada School of Public Service, Janice Cochrane, president; and from the Public Service Commission of Canada, Maria Barrados, president. Welcome to you all.

I understand you'd like to make a few opening comments and I know the committee will certainly like to engage in some questions. Who would like to begin?

Madame Chartrand.

[Translation]

Ms. Michelle Chartrand (President, Public Service Human Resources Management Agency of Canada): Mr. Chairman, I am pleased to be here to present to you the Public Service Human Resources Management Agency of Canada.

I would like to begin by reviewing the recent origins of the agency, its mandate, the main functions transferred to its responsibility and the spending plan for 2004-05.

The agency was established by order in council following the government re-organization of December 12, 2003, and reports to the president of the Treasury Board. It was created essentially as a result of the need to rejuvenate, strengthen and modernize human resources management in the public service, a field where the majority of the practices and procedures have not changed in almost for decades.

[English]

The agency raison d'être is to modernize and to facilitate new leadership in human resources management across the public service on the basis of the Public Service Modernization Act. In order to carry out this mandate, the agency has become responsible for human resources management functions that were previously performed by the Treasury Board Secretariat and by the Public Service Commission.

These functions are the implementation of the Public Service Modernization Act, the human resources planning and accountability systems, the classification reform, the management of leadership development programs, the implementation of the values and ethics code in the public service, the implementation of the Employment Equity Act, and the Official Languages Act.

The net agency spending plan for 2004-05 is \$92.2 million. This includes the transfer from the public service and the transfer from the Treasury Board Secretariat.

•(1110)

[Translation]

I would now like to review in more detail the Agency's role in each of these key areas.

With regard to the implementation of the Public Service Modernization Act, many challenges are ahead and the work to be done will be spread over several years. The Public Service Modernization Act is enabling and not prescriptive. In other words, it gives rise to possibilities that we must act on and develop. The Agency must therefore forge ahead and build, in close cooperation with all its partners, a new human resources management infrastructure. That is, it must create and establish the conditions, mechanisms and tools that will enable all departments to implement the Act.

This will require not only changes and policies, procedures, systems, and reporting and control mechanisms, but also, and most importantly, changes in culture and behaviour across the public service. The success of the Act will depend on the collective effort and the close cooperation of all central agencies, departments, their employees, the human resources community and the unions

[English]

In the area of human resources planning and in direct support of modernization, the agency is working to establish the systems and tools that will enable departments to integrate human resources planning into their business planning. The agency is also committed to strengthening the accountability systems across the public service. To do this, the agency, in close collaboration with the Treasury Board Secretariat, is developing performance indicators in the area of human resources management.

On another level, but still in support of modernization, the agency is working to reform the public service classification system. The goal of this reform is to ensure that we have job descriptions that reflect for all occupational groups the work that is done and to ensure that they are clear, coherent, and up to date. A classification reform is a must for implementing a modern staffing system.

[Translation]

In terms of the leadership development programs that were recently transferred from the Public Service Commission, the Agency is actively committed to integrating these programs. The resulting increase in coherence and consistency will contribute to the development of future leaders.

This leads to another of the Agency's key responsibilities: promoting values and ethics in the public service. Specifically, the Agency actively supports the departments in their efforts to integrate the new Values and Ethics Code for the Public Service. The Agency is also responsible for supporting the government in the development, and ultimately, in the implementation of the Public Servants Disclosure Protection Bill, which is now before your committee.

Finally, with regard to the Employment Equity Act and the Official Languages Act, the Agency is focussed on making targeted improvements and developing simplified and more effective tools that will make the task easier for the departments.

Thus, as you can see, Mr. Chairman, the Agency is involved in many files. To succeed, it must also demonstrate new leadership, a leadership that is unifying and that facilitates and supports the departments and central agencies in our collective effort to implement the new Act.

Thank you, Mr. Chairman. This concludes my presentation.

[English]

The Vice-Chair (Mr. Paul Szabo): Thank you kindly.

Ms. Cochrane.

Ms. Janice Cochrane (President, Canada School of Public Service): Thank you, Mr. Chair.

Good morning. I would like to thank you for offering my colleagues and me this opportunity to talk to you about our respective organizations.

As part of the legislative provisions of the Public Service Modernization Act, the Canada School of Public Service was launched last April 1, bringing together for the first time three major public service learning institutions: Training and Development Canada, Language Training Canada, and the Canadian Centre for

Management Development. The overall mandate at the school is to help to unify learning and development in the public service and to promote a culture of continuous learning. By helping public servants across Canada have access to the common learning they need to serve Canada and Canadians, the school contributes to the building and maintaining of a modern, high-quality, well managed and professional public service.

As we manage the provision of learning services to meet the common learning needs of public servants, we also work closely with departments and agencies to help them develop their learning strategies and to create the conditions that allow learning to thrive in their organizations. Our courses and activities complement their offerings because they retain the responsibility for training that is mission specific, technical, and operational.

• (1115)

[Translation]

Before saying anything further, about our mandate and priorities, I would like to take a few minutes to tell you about our governance structure.

The school is a public establishment managed by a board of directors responsible for the work and the activities of the school. The Clerk of the Privy Council is the chairman of the board and, as president of the school, I play the role of chief executive officer.

The members of the board as well as the president of the school are appointed by the Governor in Council. Beside its chairman, the board is comprised of 14 members, 7 of whom come from the public sector and 7 from academia and the private sector.

The school reports to Parliament through its minister, the Hon. Reg Alcock, President of Treasury Board.

[English]

We operate on a funding base of about \$78 million a year. This includes revenue generation of approximately \$26 million, or 34% of our budget. As directed by our board of governors, we are pursuing a business model where the school will become a centre of excellence, focusing on research, defining learning needs, setting standards, monitoring quality, and promoting the value of learning. The school's design and delivery role will be expanded through the greater use of partnerships.

In building the school, we are being guided by the need to get back to basics and to focus on capacity building within the public service, and we are also working to ensure that the learning we offer is relevant, accessible, and affordable for public servants.

Two of our key partners in this effort are the Treasury Board Secretariat and the Public Service Human Resources Management Agency. The agency has the overall responsibility for defining the policy framework within which learning services are provided, including the definition of core competencies and the identification of core learning requirements. The Treasury Board Secretariat has the overall responsibility for defining the financial framework within which learning services are provided; and for its part, the school is responsible for the design, development, and delivery of learning services that address the core learning requirements within the established policy and financial frameworks.

Since the creation of the school last April, we have been focusing on four key priorities endorsed by our board of governors. First, the school is proceeding with a review of its curriculum, a review to rationalize what we now have, which is in excess of 150 individual offerings from the founding institutions. We have begun to develop a curriculum against the backdrop of the management accountability framework, which is the Treasury Board Secretariat's expectations for modern public service management. As well, we are working to clarify core learning requirements with the agency, and once that work has been completed our curriculum will be adjusted accordingly.

Second, we are extending the reach of learning to public servants, wherever they work, by introducing what is called a blended learning approach, which mixes traditional classroom learning with new tools, such as e-learning, conferences, seminars, and webcastings. This is now a component of all new learning.

[Translation]

Third, we are working hard to improve access to training for all public servants by developing partnerships for the providing of services with the departments and organizations as well as universities and community colleges and other levels of government.

Finally, we are working with the Treasury Board Secretariat to define a financial model for the future.

All those initiatives are under way but will not happen overnight. The implementation should be complete within a couple of years, perhaps.

[English]

As our work is progressing, we have begun to launch new products in line with our emerging business model. First, we have developed a learning program to help ensure that public servants have a clear understanding of their stewardship responsibilities. We now have a suite of courses available in key areas: HR management, financial management, procurement, and information management; and values and ethics are an underlying dimension of each of these courses.

Second, we are supporting the implementation of the Public Service Modernization Act. With the implementation of the act, all departments and agencies are faced with a major and urgent learning challenge, and the school will play a leading role in offering the necessary training.

Third, we have redesigned our senior leaders learning program and have modelled it after structured learning programs offered to senior leaders in other large, complex organizations. Building on this commitment to continuous learning, this will help our public service leaders demonstrate exemplary leadership behaviour, as well as the knowledge and skills of top management.

Finally, with the agency and the PSC, we have launched a review of language training and testing. As you are no doubt aware, there are common themes of discontent and frustration within the public service on language training and testing, and these questions require serious examination. Recent media coverage has also brought this issue to the forefront, and as a result, the school is working closely with key partners in examining these issues, and a senior advisory

group has been formed to assist in this review, with options to be developed for consideration by the spring of 2005.

