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**Chair**

**Mr. John Williams**

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## Standing Committee on Public Accounts

Thursday, November 3, 2005

•(0910)

[English]

**The Chair (Mr. John Williams (Edmonton—St. Albert, CPC)):** Good morning, everybody.

The orders of the day are pursuant to Standing Order 108(3)(g), chapter 1, “Natural Resources Canada—Governance and Strategic Management”, of the April 2005 Report of the Auditor General of Canada, referred to the committee on April 5, 2005.

Our witnesses this morning are: from the Office of the Auditor General, Ms. Sheila Fraser, the Auditor General of Canada; Ms. Nancy Cheng, Assistant Auditor General; and Ms. Crystal Pace, principal at the office.

From the Department of Natural Resources we have Deputy Minister Richard B. Fadden; Assistant Deputy Minister Richard Tobin, corporate services sector; and Mr. Frank Des Rosiers, director general, strategic policy branch.

Without further ado, Madam Fraser, we'll have your opening statement, please.

**Ms. Sheila Fraser (Auditor General of Canada, Office of the Auditor General of Canada):** Thank you, Mr. Chair. We thank you for this opportunity to discuss chapter 1 of our April 2005 report on governance and strategic management at Natural Resources Canada.

As you mentioned, I'm accompanied today by Nancy Cheng, Assistant Auditor General, and Crystal Pace, the principal responsible for our audits at Natural Resources Canada.

I appreciate the committee's decision to review this chapter because it focuses on a fundamental issue that affects all organizations, that is, the governance mechanisms and management practices of the department as a whole. Natural Resources Canada needs good governance and management processes to focus its efforts.

We found that the department did not have a corporate strategic plan. Its strategic planning documents and operational sector business plans had many inconsistencies. Only one of its operational sectors had analyzed its legislative mandate, and all the sectors analyzed government priorities in a different way. As a result, only two of the five operational sectors' business plans referred to sustainable development, an important issue for the department. The department needs a corporate strategic plan that will ensure that its strategies are coherent across the organization and adequately address key aspects of legislation and government priorities.

The department also needs to improve its strategic decision-making and governance processes to help ensure it manages horizontal issues consistently across the organization. Mechanisms such as the most senior management committee, executive performance agreements, and how horizontal issues are managed need to improve for better strategic management.

In order to review strategic management across the department, we selected emergency preparedness for a more detailed examination.

[Translation]

The Department is the federal lead in developing civil emergency plans for co-ordinating the federal response to emergencies in many natural resource areas, including offshore oil and gas, mine disasters, forest fires and other threats to forests, energy shortages or major power failures, and exports and imports of energy. The Department is also responsible, with Industry Canada, for developing plans on shortages of strategic mineral commodities.

We noted that the Department had good plans in place for offshore oil and gas. However, operating sectors did not use a coherent framework for assessing risk, and the Department did not have appropriate emergency plans in place for all its responsibility areas.

Mr. Chairman, NRCan's responsibilities for emergency preparedness are spelled out in the Emergency Preparedness Act, and the government has had a policy in place since 1995 on NRCan's lead role. The Department informed us that the policy is outdated. However, Canadians cannot wait for further changes to the policy to have appropriate plans. Our audit recommended that the Department, in collaboration with other stakeholders, should ensure that appropriate plans are completed without delay.

The Department has a very broad mandate, and it faces a number of significant challenges. These include cuts to its funding levels by about 50 per cent, which were then doubled over the last 10 years. The Department had to wind down programs and significantly reduce its staff in a short period of time, and then re-build its capacity. Almost half its funding is for short-term programs that expire in three to five years. This makes it difficult to hire new staff, especially scientists who are looking for more stable working conditions. In addition, many of its executives and technical specialists are eligible to retire. The Department has taken on a number of important initiatives to deal with these issues. But it is also important for the Department to have good strategic management systems and practices that deal coherently with increasingly horizontal issues.