I've just provided you with a brief outline of the school and the many challenges that we face, and it will be my pleasure to answer any questions you may have on the school and our mandate. Thank you. Merci.

• (1120)

The Vice-Chair (Mr. Paul Szabo): Thank you, Ms. Cochrane.

Ms. Barrados, president of the Public Service Commission.

Ms. Maria Barrados (President, Public Service Commission of Canada): Thank you very much, Mr. Chairman, for this opportunity to appear before your committee on our report on plans and priorities for 2004-05.

Our RPP is based on the past planning and accountability structure, and I would like to briefly summarize the changes to this structure for the committee, and our role in human resource management.

[Translation]

The adoption of the Public Service Modernization Act in November 2003 set out a new path for the public service commission which goes from an organization responsible for managing certain components of a staffing system to an organization responsible for supervising the system.

On April 12, 2004, major activities were transferred out of the PSC. Language Training Canada and Training and Development Canada were reorganized as part of the School of Public Service Canada. Development programs were entrusted to the Public Service Human Resources Management Agency.

[English]

Consequently, a total of \$55 million and 536 employees were transferred—\$22 million and 166 employees to the agency, and \$33 million and 370 employees to the school. This means that the overall budget of the PSC, which started with \$147 million in 2004-05, has been reduced by \$55 million. The net PSC spending plan for 2004-05 is, therefore, \$92 million, after these transfers are affected via the supplementary estimates (A), which were tabled on November 4, 2004.

The change in our activity structure is shown in the attachment to the opening statement. The left side gives the allocation of funds, according to the old structure; the centre, after the transfers; and the right provides the allocations under our new structure. We have three main activities for 2004-05.

[Translation]

The first, \$34 million worth, is made up by the recruiting and evaluation services. Within the framework of the previous Public Service Employment Act, the PSC provides external recruiting services for the core of the federal public service.

We manage the job Website which gets over 1 million hits per month. We also manage special recruitment programs such as the Federal Student Work Experience Program and the Post Secondary Recruitment Program. That represents a huge volume of activity.

In 2003-04, public service commission recruited over 24,000 people through its different recruiting programs.

[*English*]

As part of our transition, by December 2005 departments and agencies will have the flexibility to choose various options for external recruitment. Therefore, many of these services will become discretionary rather than required.

The second activity is appointment integrity and political neutrality, at \$31 million. This involves a policy support function and work in delegating most remaining staffing authorities to departments and agencies by December 2005. It includes conducting audits and investigations to ensure the integrity of the staffing system, as well as protecting the political neutrality of the public service.

The third activity is corporate services, which include our reserves, commission support, HR, finance, and IT, as well as legal services and communications and the library, at \$27 million.

As our plans are implemented, we expect to find further savings within the PSC, and I'll reallocate most of those funds to the oversight function of the commission. We expect further reductions over the next several years—sunsetting of e-recruitment funds, at \$3.4 million, and eventual transfers to the Public Service Staffing Tribunal, at \$3 million—leaving a budget of \$85 million.

As we discussed last week, the PSC does not report to a minister and has the exclusive authority to make appointments because of a long-standing concern that the staffing system be kept free of patronage and be based on merit. We interact with departments and agencies, since it is their positions that are being staffed. We also interact with the school and central agencies where we have a common concern; for example, with the school with respect to second language training, and with the agency on strategies to improve employment equity representation and on initiatives such as Bill C-11.

• (1125)

[*Translation*]

The PSC administers the Public Service Employment Act which governs 82 federal departments and organizations; that is the legislation which fully authorizes us to make appointments to the core of the federal public service. We have already delegated many of our powers of appointment to departments and organizations and our external appointing authority will be practically totally delegated by December 1, 2005.

The powers will not be delegated in certain high risks areas such as the priority appointment system for ministers' staff.

In the delegation regime, the departments and organizations must be accountable to us for their activities. In return, we must report to Parliament.

[*English*]

To ensure that the appointment system operates in a way that reflects the core values of fairness, equity, and transparency, we set policy, actively monitor the system, and conduct audits and investigations. We make recommendations and can also order corrective action.

The Public Service Commission's role continues to be to ensure that appointments are based on merit, to protect the political neutrality of the public service, and to provide a view independent of the employer and central agencies on the health of the staffing system. Since the creation of our predecessor, the Civil Service Commission, in 1908, our core mandate has remained the same—to ensure a competent, non-partisan federal public service.

Mr. Chairman, I would be happy to answer the committee's questions.

Thank you.

The Vice-Chair (Mr. Paul Szabo): Thank you, kindly, to all our witnesses.

We'll start with Mr. Preston, please, for seven minutes.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Thank you, Chair.

Thank you for coming and visiting with us today and for sharing some information with us that I'm sure we're happy to learn.

The Public Service Modernization Act is moving forward and it has shown changes to all your areas of responsibility, and I'm sure that's taking some getting used to. It has also shown some changing in funding as it moves from one department to another or from one area of responsibility to another.

I guess I'll ask the question of all of you, has the total met the suggested decrease in expenditure of 5%, or are we together now spending more than we used to on the separate areas of responsibility? Anybody?

Ms. Michelle Chartrand: To answer your question, does it reflect the transfer of responsibility between organizations, yes, it does.

Does it imply that we increased the level of spending in these areas? The answer is no.

Does it include our contribution of 5%? We did some plans, because the 5% is for the next three years. The plan is done in my agency, and it's 5% from the A-base and it will be 2.3%. We will make savings with corporate services and restructuring of the agency. The last one is the contribution to an internship program involving the YWCA for young people—but it will be a modest reduction. That's the answer to your question.

Mr. Joe Preston: Thank you.

Ms. Janice Cochrane: In relation to the school, it's basically the same answer, that we are not operating with more money than we had before. It was based upon an amount that was credited to us for services rendered by the Public Service Commission, and the old CCMD and Language Training Canada budgets coming together.

We have an amount that's notionally booked for a reduction of 5% for next year, but no firm decisions have been made on that yet. We've put our targets forward to the Treasury Board Secretariat and PCO, and we will see what they decide to do with that. Our intention is to continue to try to reduce our overhead, and that's where we would achieve those savings.

• (1130)

Ms. Maria Barrados: In the case of the Public Service Commission, we transferred out \$55 million, so we're now at a budget of \$92 million. These transfers were to the school and the agency.

On the 5%, that's a separate exercise. As I mentioned, I am concerned that I don't have enough money for the audit and investigation activities in my organization, so I am going through a process of reallocating the money that remains and putting more money into those activities. I have made the case that the 5% should not be taken from the Public Service Commission, but we should be allowed to continue our program of reallocation. I haven't heard back.

Mr. Joe Preston: Okay. I understand that thinking, but I'm sure each department could find a pet project they would like to receive spending for. If we do that across the board, we certainly won't achieve a 5% reduction in cost.

I know we have transferred out the \$55 million, but with what's left, have we actually seen an increase in spending since last year?

Ms. Maria Barrados: No, we have not. In fact, I expect to see further reductions that are not part of the 5%, and I think I've flagged those. I expect a reduction in what we call "the sunset money", so it's there for a term. There is also a commitment that as the appeals function moves out, the money goes out with it.

So back to your point about the argument on reallocation, the Public Service Commission started out under the new Public Service Employment Act with no auditors and a specific mandate to do audits. So if I give up the 5%, somebody's going to have to give me the money for the auditors. Otherwise I'll have to come back to you and say, "Sorry, as your agent I don't have the resources to do this checking".

Mr. Joe Preston: As we've restructured, the Public Service Commission and the Public Service Human Resources Management Agency seem to share some responsibilities. Are we afraid of duplication of effort or maybe lack of effort—one assuming the other's doing the job?

Ms. Michelle Chartrand: The question is for me.

It may appear that there is duplication or overlap, but in fact there is none. In simple terms, the role of the agency is to implement the new legislation for modernization of the public service. We act as a project leader for the implementation of this new legislation.

As I tried to explain in my speaking notes, this means it's a must to work with the organizations that have the lead in staffing and recruitment, the PSC; the lead in learning, my colleagues from the school; and the Treasury Board—that's what this table is all about—which has the lead on staff relations.

Our role of project leader is much more than just putting in place a process to make sure the implementation of this legislation will occur. It's being responsible for having some concrete results. That's why we need to work so closely. It means concretely that managers in the public service—this legislation is all about managers in the public service—will gain a lot more flexibility. The authority will be delegated to them. They will be given more flexibility, but also much more responsibility.

In order to be able to perform all this and take on all those responsibilities, we have until 2005 to put in place an infrastructure that will support them so they are able to take this new authority and exercise it properly.

• (1135)

Mr. Joe Preston: Perfect. My point, then, is that we should watch for duplication as we do that. I know it's always the case when we move from one department to another that we want to add a new level rather than remove the old and come up with the new. I think the savings truly are in the movement to a new place.

Ms. Michelle Chartrand: Can I add something just before Maria speaks? I'm just finishing on this. This project of implementing this new legislation is forcing us—and it's not bad, it's really good—as central agency and department, to work very closely. It was not always the case in the past. I can say that at least on that we are doing well.

Mr. Joe Preston: We're getting an accomplishment? Great.

Ms. Maria Barrados: A quick comment in addition to what Michelle was saying is that the RPP has a page in it that gives the exclusive authorities to the Public Service Commission. Those are pretty clear; those are all those staffing authorities. But there are other areas where we don't have the exclusive authorities, which are the areas you touch on, and we identify those. I think we have to be vigilant and speak to each other to make sure we don't duplicate.

Mr. Joe Preston: Perfect.

The Vice-Chair (Mr. Paul Szabo): Before we go on to Madame Thibault, I think we should clarify, concerning the 5% expenditure review, that it is certainly the responsibility of all departments as they do their estimates to look for efficiencies and productivity improvements. That review that's going on is with regard to the fiscal period commencing April 1, 2005, not the current one. We are already seven months or eight months into the current cycle.

But it does raise the question. Although we're not reviewing your supplementary estimates, the question posed by the member was with regard to whether in your overall spending there has been a change.

We have before us now the estimates, but we also have the supplementary estimates. Maybe you would very quickly confirm whether there are any significant changes contemplated in the supplementary estimates.

Ms. Janice Cochrane: No, not for the school.

Ms. Maria Barrados: For the Public Service Commission, what we have is that the supplementary estimates are going to effectuate this large transfer I described. In addition to that, the supplementary estimates will have our carry-forward in them. We expect to be lapsing roughly an equivalent amount, maybe a little less, so the net spending is not going to be that different.

The Vice-Chair (Mr. Paul Szabo): Okay. We're all straight that it's business as usual, with no major changes other than simply the transfer between PSC and Treasury Board.

Madame Thibault, s'il vous plaît.

[Translation]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, Mr. Chairman.

Thank you for being here this morning, ladies. I have three relatively brief questions, one for each of you and I think your answers will also be brief.

Mr. Barrados, we are talking about delegating responsibilities, for example, in the area of external recruitment, responsibilities which henceforth will be taken on by the agencies and departments. My understanding is that it has already been done and that you are telling us that, from the point of view of your organization, there have been decreases in costs, amounts have been transferred and so on. Can we expect economies of scale or, at the very least, neutral costs once those activities have become the full responsibility of the departments in question?

Ms. Maria Barrados: We have transferred all the costs to the others and those transfers did not result in savings on my side. However, we are examining all our expenditures because I want to undertake a reallocation in order to make more money available for auditing, monitoring and investigations.

Ms. Louise Thibault: Thank you.

Ms. Chartrand, in your presentation, there are two points that jumped out at me. It's not new, but it's a good thing. We are still talking about a change of culture and behaviour within the public service. Do you admit that these things are difficult to implement, on one hand, and to evaluate, on the other?

With the new configuration of the mandate you were given, how are you going to manage to succeed any better, in your opinion? I am not being at all sarcastic in saying that. How are you going to succeed better and over what time span, Madam? Do you believe that we are talking about a five-year or ten-year period?

• (1140)

Ms. Michelle Chartrand: Your question is extremely relevant. Actually, a change of culture and behaviour in an organization the size of the public service is extremely difficult. Evaluating change concretely is also very difficult, but I think it can be done.

We intend to establish performance indicators which will allow us to measure the progress we make. I will give you a concrete example because a performance indicator remains something very abstract.

When you have to measure whether there is real human resource planning, a very good indicator of performance is that the planning is integrated into the operational and budgetary planning. Is our

staffing system more efficient? It is if it costs less, allows us to save time and also to attract competent people. Is our behaviour consistent with our values and ethics code? That's where we're talking about culture. I'll give you some examples. We haven't quite defined them yet.

You're asking me if it's going to be done quickly. No. Are we going to see changes soon? I think that within two years, we should start seeing the first changes. We have to proceed with the implementation within a year. In order to effect such profound cultural change, you need 5, 10 or even 15 years.

Ms. Louise Thibault: If you don't mind, I have a supplementary question, but it's not because it is a supplementary that it is any less important. It's the whole matter of official languages.

We know that we've been talking about this for almost forty years. We know about all the programs that have been set up and we still have a public service that does not really use both official languages. How optimistic are you, as concerns your responsibilities, about achieving this objective? This will come back when training comes up later on. We're talking about change. Successive generations of young people have had an opportunity to undergo training and we expect those people to be bilingual when they enter the public service to take up a bilingual position, when that's a requirement, of course. At that point, we won't have imperative staffing anymore because it will have become an established fact. You don't think we're going to be waiting another forty years, do you?

Ms. Michelle Chartrand: First of all, I'd like to provide you with a clear picture of the last 35 years.

Ms. Louise Thibault: I know very well what it is, Madam.

Ms. Michelle Chartrand: Of course there has been progress. On the other hand, there is still a lot to do. There is some hope concerning official languages. When you are faced with these three objectives which are service to the public, language of work and equitable participation of both groups, you have to use human resources planning as your base. When the managers think about staffing or recruiting, no matter what they decide to do in the matter of human resources management, if official languages are not part of the planning, then you'll always have problems and it will be an afterthought. One hopeful note is the integration of official languages with human resources planning. The same logic is valid in the area of employment equity.

Ms. Louise Thibault: Absolutely, but the systems and policy have been in existence for a very long time and they've been literally circumvented. For example, at senior management level, imperative staffing was supposed to have begun a long time ago, but it has been put off and put off and that's why we still don't have it. Do I still have a minute, Mr. Chairman?

The Vice-Chair (Mr. Paul Szabo): One minute.

Ms. Louise Thibault: That's excellent. Thank you for your answer, Ms. Chartrand.

Madam Cochrane, you were talking about your curriculum and the agreements you've come to with private institutions, universities and community colleges. Could you give us the percentage of the training that will be offered by those partners as well as the percentage of the resource envelope they'll be getting? What part of that envelope will be given to those organizations compared to the percentage of training they'll be offering? Thank you.

Ms. Janice Cochrane: That's a very good question.

[English]

We do not know yet how much they will be able to deliver for us. We are assessing their capacity to do that. We have been having discussions with community colleges and universities to assess whether or not they have the capacity to deliver for us, both in design and in program delivery. There have been early indications of interest from some, while others are not particularly interested at this time. So I think we will have a transition period during which we will start to work with those who are ready to work with us, and over time it may increase. At the moment those who tend to be more interested are in the parts of Canada where we don't have a strong presence at the schools. They would be outside the National Capital Region in other parts of Canada, including the smaller provinces, like—

• (1145)

[Translation]

Ms. Louise Thibault: You're looking after your own interests, as do many members of Parliament. Nevertheless, I really hope that you will be doing training at a regional level not only because of costs, in order that the public servants don't have to travel and we know that that is very expensive, but also in order to use the UQAR, for example. We have a university training centre in Rimouski, but it would be the same thing in the case of a member from another region. It's very important to count on institutions in the community.

The Vice-Chair (Mr. Paul Szabo): Thank you.

Ms. Janice Cochrane: I fully agree with that.

[English]

The Vice-Chair (Mr. Paul Szabo): Thank you, Madam Thibault.

Mr. Boshcoff, please.

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Thank you, Mr. Chair.

The starting position, Madam Barrados, was that we're \$55 million to the good, and I think it's refreshing to let the public know that it doesn't always cost more every time the government makes a change.

So I have to make sure that you are comfortable with the fact that this position of cost-effectiveness that you're starting from is an attitude of efficiency versus what some may more cynically call empire building. Are you comfortable with starting with a fresh, lean machine?