[English]

The department has an aging, specialized workforce, yet it did not have a clear understanding of the competencies of its current workforce and those that it will need. The department lacked reliable, consistent demographic information about its staff. We noted the importance of collecting this information, along with other data on the labour market, analyzing it, and integrating it into its strategic plan.

We also found that each of the five operational sectors and regional offices we reviewed had its own budgeting and project management system. The systems were not integrated and did not provide consistent information across the departments. The department needs better information on its research and projects to allow effective corporate oversight.

At the time our report was tabled, the response by the department indicated that it had accepted our recommendations. The committee may wish to ask the department to explain actions under way to address our observations and recommendations, and as well, may also wish to request regular updates on progress.

Mr. Chair, this concludes our opening statement. We would be pleased to answer any questions committee members may have.

• (0915)

**The Chair:** Thank you, Madam Fraser.

I have a question before we get going. In paragraph 10 in the statement you just read, you said the department had a very broad mandate and faced a number of significant challenges that included cuts to its funding level by about 50%, which were then doubled over the last 10 years. Does this mean they're back to where they were, or what exactly do you mean by that?

**Ms. Sheila Fraser:** Yes, they're about back to where they were.

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

Now we'll turn to Mr. Fadden for his opening statement on behalf of the department. I understand he has been in his post for about six weeks, so he is going to reinvigorate the department and give us all the answers about where he's going.

Mr. Fadden, the floor is yours.

**Mr. Richard Fadden (Deputy Minister, Department of Natural Resources):** Thank you, Mr. Chairman. The first thing we have to do is manage those expectations.

Thank you very much for this opportunity to discuss the operations of Natural Resources Canada. As you mentioned, I'm joined by two of my colleagues, Dr. Richard Tobin, who's the assistant deputy minister of corporate management, and Frank Des Rosiers, director general of strategic policy.

Let me start by saying that we believe close cooperation between departments and the OAG benefits both Parliament and all Canadians, as well as the department. Therefore, it's my intent to ensure that the committee, with the OAG, is provided with a full appreciation of Natural Resources Canada and of the department's record in recent years.

[Translation]

You may be aware that I was appointed Deputy Minister of this department in September. I am pleased to have the opportunity to speak with you so early in my tenure.

I would like to begin by addressing some of the key findings related specifically to the emergency preparedness, strategic management of NRCan, and human resources management. In doing so, I will highlight some of the major initiatives that this department has launched to ensure parliamentarians receive a balanced assessment of NRCan's performance.

[English]

I would like to begin with public safety and security, one of the issues the Auditor General has highlighted. These issues are ones of profound importance to Natural Resources Canada and to all of government. NRCan agrees with the OAG that in the absence of an updated federal policy, it is incumbent upon the department to establish appropriate civil emergency plans, particularly for those areas where NRCan is identified as having the lead federal role.

Given my own experience in national security matters, I'm particularly pleased with the progress that NRCan has made in addressing the OAG's concerns regarding our civil emergency planning responsibilities. Drafting is almost complete on a departmental emergency book containing the 11 civil emergency plans identified in the *Departmental Planning Responsibilities for Emergency Preparedness*, which is dated 1995, and the *Government Emergency Book*, 1996.

[Translation]

NRCan is also solidly engaged in several horizontal processes underway to modernize Canada's emergency management legislation and policy frameworks. For example, we maintain a close working relationship with Public Safety and Emergency Preparedness Canada, which is in the process of addressing the modernization of the Emergency Preparedness Act.

With your permission, I'd like to broach the issue of strategic management once more. NRCan is a strategically managed department, closely aligned to government priorities, both at the corporate and sectoral levels. Our mandate includes responsibility to promote the sustainable development and responsible use of Canada's energy, forestry, and minerals and metals resources; to develop an understanding of Canada's landmass; and to collect and disseminate knowledge on sustainable resource development.

[English]

Each of the department's operational sectors exist in a complex operating environment with different characteristics, mandates, and responsibilities. The three commodity sectors—energy, minerals and metals, and forestry—each deal with unique industries that face significantly different opportunities and challenges. The fourth sector, the earth sciences sector, provides essential components of the science and technology required to make informed economic, environmental, and social policy decisions.

Despite, or perhaps because of, the unique aspects of our sectors, NRCan has renewed its focus on corporate planning to bring greater coherence across the department. In response to Ms. Fraser's recommendations, we've initiated a process to develop an NRCan strategic plan. Its objective is to clearly articulate the department's vision and strategic directions and their alignment with our mandate in government priorities. Development is well under way.

• (0920)

[Translation]

The NRCan Strategic Plan will be the focal point for all planning and reporting activities within the department, beginning in 2006-2007. Once completed, it will be communicated to all NRCan staff, and made available to the public through the NRCan website. Concerning the alignment of sector plans, effective April 2006 and beyond, the Strategic Plan will be the basis for all sector business plans. It will ultimately provide greater harmonization and consistency across the department.

This work is being led from within the restructured Strategic Policy Branch. The restructuring reflects the evolution of the Branch's role to one of strategic policy analysis and enhanced horizontal policy management. NRCan is now better positioned to respond to evolving federal priorities and emerging issues within the natural resource sectors in a cohesive and comprehensive manner.

[English]

I can turn briefly to the issue of sustainable development. I indicated at the outset that NRCan is closely attuned to government priorities. NRCan's leadership on sustainable development and our sustainable development strategy, in particular, are important to us. I think the Auditor General and the commissioner recognize that we have done some things in this area that are appropriate. We recognize that we have more to do. From a personal perspective, this is an area where I want to spend a lot of time, because I think it's at the base of a lot of NRCan's activities.

In the area of corporate governance, since becoming the Deputy Minister of Natural Resources about two months ago, I've had the opportunity to consider the structure of my senior management committees in the context of the challenges and opportunities ahead. As a result of this, we've made some changes to this structure. I've established a new committee, the policy management committee, that will be responsible for making decisions on short- and longer-term policy issues. Its objectives will be to ensure effective intra-departmental coordination and to provide a forum for sharing perspectives on horizontal and sector-specific initiatives. The departmental management committee, to which Ms. Fraser referred, includes a much broader membership and will now meet on a biweekly basis. Its new focus will be on decisions on broad departmental issues.

[Translation]

Finally, the challenges and importance of strategic human resource management is another area where I fully agree with the Auditor General's recommendations. In this context, the Departmental Management Committee has approved the NRCan 2005-2008 Strategies for the Management of Human Resources. This document identified specific recommendations for the department to develop an integrated approach to the management of human resources.

These are being used to develop an NRCan Strategic Human Resources Plan which is scheduled for completion in the spring of 2006.

[English]

In conclusion, I wanted to say I've noted a number of initiatives under way or already completed that respond to various aspects of the April 2005 OAG report. As the Auditor General indicated, we fundamentally agree with her conclusions. Over the course of the months and years ahead, we're dedicated to implementing various measures to take her recommendations into account.

We believe NRCan is a sophisticated, diverse, and professionally managed organization that integrates policy, science, and technology across a broad and constantly evolving range of resource-related fields. We're very proud of our accomplishments over the years. We recognize we have a lot of work to do.

We'd be pleased to answer any questions you might have.

Thank you, Mr. Chairman.

**The Chair:** Thank you very much, Mr. Fadden.

Before we go to Mr. Fitzpatrick, Ms. Fraser has a comment.

**Ms. Sheila Fraser:** Mr. Chair, I wanted to make a precision on the question you asked me earlier about the level of funding. If you look at exhibit 1.4 on page 5 of our report, you will see that the expenditures are at roughly the same level in 2004-05 as they were in 1993-94, but in fact full-time equivalent staff is about 20% less than it was then.

**The Chair:** Okay. Thank you very much, Ms. Fraser.

Mr. Fitzpatrick, please. You have eight minutes.