Ms. Maria Barrados: Yes, I am. I believe we can get somewhat meaner, and I'll do that by building up my audit resources, but I'm looking for other savings in my organization.

Mr. Ken Boshcoff: All right, but just to clarify for us, to get to where you want, you want some more to be able to get less? Is that what you're saying to us?

Ms. Maria Barrados: I think we can do it in the same envelope of money that I have by doing further reallocations within the envelope. I'm not asking for more—

Mr. Ken Boshcoff: Let the record show, Mr. Chair.

Ms. Maria Barrados: — unless they take some away from me.

Mr. Ken Boshcoff: Can we go to the Canada School of Public Service, about which you raise some very interesting points. You say that 34, is it 34% of your...you actually have revenues that are offsetting some of the costs?

Ms. Janice Cochrane: That's correct.

Mr. Ken Boshcoff: Is any of that coming from proposed consolidation of staffing as you design the new curriculum?

Ms. Janice Cochrane: The revenues we have come from our clients in other government departments who purchase our services; essentially, they purchase training. Training budgets are highly decentralized within departments. So if public servants wish to take advantage of our programs, they have to actually purchase that training.

Mr. Ken Boshcoff: So outside the system, although your costs may go up or down, let's put it this way, in the balance book, will some other departments costs go way up because they're sending them to this school?

Ms. Janice Cochrane: I hope we can keep our own costs down as well. In fact, we say that 34% of our revenues, our budget, is cost recovered, but in fact it is much higher than that.

If you take away from our overall budget some special programming we have that is essentially fixed programming to deliver training associated with special programs like the management training program, the accelerated EX development program, CAP, language training, the proportion of our budget that is cost recovered in what we call our open enrolment programs is actually closer to 70%.

Frankly, that is a very heavy burden to place on public servants, because they are the ones then who have to make choices between training and development or program delivery. And money is tight everywhere, we know that. We're asking ourselves questions now and working with the Treasury Board Secretariat to assess whether or not that is the right balance, whether this kind of internal cost recovery carries with it inefficiencies in fact that are built into the way the system works, and whether or not we should have a program of core learning that has some mandatory element to it, but all of which is paid for through appropriations. Those are part of the transition discussions that we're having right now.

Mr. Ken Boshcoff: You'd mentioned that core curriculum before, so does it mean that the courses are going to be much more focused so that across departmental lines they will know if you want to be a better manager, as opposed to... What about sales of these courses to other orders of government, provincial and municipal?

• (1150)

Ms. Janice Cochrane: We can do that and in fact we do some of that now. Campus direct, which is our e-learning library, our e-learning program, is a service that's offered to the Government of Ontario. We have been just beginning to have discussions with other levels of government to see whether or not we can reach agreement with other levels of government on what is core learning for public servants, regardless of where they happen to be, so that we could actually accomplish some efficiencies by delivering some of that learning or developing it together.

There are certainly no barriers to our doing that; it really just is a question of aligning interests right now, and we're starting to talk to them.

Mr. Ken Boshcoff: Mr. Preston asked about how long it would take. How long do you think it will be before you actually have a book that says that this is our curriculum and this is what we're offering? When are you going to be rolling?

Ms. Janice Cochrane: We're hoping we would have the curriculum review completed and a new curriculum that's aligned against the management accountability framework by April 2006, but our delivery structure, which includes the other training institutions, community colleges, and partnerships with the other levels of government, could take longer.

Our first order is to assess what it is we should be offering and to make sure it is more formally linked with the agency's requirements for core learning for public servants.

We also know that an element of that is what I call getting back to basics, but we have to have more emphasis in our curriculum on the basics of management—human resource management, financial management, contracting, IM/IT—as opposed to the trend in the last number of years for executive development, which has focused more on leadership skills. That's important too, but it's not the whole equation, and we feel we need to stress at all levels of management, including down to the supervisor level, what it means to accept responsibility for stewardship.

Mr. Ken Boshcoff: Thank you.

I have a couple more questions so I'm going to ask you to rapid-fire the responses.

Madam Thibault asked generally about what the colleges could do. What about the private education systems that specialize in some of these things? Are there cost-benefits for using the private sector there? I'll ask the question. Do you eventually see yourself, or a system such as the colleges of Canada, being able to take up all of these courses as part of their curriculum and regionalize it—because what I will now say, as a question, is that the cost of travel perhaps to a central area may be offset by the regional availability and economies of smaller schools that could offer them outside the metropolitan areas at less cost and greater efficiency.

Ms. Janice Cochrane: That's what we hope to achieve.

Mr. Ken Boshcoff: All of those?

Ms. Janice Cochrane: Yes, all of them.

Mr. Ken Boshcoff: The record now shows that.

The Vice-Chair (Mr. Paul Szabo): Thank you kindly.

Mr. Martin, please.

Mr. Pat Martin (Winnipeg Centre, NDP): Thank you, Mr. Chair, and thank you to our witnesses for being here today.

I will start a little bit with the school as well, just because it's a new institution. I believe it was on April 1, 2004, that there was the creation and formation of the new Canada School of Public Service. I do note that I know this is a special project of the current President of the Treasury Board, who is very keen on systems of government. I think he probably wouldn't mind being in your job himself, Madam Cochrane, were he not already previously tied up with his current duties, but I know he is well educated in and very interested in improving systems of governance and the complex machinations of government that leave the eyes of most of us rolling in the back of our heads.

In your case specifically, your budget long-range planned spending for 2005, 2006, and 2007 shows a marked drop in your overall net cost of program. Have you accounted for that in your alternate sources of revenue or fees charged? Does that account for that entire plummet?

• (1155)

Ms. Janice Cochrane: Mr. Chair, these figures will change, of course, as the planning assumptions change and we get closer to 2006-07. What you're seeing now reflects the fact that we have some programs that will sunset at that time, so the funding we now have will not be available to us, and if we go ahead in our current steady state, then our overall budget will drop.

Mr. Pat Martin: You can't just reallocate that money to other places within the school?

Ms. Janice Cochrane: It will sunset so that it disappears. It's time limited.

I do expect, though, that long before that time—and certainly during the balance of this year and into next—we will want to negotiate a new financial framework with the Treasury Board Secretariat based upon the new role of the school.

What you're seeing here is a roll-up of the founding institutions and the best planning projections that we can put forward, based upon what we know now we have in our budgets. We do know, and certainly at the officials level at the secretariat there is an acceptance and understanding, that we actually have to go forward with the new framework that reflects our new reality.

Mr. Pat Martin: That's helpful. Thank you.

Regarding the Public Service Commission, Madam Barrados, I hear you to say that you're wrestling with a way to provide, within your current funding, the basic audit services that are your mandate. How then would you expect to be able to pay for this new task, the office of the whistle-blower, if and when Bill C-11 passes and plops it into your lap? Where and how will you be able to accommodate those extra duties within this framework?

Ms. Maria Barrados: I'm glad you asked me that question, because I don't expect to get that new mandate without some new money.

Mr. Pat Martin: That's also duly noted.

Ms. Maria Barrados: I think we can do a lot in terms of economies and efficiencies in our organization to get the core we have to have. I believe the marginal increase in support on the administrative side will be low. I don't think we'll be looking for a full administrative complement, but I would expect new funds for that function.

Mr. Pat Martin: I don't have a lot of experience in this, but I would think a detailed investigation, per the powers you'll be given under Bill C-11, could be really expensive—into the millions of dollars on a single investigation of a comprehensive wrongdoing turned in by a whistle-blower.

Ms. Maria Barrados: I agree with you completely. That's why in our previous discussions I raised concerns about the ability to come to Parliament about the funding. You can see there was an estimate made, in terms of giving an amount of money to start the function, but I know from my days at the Auditor General's office that some of the undertakings we did there were indeed very expensive. There are some circumstances under which you could have situations where the money would have to be provided.

Mr. Pat Martin: Thank you.

I have one brief question now to the Public Service Human Resources Management Agency. I'm a little taken aback to see the emphasis in your... [*Technical difficulty—Editor*]... Your emphasis, or part of your planned projects, involves another go at the classification system. Our experience has been that every time we go down that road it turns into a catastrophic waste of money—a phenomenal black hole of money—to no appreciable benefit to anyone; in fact, probably making things worse in terms the mess that is the classification system. Is there any methodology being contemplated that helps you budget for this, or do you have a silver bullet or a new idea that would be better than the previous failures?