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** Last week we had the pleasure of hearing from the President of the Treasury Board. A comment from the President of the Treasury Board, when he took his position, is that government had operated in a stupid manner and that he was going to change that culture in government. He presented us his "Management in the Government of Canada", and from here on in, things were going to get shaped up in government operations and we were going to get a commitment to continuous improvement—something that in the private sector they had known about for 20 or 30 years and were well involved in, in that culture of continuous improvement of processes and systems.

But here we are in 2005, and the President of the Treasury Board has suddenly discovered the concept of continuous improvement. I'm not an expert on this concept, but I know a little bit about it. I think government should always understand when they're doing things that their client is the Canadian public. They get that confused very often about who their clientele is. Meeting the needs and expectations of the public is the job of departments, and it's the job of the manager to understand the processes and systems that they manage and to optimize those processes so that the needs of the Canadian public are being met. There's a lot more to that than what I've just said, but it also involves a continuous improvement of the processes and the systems to get there.

The reason I'm raising it is because Madam Fraser presented a chart that, to me, speaks volumes about what's been going on in your department.

• (0925)

**The Chair:** Where is that located, Mr. Fitzpatrick?

**Mr. Brian Fitzpatrick:** It's in the back of the briefing notes that one of our researchers presented, but it was embodied in—

**The Chair:** Okay. You're talking about the chart on page 22 of the Auditor General's report, exhibit 1.8.

**Mr. Brian Fitzpatrick:** Correct.

Mr. Fadden, I certainly don't want to beat up on you, because you're new to the job and I wish you the very best. You have a big job ahead of you. I certainly realize this is not your creation. But the thing that immediately jumped out at me when I saw this chart is that in five areas here we could not possibly have had a concept of continuous improvement in place, because in most areas we have failing grades.

I was quite amazed. We've had Katrina in the U.S., and we saw the fiasco that ensued from a lack of preparedness by bureaucracies and government in the U.S, but a lot of these issues the Auditor General raises seem to me to raise a lot of suspicions about our ability to deal with emergencies that might happen here.

You look through the list of these things and they're all things that would jump right out at you as major areas of responsibility, and the public would fully expect that our government would have plans in place and would be able to deal with these matters. It seems to me to be a reasonable expectation.

First, do you really think, when you took charge of this department, there was a culture of continuous improvement or commitment to continuous improvement there? If there isn't, or if there really wasn't much of a culture of continuous improvement, now that Mr. Alcock has presented his very ambitious program of changing around what he called "stupid" government and making it smart, do you see a whole bunch of things being initiated in your department from Mr. Alcock's office to create a culture of continuous improvement?

**Mr. Richard Fadden:** Thank you, Mr. Chair.

First, I don't know to what particular speech you're referring to with respect to Mr. Alcock, but I have heard him say in the past that generally he believes the public service needs a much more ingrained culture of continuous improvement. But he has also said that the extent to which that's necessary varies across departments and agencies, and it also varies within departments.

So within NRCan, I think it is true there as it is in respect of many other organizations. There are parts that are more inclined to the philosophy and the approach of continuous improvement than are others.

I think the other important thing to remember about , while I entirely agree with your view that our ultimate client is the Canadian public, is that a lot of what we do is to support provinces and industries, so there is not as direct a link.

One of the things that we have to do I think is understand very clearly what we can do to support provinces and what industry wants out of this. To a considerable degree, this is based on our science and our technology base. I think to be honest with you, there are parts of the department that are doing pretty well in terms of changing and modifying what they do. There are other parts of the department that are a little more conservative.

I think one of the things we'd like to do together is establish an approach across the department that does the sorts of things you're talking about. It basically involves changing culture. It involves changing the way people think. I think this is doable, but it takes a while. In practical terms, the way I think we're going to have to do this is by breaking this down into modules and chewable chunks. Changing the marks we get on this thing would be one way of doing it, and we've made a lot of progress.

To summarize my answer to your question, I don't think we're perfect in this regard. Some parts of the department are better than others, and we're going to work on it.

• (0930)

**Mr. Brian Fitzpatrick:** I would like to ask the Auditor General for her observation on that point in her audit of this department, and about coming up with this very useful chart. It would seem to me this is almost a concept that should be embedded in the audits as well, whether the management structures of government operations have some commitment to improvement and continuous improvement and understanding their processes, having benchmarks in place, meeting standards, and so on.

When you did your audit of Natural Resources, did you see that sort of culture in the department? Would you be able to make comments about that? I think it is a very important area? Mr. Alcock has finally discovered it, but I think it should have been discovered at least 12 years ago.

**Ms. Sheila Fraser:** Mr. Chair, I'm not sure that our audits could ever audit a culture to see if it existed or not. I think we would view this, if you will, in the broader sense that we would hope our audits would contribute to improvement. I think the department has responded appropriately in this case.

There was obviously a gap here. Mr. Fadden has certainly indicated that they've just about completed addressing that. So it is part of the continuous improvement that I think Mr. Fitzpatrick and presumably Mr. Alcock are addressing, that as we do our audits and we find areas where improvements are needed, and the department agrees with this, those improvements are made, and it is a continuous cycle of learning, of improvement.

I think the department has responded appropriately to our audit findings and has taken action to address most of the issues.

**The Chair:** Thank you very much, Mr. Fitzpatrick.

[Translation]

You have eight minutes, Mr. Sauvageau.

**Mr. Benoît Sauvageau (Repentigny, BQ):** Good morning, ladies and gentlemen.

My first question is for Ms. Fraser. I'm not sure if you'll agree to answer it or even whether it is phrased properly. How would you have graded NRCan, if it had turned in a university-level paper?

**Ms. Sheila Fraser:** I prefer not to give out grades. I think that is best left to parliamentarians.

As I stated earlier, in the course of conducting an audit, when improvements are warranted or shortcomings must be eliminated, I believe it's important to see to it that the department takes corrective action and initiates a compliance plan. We note that the department has resolved a number of the problems identified in our audit.

**Mr. Benoît Sauvageau:** Regarding ministerial accountability, one of the things you mention in your report is the lack of cohesiveness in the action plans. The briefing notes prepared for committee members say this:

She found an almost complete lack of emergency preparedness in six resource-related areas. In particular, the Department failed to meet almost all of the requirements in the government's 1995 policy guidelines for emergency preparedness for (1) mine disasters; (2) threats to the country's forest resources; (3) energy shortages or power failures; (4) control and regulation of energy production, processing, transmission, storage, exports and imports; and (5) strategic mineral shortages.

Therefore, you state in your report that the department has failed to meet all of the requirements in the policy guidelines. Can you be more specific?

Perhaps Mr. Fadden could clarify his comments as well. In terms of emergency preparedness, it's very disconcerting to realize that none of the measures in the guidelines has been implemented.

• (0935)

**Ms. Sheila Fraser:** The emergency preparedness policy sets out the department's responsibilities. The department is required to have emergency preparedness plans in place. Clearly, that is a departmental responsibility. In this instance, we're hearing that the policy is not up to date and should be revised. In our opinion, plans must be in place, regardless of the situation. The policy is still in effect, but it has yet to be revised.

The department informed us that two plans had been developed. We even point out that these could serve as models for others to emulate. However, only two out of the seven existing plans were deemed to be adequate.

**Mr. Benoît Sauvageau:** Would you care to comment on NRCan's situation? What if an emergency arises, like the ice storm in Quebec or the floods in Manitoba? If you were to meet with reporters and inform them that you are working on a strategic plan to deal with such an emergency somewhere down the road, that might not go over very well with them.

Can you comment further on this particular aspect of the Auditor General's report?

**Mr. Richard Fadden:** Certainly, Mr. Chairman.

For starters, we accept the Auditor General's comments to the effect that we do not have all of the required emergency preparedness plans in place. We have made considerable progress in the months following the report's release. Having said that, history has shown that the department has responded well to the various crises that have arisen. It's always preferable to have a strategic plan

in place to deal with emergencies, but that doesn't mean the department responded badly.

For example, when fires raged in British Columbia two years ago, we provided the requisite maps and scientific and general support. Our input was greatly appreciated. Our response was equally practical during the ice storm. I think the provinces appreciated our help.