Ms. Michelle Chartrand: The difference between the approach we are taking right now and the previous approach, in which we were trying to address every occupational group in the public service at the same time—and we know how many occupational groups we have; it was a nearly impossible task.... What we are doing right now is group by group, and already in the last two years—previously it was with the board; now it's with the agency, with this reform—we have been making some progress. We did modernize the standard for classification for foreign services, for the economists, for the new service group in the new border agency, for the fisheries officers in Fisheries and Oceans. What I am trying to say is we are doing it step by step.

One thing on which we've spent a lot of time in the last two years is developing tools for specialists who are doing job descriptions in departments. That's the second area. We are also working on a monitoring system to make sure we don't end up with a lot of reclassifications. We also have a monitoring system of the existing classification system. *Grosso modo*, that's what we're doing.

• (1200)

Mr. Pat Martin: It's a huge undertaking.

Ms. Michelle Chartrand: It's huge.

Mr. Pat Martin: I can say as a former union representative, management always resists getting too specific in job classification

Ms. Michelle Chartrand: Absolutely.

Mr. Pat Martin: — and duties, because it's a nightmare when you get... I don't envy you, but I will be watching very carefully to make sure this isn't another doomed exercise—not to overstate things.

Thank you.

The Vice-Chair (Mr. Paul Szabo): We'll see whether we have doomed exercises; I'm not sure.

We are going to go to Mr. Poilievre.

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Thank you very much, Mr. Chair.

Thank you, honoured guests, for being among us today.

I'm very interested in the Prime Minister's promise to reduce government expenditures by 5%, especially in light of the fact that his own office budget will be increasing by 1% over the said period. It appears to me that everywhere we look we see promises of savings but, in reality, growth in the size and cost of government.

In fact, the Public Service Commission's departmental planned spending in the total main estimates, which I have before me, indicate that from this year, where expenditures are at \$130.5 million, to 2004-05, the increase is to \$147.4 million. That's a 12% increase over one year.

I know the chair has already pointed out that the expenditure reviews were only meant to take place the following year, which I think is a clever way to carry out the reduction—by first of all increasing it dramatically one year, thereby making it much easier to decrease over the long run. But even if you take this year, 2003-04, and compare it with planned spending for 2006-07, we have a 1.86% increase.

I wonder how, Ms. Barrados, you would classify that as a savings.

Ms. Maria Barrados: If I understand the question, as I tried to explain, this is a function of the way the estimates are structured and the ability to change them. In fact, there's \$55 million that has been transferred. It had to carry in our estimates until supplementary estimates (A) are passed; then it will come out. As I said in my opening statement, the expenditure shows \$147 million, but we're taking out \$55 million, and so it's \$92 million. It is an artifact of the inability to change those structures. We in fact have not had that increase.

Mr. Pierre Poilievre: I understand, but ultimately you have had that increase—or at least somebody has—because there really is only one taxpayer. You've not reduced your spending by \$55 million; you've merely transferred that responsibility to another body.

Ms. Maria Barrados: That's true.

Mr. Pierre Poilievre: So you're not talking about a reduction in spending. It is a dramatic 12% increase in spending that might well be camouflaged by shifting \$55 million in expenses to another body. Ultimately, we're still talking about a 12% increase from one year to the next, are we not?

Ms. Maria Barrados: Mr. Chairman, I can go into the details of those increases, but they really belong better to my colleagues here. There was a big effort to increase language training, which is where there was a big increase in effort because of the inability to meet the requirements to do language training. New funding was going in there.

I can go back to detail the increase there. You're correct in terms of the overall increase, but not in terms of the estimates I am responsible for and managing. If you would like a detailed explanation of it, I'm happy to provide it to the committee.

• (1205)

Mr. Pierre Poilievre: I'm not even looking for—

The Vice-Chair (Mr. Paul Szabo): We're going to have ample opportunity. As you know, the House is going to be dealing with the estimates of PSC in committee of the whole—for six hours, I believe it is—and that may be an opportunity for the officials to make available the summary of the numbers to reflect the transfers, etc.

There's no question about it: transfers are not an expenditure reduction, but a reduction in the amounts for which a department is accountable. Once we get the supplementary estimates, it will all then balance out.

But the question the member is asking is whether—after you take into account the transfers, I think the assertion is—there is a 12% increase in your spending.

Ms. Maria Barrados: I just want to reiterate it's not the Public Service Commission's spending. There is an increase in the spending as it went through the estimates, but it's not in the Public Service Commission. You can't ask the Public Service Commission to explain it, because it's no longer with us. But I can go back historically to provide the information.

It's the way the estimates are structured. I'm sorry.

Mr. Pierre Poilievre: It really doesn't matter. You're shifting one responsibility left and another one right, a third up and another one down. It's still a 12% increase in the number of dollars taxpayers are paying for the envelope of services that your office has been providing. Really it is, and it's impossible to look at that as a reduction or a savings when in fact it represents, I think anyone would objectively agree, a colossal increase.

Twelve per cent is rather large, and when you consider furthermore that by 2006-07 we're suppose to have a 5% reduction within that overall envelope of services that you provide, we actually see that the budget has gone up by 1.86%, or 2% rounded. So there's not really a savings to taxpayers here, is there?

Ms. Maria Barrados: Could I ask Anne-Marie Robinson, who's my vice-president, corporate services, to explain those numbers? The member is correct overall. There has been an increase in the amount. They are transferred. They're no longer with the Public Service Commission. But she can run through the figures as to what the increase was. It will just take a minute.

The Vice-Chair (Mr. Paul Szabo): I think it will be helpful. Let's do this carefully, because it's a significant assertion the member has made. Let's clear it up.

Ms. Anne-Marie Robinson (Vice-President, Corporate Management Branch, Public Service Commission of Canada): I'll take you from the main estimates of 2003-04, which are at \$130 million, to our main estimates of 2004-05 at \$147 million.

The biggest increase is with the official languages action plan. It's \$11.6 million. That is an increase from the previous year, and those funds will be transferred to the Canada School of Public Service.

The other increases are largely attributable to \$3.4 million in e-recruitment funding that we received to develop e-recruitment to support a national area of selection and other adjustments related to changes in employee benefits and collective bargaining.

We also had two reductions: a sunset of employment equity programs for \$1.2 million and \$300,000 of sunset in HR modernization.

Mr. Pierre Poilievre: Mr. Chair.

The Vice-Chair (Mr. Paul Szabo): Just before we go back to the member—Mr. Poilievre, we'll give you lots of time on this one—that's all the various variances, and I do understand in terms of e-recruitment that the members were very concerned about people across the land being able to apply for jobs and now we're working on this software approach to be able to deal with that. But having gone through all the numbers, I guess the question still comes down to, if we take the three functions and still have them in the same basket, how are the numbers changing year over year? What are the key elements, and is it a 12% increase?

Ms. Maria Barrados: The biggest increase, Mr. Chairman, is the official languages Dion-planned funding of \$11.6 million. That's the single biggest increase, followed by the e-recruitment, but the e-recruitment one we are carrying on.

I mentioned earlier that I expect the \$92 million to come down to \$88 million as that e-recruitment money comes out.

The Vice-Chair (Mr. Paul Szabo): Okay.

Now we'll go back to the member.

Mr. Pierre Poilievre: I thank our expert for providing a more thorough itemization of the increase, but ultimately it doesn't change the fact that there has been and continues to be an increase, and you cannot achieve savings when you're in fact increasing your overall spending in a given area.

I think this committee needs to acknowledge that the Prime Minister's promise of a 5% spending review will not be kept with respect to the Public Service Commission. It's just a numerical reality.

• (1210)

Ms. Maria Barrados: Mr. Chairman—

The Vice-Chair (Mr. Paul Szabo): Okay, everyone will have a chance.

First of all, the members will have to acknowledge that the expenditure review—which hopefully is going to do a reduction of the 5%, as has been discussed in this meeting and others many times—has to do with the next fiscal period, not the current year that ends on March 31, 2005. We're already seven months into this year.

On top of that, I think it's extremely important to understand that many of the departments that we have responsibilities of reporting on provide services. They are not really in control. There's very little discretion here. To suggest that across the board anything is doable is just not the case. About 66% of what the government spends is legislated.

So let's be careful not to confuse anyone around the table or who is watching that somehow every department has to come up to the table and say 5% has to go, and if you haven't done that somehow, you haven't done what you're suppose to do. Let's be careful on that one, okay?