We agree on the importance of having emergency preparedness plans in place. However, the absence of such plans does not mean that the department's response was inadequate. We responded more with ad hoc measures.

**Mr. Benoît Sauvageau:** I see. According to the documents I have, your department has an annual budget of about \$1 billion. I'd like to understand one thing. Section 92 of the Constitution Act provides for the sharing of powers. Natural resources are a shared federal-provincial responsibility. As such, how do you ensure that a proper balance is maintained in terms of sharing responsibility with the provinces, whether in the mining, forestry, energy or hydroelectric sectors?

**Mr. Richard Fadden:** That's an excellent question, one that is asked regularly. Mr. McCallum and the department base their actions on the principle of respecting jurisdictions. Generally speaking, the federal government supports the provinces from a scientific perspective. For example, scientific forestry research is carried out across the country. These efforts are coordinated to some extent with the provinces and that's greatly appreciated. The federal government does not manage forests, but rather assists the provinces from the standpoint of scientific research. Both levels of government coordinate their efforts significantly. About a month ago, I represented Mr. McCallum at the annual meeting of forestry ministers in Saskatchewan. The ministers signed an agreement pledging to coordinate their efforts when a major forest fire erupts. We encouraged and supported this initiative.

Generally speaking, we view annual meetings of federal-provincial-territorial ministers as an opportunity to decide who does what. Do problems arise from time to time? Yes, they do. This year, I had an opportunity to take part in meetings of the energy, forestry and mines ministers. In my opinion, everyone, including the Quebec Minister, seemed generally pleased with how responsibilities are shared.

**Mr. Benoît Sauvageau:** Thank you.

As fate would have it, you released your strategic plan on October 31. It is entitled "Performance Report". Frankly, I haven't read it. It was released two days ago, as I learned this morning.

Have you seen the report, Ms. Fraser? Would you care to comment on it?

• (0940)

**Ms. Sheila Fraser:** I don't have any comments at this time.

**Mr. Benoît Sauvageau:** Could you possibly send them to us in writing at a later date?

If my understanding is correct, you made some recommendations. The 2004-2005 Performance Report details the department's response. We'd like to get your comments. However, I can appreciate that it's difficult for you to comment right here and now.

**Ms. Sheila Fraser:** I'd like to clarify one thing. Some of the comments contained in the report pertain to questions raised and recommendations put forward in our audit. This is not an overall assessment. I understand that another action plan has been submitted to the committee and that we have received it as well.

**Mr. Benoît Sauvageau:** I have one complaint. The document was distributed to members earlier on in the meeting. It's fifteen pages long. If you want us to ask more relevant questions, then we should receive the documents prior to the meeting, so that we have time to read them.

**Mr. Richard Fadden:** I agree. I apologize.

[English]

**The Chair:** We'll get this clarified.

Madam Fraser, is it possible for you to send some comments on the departmental performance report, or would you rather keep that for another day?

**Ms. Sheila Fraser:** Quite honestly, Mr. Chair, I'm not sure what is in the departmental performance report that relates to this audit. We have obviously just received the action plan that was tabled as well. If there is something, we'll take a look at it, and we'll see what information we can provide.

**The Chair:** Why don't you take a look at the action plan that has been tabled with the committee? You can maybe write a letter to the committee on the basis of your observations on the plan. If there's any particular reference in the departmental performance report to this plan and to the issue that's contained in chapter 1 on governance and strategic management, you may want to cover that as well.

If you could send it to me, we'll have it distributed to all members.

**Ms. Sheila Fraser:** That's fine.

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

Merci beaucoup, monsieur Sauvageau.

Mr. Lastewka, please, for eight minutes.

**Hon. Walt Lastewka (St. Catharines, Lib.):** Thank you, Mr. Chairman.

Thank you to the witnesses for being with us this morning.

I'd like to ask questions to the Auditor General first.

When did this audit first begin? I know you reported it in April 2005, but I only want to go over some time elements here. When did it begin?