I'll go back to the member. He still has some time.

Mr. Pierre Poilievre: I'll rest my point at this stage, that spending is going up for the responsibilities that Ms. Barrados has overseen, regardless of whether those responsibilities are now being delegated elsewhere.

I'll move on to another point, though, because all of our witnesses have raised the issue of the increased cost of language training. There have been reports indicating that only roughly 38% of anglophone public servants trying to pass the bilingual requirements are actually succeeding. I'll ask for a very quick yes or no answer: do any of the three witnesses consider a 38% success rate to be a mark of an effective policy?

Ms. Maria Barrados: Mr. Chairman, could I make one comment on the previous comments?

When new responsibilities are given to any government organization, it cannot be assumed that they just do it in their base. Something like the official languages funding was a specific government initiative and plan, and new money came with that to institute that plan. That's why you see the increase. Similarly with the e-recruitment.

Now, back to your question—

Mr. Pierre Poilievre: I'll just clarify. I'm not accusing Ms. Barrados of failing to meet her obligations. If new responsibilities are being thrown on her, that is the responsibility of the government and it contradicts the government's overall policy of reducing spending.

I'll let her get back to finishing her point.

Ms. Maria Barrados: No, I'm not very happy with the 38%. To clarify what the 38% is, that's the failure rate and relates to the number of times that people have tried the test. It doesn't mean that they don't pass the test, because the number of people who pass the test from the school is well into the 90s. It is that they try that test many times. I'm not happy with that.

Mr. Pierre Poilievre: Okay.

I think it was Ms. Cochrane who mentioned that there will be a report coming out on this subject and that she is looking at two

aspects: one is training and the other is the testing. Where do you, Ms. Cochrane, expect the bigger problem? Is it on the testing side, the training side, or is it too early to say at this point?

Ms. Janice Cochrane: Mr. Chair, I think it is premature. We have a lot of work underway right now to examine not only what the issues are but also what more modern practices might be used to build a stronger, more bilingual public service.

I think there are three issues: there is training, there is testing, and there are issues with both of them. But there's also the issue of retention that the honourable member raised earlier. We have to devise ways to make sure that once people go through the training and testing, they retain and enhance the skills they acquire once they're back in the workplace. All of those things the study is looking at.

The Vice-Chair (Mr. Paul Szabo): That's a good round.

Madam Marleau, please.

• (1215)

[*Translation*]

Hon. Diane Marleau (Sudbury, Lib.): Ms. Chartrand, you talked about changing the way we recruit our young people and we should insist that they already be bilingual, in other words, that they speak both French and English when they start working for the public service.

I can tell you that we have a generation of young people, whether they be anglophone, francophone or allophone, who are perfectly bilingual but who haven't had the opportunity to work in the public service. You'll find them all across the country.

Human nature means that often, when you have an opportunity to give someone a job, you tend to give the job to someone resembling you. We have problems in the public service because we have a lot of people who are not necessarily bilingual.

How are you going to ensure a change in that attitude? That was my first question.

[*English*]

My second question goes to Madame Barrados, who mentioned that she now receives a recruitment assessment services function and that in time that function will be discretionary. This means, in essence, that departments will not have to use this, and that may be a good thing. How do we ensure that each department doesn't start setting up their own recruitment centre?

I ask this because there's a tendency in the public service... If you allow a discretionary thing to happen, the first thing you know the departments set up their own systems and we're back in business. When I was Minister of Public Works I privatized the Queen's Printer, and it was understood that departments were not to set up their own printing system internally. At first it didn't happen, but over time, I'm told, some of the departments have done exactly that. I'm wondering, has any thought been given to how you could prevent this kind of thing happening?

[Translation]

Ms. Michelle Chartrand: The first part of the question concerning recruiting bilingual employees is addressed to me. A bit earlier, we answered Ms. Thibault. Maybe I didn't give enough details at that time. You are right, Ms. Marleau, there are more and more bilingual young people in Canada. On the other hand, there'll always be quite a number of young people who are not, who are very talented and who must have access to the public service.

On the other hand, we must be representative of the Canadian population. There are more and more people for whom English or French has become a third or even fourth language which leads to very specific learning problems. I can't see the day—at least, not anytime soon, if you were to ask me to give you a date—when we could staff all our bilingual positions imperatively. I think we have to take all those factors into account.

Non-imperative staffing serves to give an equal opportunity to those who are not bilingual at the outset but who have all the other qualifications to access a position in the public service. Ms. Cochrane is already working on improving language training in the area of non-imperative staffing. One of the aspects of this improvement in language training is to be able to reach a greater number of people who have, not learning difficulties, but a different way of learning. So we'll certainly have to consider a whole new population. And so much the better if young bilingual people are applying for jobs in the public service because even if the position is staffed non-imperatively, very often those bilingual people don't need any language training. However, if they do need it, it is available. Of course, we're talking about young people. Thank you.

[English]

Ms. Maria Barrados: In our annual report we had actually done a demographic analysis to identify where the bilingual populations were; we're carrying one of those charts of those populations across the country.

Your question with respect to the tendency to create individual systems is actually a concern of mine and of people on the Treasury Board, I believe, and the agency. There is an initiative on the part of government to develop a shared systems approach. We are taking our work on e-recruitment and e-screening and turning it into something worth talking about, e-resourcing, and working with that initiative. So our intention is to see a system that would cover the HR aspects, working very closely with them, so that we don't have this proliferation of systems but one fully supported by these central agencies.

• (1220)

The Vice-Chair (Mr. Paul Szabo): Mr. Allison, welcome.

You have the floor, sir.

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Thank you.

I would also like to thank the witnesses for appearing here today.

My question is for Ms. Chartrand. We talked about one of the key priorities as being able to modernize the whole classification system. Mr. Martin alluded to the fact that there have been some struggles over the years.

I have two questions in terms of the finances and the resources that have gone into it over the last few years. The Standing Committee on Public Accounts has not been able to find any estimates over the last 12 years of this attempt to get the classification system into place; yet we were able to obtain the estimate that the total incremental cost has been \$200 million over the last couple of years.

So I have two questions. What resources is this new agency devoting to the whole issue of the classification system? I guess the next or follow-up question is, how do you propose that this agency will be able to succeed when it has been such a difficult battle over the last 12 years to try to make this happen?

Ms. Michelle Chartrand: In relation to the first part of your question, very soon we will table a report on classification—it's not ready yet, but we are working on it, and it will be before Parliament soon—to report on how much we spent, how we spent, on which group we made some progress, and what we have left to do.

I alluded to some of the groups where we've made some progress. I didn't talk about the PA group, which is a melting pot of AS, PM, and all kinds of groups, and the work involved on this group is tremendous... and also the work with the unions. When we are talking about classification we are talking about compensation, and it's not an easy job to sell this. Anything in classification is extremely touchy, *délicat*.

This table will report on the progress, group by group, on what has been done and on what we are in the process of doing, and also on how much it costs.

About the tax costs, I will have to dig out all the numbers. Your numbers are familiar to me, but I would have to go back, because the agency was created 10 months ago. What we are spending in the agency is \$7.2 million right now, but—and I must say “but” because we combined the reform of the classification branch with the implementation of the new legislation. Why? It is because we made the rationalization that it would be impossible to implement a new human resources management regime and keep the classification in the background, because the classification is part of modernization. It's not part of the act, but it's basic. When you are a manager, the first thing you do before you start, before you recruit, is you plan, and after that you classify the job.

The \$7.2 million is the budget for the modernization branch. That includes classification and the implementation of the new legislation.

Mr. Dean Allison: My question was with regard to the incremental cost of \$200 million over a couple of years. If that has been the case, it doesn't seem to me that \$7 million will even come close in trying to tackle this huge elephant of a job.

Ms. Michelle Chartrand: What you are referring to was a special project, as everybody knows, UCS, the universal classification system. I am talking about managing a change group by group. It's very different. To be exact about the past costs, I would have to go back and dig out the numbers.

Mr. Dean Allison: You are suggesting, then, that the framework has been put in place with those costs and so it's now more of an ongoing management—

• (1225)

Ms. Michelle Chartrand: Exactly.

Mr. Dean Allison: Okay, this is the second part of my question. How do you think this agency is going to make out now, considering the challenges that this whole exercise has caused in the past?

Ms. Michelle Chartrand: How will we face this challenge if we compare that with what happened and how difficult it was in the past?

As I said, we first made this part of our daily operation instead of a special project trying to change everything at the same time. That was the first step. We hoped it would work better that way. And we made the link also with everything else that implies modernization and we reallocated within the agency some resources that were elsewhere—as an example, on modernization. It is not reallocating; it would be more exact to say sharing resources between classifications and the modernization of human resources in the public service. It's more an ongoing activity than a one-shot project for three or four years. It will take time.

On your next question, when will we complete this exercise, we have a five-year plan, for the moment. It depends. The PA group I am especially worried about. It will depend a lot on how much progress we make with unions, but we are making some good progress. The new standard we developed for the new Canada Border Services Agency we did with unions and we did it well, so that gives me some hope for the PA group, which is much bigger, and it's complex.

Mr. Dean Allison: What type of expected benefits do you see at the end of the day? You're hopeful that maybe in five years this process will be in place and ongoing. What kinds of benefits do you see?

Ms. Michelle Chartrand: Simplification of the system, generating job descriptions for more than one group, accelerating the staffing and the recruitment, because the classification will be less of an obstacle. Those are the kinds of results we are trying to attain, obviously.

The Vice-Chair (Mr. Paul Szabo): Okay, we're pretty well there. Maybe there'll be a quickie round at the end.

[Translation]

Ms. Thibault, you have the floor.

Ms. Louise Thibault: Thank you.

Ms. Chartrand, when one considers the reason for the Agency's existence, without being too philosophical, one talks about new leadership and modernization. We talked about delegation and training a bit earlier. People get training and will be more and more bilingual, more and more qualified, our young people are progressively replacing us and so on. Can the Canadian population expect this to translate—and I'm not saying that this will be done within a year or two and I'm not asking you for any percentage—into gains in the areas of efficiency and skills?

As you know, every now and then things were merged and that led to some success in saving money. Today, some responsibilities are being divided and there's more delegation with the objective of always being more and more efficacious and efficient. In that sense, taking into account your mission as well as your vision, do you think that the Canadian population can expect to see rather appreciable economies of scale within, say, the next 10 years, perhaps?

Ms. Michelle Chartrand: I'll answer your question in two parts. I effectively think that we can have economies of scale and I'll give you a concrete example. In December, when the Agency was set up, my organization had seven vice-presidents and each one of them represented one human resources discipline. We started by merging the classification and proceeded to implementing the new legislation because it went without saying. In fact, we could achieve economies of scale.

The second stage was to merge two directorates. For example, we're in the process of merging Employment Equity and Human Resources and Accountability Planning. They should be integrated. You thus eliminate a second vice-president position. In a year and a half there will only be four vice-presidents. That is the tip of the iceberg.

On the other hand, I'm trying to explain that our new way of managing human resources requires the managers to include all those dimensions in their daily activities but it has to be folded into central agencies where we are concerned. Instead of developing territories that are extremely expensive, we need more consolidation. Thus, yes, it should cost less.

However, can you talk about savings when you talk about electronic recruitment? I have a bit of a problem in saying that we're going to be saving extraordinary amounts of money with electronic recruiting. When we talk about training, I'm not saying that I will save and that my colleagues will become rich, but when we talk about those two areas it's more expensive. On the other hand, there are other savings that can make up for it. If I understand your concern, you don't want, at the end of the day, to see human resources management costs being much higher because we say that we've modernized and have to increase our budgets outrageously. That's not what I'm saying.

• (1230)

Ms. Louise Thibault: Every time something like this happens we're told that things will be done differently and that there will be rationalization. At the end of the day, we could rightfully expect to find money on the barrelhead. The fact that money is being invested elsewhere is another thing.

Ms. Michelle Chartrand: Absolutely.

Ms. Louise Thibault: If you don't mind, I have a question for Ms. Barrados. The question concerning increased delegation within the different departments is always tied in to financial considerations.

First, do you really think that the different departments are fully aware of the issue? Delegation is always attractive because it involves greater power and to be a bit more the master in your own domain. Are they also quite aware of the financial impacts? In doing this, they have responsibilities and this also translates into financial terms. Do you think they can attain this with the responsibilities and the financial framework they have?

Ms. Maria Barrados: That's a very good question. I'm afraid that the people won't really have the wherewithal to effect all those changes.

Reality is that today 90% of powers are already delegated. The capability of doing those things exists, but when the delegation is stronger, staffing must be done another way. That is the real challenge.

We are offering a lot of training through the school. We're in a position to give information to the departments on how to effect change. At the same time, during the transition, we, at the PSC, intend to be able to offer recruitment services.

As for the other question about the financial consequences, I think there is a network in the departments. I don't see a huge increase in delegation. Adding systems can help a lot in the sense that it will decrease the amount of work for departmental employees. I hope they'll be able to manage that transition thanks to our help.

Ms. Louise Thibault: Do I have any time left? Do I have 30 seconds?

The Vice-Chair (Mr. Paul Szabo): You have 30 seconds left.

Ms. Louise Thibault: It's a technical question.

Ms. Cochrane, you said earlier on that there were 14 members on the board, seven from the public sector and seven from the private sector. I'd like to know how long those members are appointed for. Do you make sure that the criteria concerning representation are respected? Do you make sure that there is representation at all levels reflecting the Canadian population and taking bilingualism into account? You must understand my question.

[*English*]

Ms. Janice Cochrane: Yes, Mr. Chair, the members are generally appointed for two years, and in many cases, they do renew for a further term as well. They are chosen from different parts of Canadian society.

I would be pleased to provide the committee with a list of the current members of the board of governors, if that would be useful. It's also on the web.

The Vice-Chair (Mr. Paul Szabo): Okay, that's fine. Let's not create paper then.

We're going to have time for a couple of quick rounds. I wanted to help shift the last part of this discussion with the witnesses and the members to the Public Service Modernization Act and its objectives.

You represent the leadership positions, which are going to help to deal with the circumstances that existed and why that bill received royal assent about a year ago, November 2003. The issues at the time were on things like merit and classification. I think the Auditor General had brought forward such issues as our spending a lot more

time on recruiting part-time or contracting rather than full-time, simply because it took too long to get a full-time person into harness.

We talked a lot, at the time when we dealt with the bill, about concerns within the public service on whether or not this was going to be a false start. There was some cautious optimism that, hopefully, there was going to be something changed because it had been so long. We know that there are still indications of a stress level within the public service. I fully expect the implementation that is scheduled, basically, to be fully implemented by the end of 2005. By that time, I'm sure we're going to be talking about the next phase.

The bottom line was really the condition of our public service. I hope we will get assurances from you that these steps, which we're taking now, are in line with what was contemplated under the Public Service Modernization Act, and that the additional dollars that I expect will have to be spent are there pursuant to the objectives of the Public Service Modernization Act and the mandate that was passed on to you.

So I guess the theme, and maybe the general question, is this. Here we are, one year later. Are we making progress? Do your plans and priorities match up with the objective to make further progress in terms of enhancing the well-being of the public service of Canada?

Cogitate on that a little bit. I'm going to go to Mr. Preston, and then to Mr. Boshcoff.

Are you okay, panel? Mr. Preston has a couple of questions, and then maybe you can tell the committee about whether we're making some progress on the ultimate objective, which is improving the well-being of the public service of Canada.

Mr. Preston.

• (1235)

Mr. Joe Preston: Thank you, Mr. Chair. My question will dovetail with what you just asked them, and maybe we can get an answer to both ends of it there.

As the Public Service Modernization Act gradually comes into force—and it seems to be doing a fairly smooth movement that way—under the new legislation, departments and other agencies take on some responsibilities for their own human resources services. It still falls under the Public Service Commission to do audits and investigations to ensure that its core values are being met or that the core values of the Public Service Modernization Act are being met.

Maybe it's a specific question to Madam Barrados, and then as general as the chair has asked his question.

I believe you made a bit of a plea today for auditors and investigators, and at least more funding in that area. Are we running into difficulties, under the modernization act, in being able to audit as other departments take over HR functions?

Ms. Maria Barrados: My plea was that I think I could do it if I didn't have any other money taken away from me.

Mr. Joe Preston: That sounds like my kids and their allowances. Okay.

Knowing that, and that we're still only partway through the process of handing over the responsibility of the HR function to departments and agencies, will this problem get better? Are these growing pains in the beginning, or are we putting in place permanent measures to be able to investigate and audit that the true core values are being met by individual departments and agencies as they take over HR functions?