**Ms. Sheila Fraser:** I would suspect it was probably in the spring of 2004 or the summer of 2004.

**Hon. Walt Lastewka:** It was the summer of 2004.

If I'm correct, the procedure is that you go in and do an audit, you give a draft report, the department answers back on the draft report, and you eventually make the official report. Am I correct in saying that?

**Ms. Sheila Fraser:** Yes, that's generally how it is. What we will do is establish the criteria for the audit first. Those are agreed with the department. Then we will conduct what we call the examination, the audit. We come up with a draft. We provide that to the department to ensure factual accuracy. Then drafts are exchanged until the department agrees that the report is factually accurate.

**Hon. Walt Lastewka:** I want to go to my little pet peeve that I'm slowly developing, which again appears in this audit report under the fifth item, the reference to managing in a horizontal situation. This seems to be prevalent—

**The Chair:** What page are you talking about?

**Hon. Walt Lastewka:** The first page, fifth item.

● (0945)

**The Chair:** Oh, of the opening statement. My apologies.

**Hon. Walt Lastewka:** It seems we hear this all the time. It states:

...needs to improve its strategic decision-making and governance processes to help ensure that horizontal issues are managed consistently across the Department.

We not only hear about organizations not being able to do it, we also hear that when there are programs or projects that cover a number of departments, there's a lack of proper horizontal management in the decision-making process.

From your experience, why is this? Why does this continue, that we see it not only in the department but across departments? What is missing?

**Ms. Sheila Fraser:** Mr. Chair, Mr. Lastewka will be pleased to know that we have an audit coming on the management of horizontal issues in our report to be tabled on November 22, so I will be in a much better position to address that.

I would say one of the major challenges is the way that government and departments are organized. It tends to be stovepiped, and that's the way the structure is. If we even go to the fundamental structure of organizing by ministry, it tends to stovepipe issues, whereas many issues now cut across many departments, not only within departments.

**Hon. Walt Lastewka:** So what you're saying basically is I'm not going to feel good at the end of the month.

**Ms. Sheila Fraser:** Well, I don't want to—

**Hon. Walt Lastewka:** I see it all the time, and I just can't understand why it has been lingering and lingering.

Mr. Fadden, I'd like to ask you a few questions.

You mentioned in your write-up that you've been there only since September, but I find that is no excuse for the department not having a strategic corporate plan, not having a business plan. We hear this over and over. I'm actually very disappointed that we continue to hear from departments, when there are audits, that they don't have a proper corporate plan in place.

Now, I'm not familiar with where you were last, Mr. Fadden.

**Mr. Richard Fadden:** The Canadian Food Inspection Agency.

**Hon. Walt Lastewka:** Did you have a plan there?



**Mr. Richard Fadden:** We did. It was one of the first things we did. We developed a five-year plan and we cascaded that down to everything, including the RPPs and the various reports to Parliament.

**Hon. Walt Lastewka:** Then how can you justify your remarks when you said that Natural Resources Canada is a sophisticated and professional management organization, yet they don't have a strategic plan, they don't have a business plan, and they're having problems on horizontal issues? I understand you've been there only one month, but I don't know how you would say that. How can you come to that conclusion in one month—that it is a sophisticated and professional management organization—when they haven't done the basics of management?

**Mr. Richard Fadden:** I think it's a fair question. Departments and agencies I think are more or less cohesive, depending upon the mandates given them by Parliament or by the Prime Minister. I think there's a particular challenge with NRCan because it really is in many ways a confederation. A lot of the things the forestry service does has absolutely nothing to do with mines, and so on and so forth.

So, rightly or wrongly, over the years there has developed an approach in the department that the sectors develop their vision of what they're meant to do. I think the Auditor General is entirely correct when she says there is a previous institutional position toward stovepipes, because they're accountable to the deputy, they're accountable to the minister. This particular situation is made worse in departments like NRCan, which are scientifically based, because you have a considerable level of expertise that's required and people tend to really focus down on it.