Ms. Maria Barrados: I can speak briefly on my area, and I'm sure Michelle can give a lot more information on other parts of this.

I believe the Public Service Commission is on track in terms of what we are trying to do. We are spending a lot of effort in terms of spelling out what the expectations are, and then we want to fully delegate this. We have a training program, we have timelines set out for having the delegation agreements ready, having the policy and support material ready, and we're meeting all of those timelines, so we are doing that.

We just had an event at which we had over 300 people. We're pulling people together regularly to talk about that. The big change is how people are going to be behaving and taking advantage of the flexibilities in the act. My biggest fear, frankly, is that people won't take advantage of the flexibilities and we won't have made progress, because what the Auditor General was complaining about was the complexity and the heaviness of the system.

I do have one area where I have some concern, and that is the area of recourse. We are making good progress on the staffing side, but an important part of staffing is recourse, so what is envisioned is that the appeals function in the Public Service Commission will go to departments, essentially, or that some form of that function will go to departments, and that the investigation function that the Public Service Commission does is done only for external recruitment.

There has not been the same speed of progress in putting these new systems in place for employees, so I think we may have to have some transition arrangements if we can't catch up, because there's a new tribunal that's supposed to be there that isn't there yet. There are a number of issues there that make December 2005 look really close.

•(1240)

Mr. Joe Preston: But do you see the answers there, or are you seeing a wall that's going to take further work to get around?

Ms. Maria Barrados: I think everybody recognizes now that this has fallen behind. We have operated through this whole process of a series of deputy advisory committees... A special group has been set up. I think they're meeting almost weekly to see how we can speed that up to make sure there's capacity, because as you may remember, Mr. Chair, that was one of the issues the unions always were concerned about: the capacity to have sufficient recourse in the system.

The Vice-Chair (Mr. Paul Szabo): Thank you.

I'm going to invite you to maybe make some closing comments. Chances are we haven't asked you every question. I thought, for a little bit of humour for the committee, that the best question to ask is: what question were you hoping I wouldn't ask you, and what is the answer to that question?

Voices: Oh, oh!

The Vice-Chair (Mr. Paul Szabo): On behalf of the committee, I want to reaffirm to you that this is the committee that you have a relationship with, and our relationship with you is extremely important. We want to carry on the dialogue. This should never be seen as a once-a-year process. We need the opportunity to continue to keep apprised of developments and to work together, because that is in the best interests of all.

So I'm going to invite you now maybe to make final closing remarks to the committee on other things you want to either emphasize, rebut, or whatever. This is your opportunity.

Who'd like to begin?

Madame Chartrand.

Ms. Michelle Chartrand: First, I would like to thank you for this opportunity—and I'm talking for my colleagues and myself. We are looking forward to these exchanges on a regular basis. They keep us on our toes, obviously, but they're excellent because the challenge we are facing right now to implement this new legislation is huge.

We have a good governance structure, but we will not be evaluated on the process, we will be evaluated on the results. The results are much more difficult to accomplish, so I want to keep my eyes and my people's eyes on the target: how we will improve the staffing, the recruitment system; how the human resources planning will be integrated with business planning; and concretely, what it means to have OL and EE being integrated.

[*Translation*]

That is the great challenge we face. Thank you.

[*English*]

The Vice-Chair (Mr. Paul Szabo): Thank you, Ms. Chartrand.

Ms. Janice Cochrane: Thank you, Mr. Chair.

I certainly agree with Michelle's comments. We've talked a lot today about culture change and transformation, and that is a long-term process. Implementing this new legislation really is just the beginning, and we do have to learn to do things very differently in the public service.

This notion of integrating HR planning and business planning isn't something that comes naturally or easily to public servants. It's not the way we've functioned in the past. HR planning is something that has been handled by HR professionals as almost an afterthought to financial planning and business planning. What this new act does is force managers to consider the human resource elements at the same time.

We all have to become more adept at succession planning, at skills development, at making sure we recruit the right people with the right skills in the right job at the right time, so that Canadians can then see the benefits of the investments they're making in this new system.

Speaking parochially, I do think the school has a very important role to play in making sure we launch and we continue the efforts to change the public service in that respect. I do want to assure you that we have a very well developed plan for meeting the learning needs of public servants over the next year, first in the rollout of the legislation, PSMA, that will come into force in April, and then the Public Service Employment Act later in December. That brings with it a blended learning approach that we hope will reach a sufficient number of public servants—roughly looking at 18,000 people now—starting with supervisors and HR professionals, right up to and including the most senior managers, so that they appreciate and understand what their new obligations will entail and can start to begin to lead the process of change in their own departments.

So this is a key priority for us, but it is only the beginning. It has to be a longer-term, much more mature, and in-depth process to build a public service that can respond to the new challenges and needs of Canadians into the future.

• (1245)

The Vice-Chair (Mr. Paul Szabo): Thank you.

Ms. Barrados.

Ms. Maria Barrados: Thank you.

There certainly is a lot of transformation going on in the Public Service Commission, and I tried to explain some of that. This committee may give me some more issues to deal with in terms of transformation.

I think the big challenge really is to make sure human resources management practices change in departments, and I think this transition period is our opportunity to try to get that message to people. If we don't take advantage of these flexibilities, I don't think we'll have made the gains that we can under this new piece of legislation.

At the Public Service Commission itself, we are still working on this and aligning the structures, because I really do want to have the service component pulled out and pulled away from the core activities. That way, we have a delegated model whereby the authorities are delegated, and then we can focus on monitoring, surveillance, the audit, and the investigation, and have that service function begin to work with other elements in government that are improving service with those service systems, so that we have one set of systems. They will then have an increasing distance from the Public Service Commission.

I'm very optimistic about the progress we are making on the delegation and the staffing fronts. I think they're in very good shape. And you've heard my reservations on the recourse front. We haven't made the same rate of progress, but I now know I can assure the committee that people are seized by this and they're working very hard on it.

I'm hoping that by the time we go through all this—and it's going to take at least three years, I would say, before the services are all aligned and the delegations are all there—that will be the time for us to start the review and the evaluation. There is a requirement in this legislation that there is an evaluation at the end of five years, and we

should be able to then do the full assessments and have the discussions about what further changes could be or should be made.

There are a lot of other options, and at various times these things were discussed when the legislation was being put forward. But this is the path we're on, and I think we have to stay on this path. However, I think we have to be prepared to start the discussion, and I think this committee would be an optimal committee to lead some of those discussions as to what further changes are envisioned as we start thinking about doing the evaluation.

The Vice-Chair (Mr. Paul Szabo): Okay, that's excellent. I know the committee will want to continue to dialogue with you and to continue this discussion.

By the same token, I would also invite you to help us to do a better job. Everybody can improve on our review of the estimates and the plans and the priorities and the role and mandate issues. It has been a very frustrating process that members have gone through, as they move from committee to committee with little continuity within each of the standing committees.

I would hope that you would take up the challenge and set aside the published documents. We can certainly look at them, but I think they don't tell the story we really should be talking about. I think we should come to these meetings saying things like, in the last fiscal period, here is what we were doing; here's what we thought was going to happen; and here's what actually happened. And now we have a new snapshot of your base, as it were. Some things happened during the year that nobody could anticipate, and now you're before us, talking about the next fiscal period. All of a sudden, there are going to be some changes; there may be some transfers or responsibilities in or out. The numbers should be normalized, so that if we take them back and compare apples with apples, we should be able answer a question that maybe one of the members raised—is your budget going up or down, and why?

And quite frankly, when it's going up, I would hope that you would come here and defend the increase on the basis that it was scheduled compensation adjustments, inflation, or new mandates that were assigned pursuant to legislation or other program initiatives. Those are good things, alerting us to those the additional responsibilities, meaning we're going to have a comfort level that we can explain the increases. But we'll also be alerted to make sure that the accountability and the progress is monitored, to see whether or not we made good laws and wise decisions.

I throw that challenge back to you as well. Please don't think that we have to go through this process without trying to take a little bit of, say, initiative to make this process a better process, so that everybody who is seized with this review has a better understanding of your role. I think it will do everybody a favour if we all understand in plain terms where you've been and where you seek to go and how well you're doing.

So thank you kindly, and I guess this isn't the end but the beginning.

Thank you. We'll adjourn our meeting.

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