I'm simply trying to explain why that's the case, because I do agree with you that notwithstanding that, we have to find a way at a corporate level to provide a general vision.

In fact, I was interested in the Auditor General's report. One of the things she said that I think will make our lives easier was that we would not expect one overall integrated business plan to serve the needs of all sectors. We expect the department to have a corporate strategic plan to provide guidance to the sectors. I think that's doable and we're going to try to do it.

But in drawing conclusions about NRCan, I would urge you to take into account how varied the work is. It's one of the departments in town that really is a confederation of activities and it's hard to pull it together. But I agree with your conclusions.

**Hon. Walt Lastewka:** Well, I come from a large corporation that had many stovepipes and many horizontal management requirements. I think the NRCan really needs to get their act in order, because this goes back to 2004. You or your predecessor should have put in place exactly what the Auditor General has recommended, using her recommendations. I'm having a hard time understanding why that wasn't done. And I believe that has to be taken back to the department very strongly, the fact that there should be no excuses. It should have been done.

NRCan wasn't established only last year or the year before or two years ago. It has been going on. It should be changing as it goes on. It should have continuous improvement, as Mr. Fitzpatrick said, on its corporate strategy and corporate business plan. So I would encourage you in your years ahead to close that loop and close it very quickly.

● (0950)

**The Chair:** Brief comments in response.

**Mr. Richard Fadden:** Only to say, Mr. Chair, I agree in principle with what the member is saying. The department made a commitment to act on the AG's recommendations and we expect that within the next fiscal year we'll be well on our way.

**The Chair:** Thank you, Mr. Lastewka.

Mr. Christopherson, please, eight minutes.

**Mr. David Christopherson (Hamilton Centre, NDP):** Thank you very much, Chair.

Thanks to you, Madam Fraser, as always, and to Mr. Fadden and his delegation.

This is about the third or fourth go-round, and it still makes me angry every time. I remember what it did to me the first time, and I really did think I would calm down. The more I go over this one, the angrier it makes me.

I'm going to begin by picking up on the impression I have that we should feel comfortable that there's a new deputy minister—not that the old one was a bad one—that it gives us a fresh start, a clean sweep, and that you're going to bring a fresh approach. But I've got to tell you, I happen to have a copy of the opening statements your predecessor made on May 18, and they are so identical as to be scary.

The only thing different on the front page is the name and the date—fair enough—but as you walk through it, it's broken down the same, the introduction is the same.... But what really gets me are two parts of it. One is that your predecessor talked about the need for getting the emergency plans and strategies in place, and all he talked about was that they continued to work closely with PSEPC and other stakeholders in support of the modernization of this whole government. That was the best we got from your predecessor, and what we got from you today is that drafting is almost complete.

First of all, it was 10 years behind in being done. Your predecessor rolled in here six months ago and gave us a very namby-pamby answer about what he was going to do about it, and then you come in, hoping to instill confidence in us, and the best you can give us is that “drafting is almost complete”. Then the kicker—I'm just dealing with your opening comments; I wish I had more than eight minutes. Under “Conclusion”, it's almost identical.

How much thought, sir, did you put into coming here? How much thought are you really putting in to doing things differently?

It's going to take a second, but I'm going to do it. This is the conclusion of your predecessor. I'm going to read it really quickly:

Mr. Chairman, which integrates policy and science and technology roles across a broad - and a constantly evolving - range of resource-related fields. I am personally quite proud of our long list of successes, and I would be pleased to respond to the Committee's questions.

I have noted a number of initiatives underway or already completed, which respond to different aspects of the April 2005 OAG report. Natural Resources Canada is a sophisticated and professionally managed organization—

Sound familiar, Walt?

—Mr. Chairman, which integrates policy and science and technology roles across a broad—and a constantly evolving—range of resource-related fields. I am personally quite proud of our long list of successes, and I would be pleased to respond to the Committee's questions.

Your presentation today is exactly the same, except that you say, “Despite my recent arrival, I am proud of its long list of successes.” That's the only change in the whole conclusion that you want to leave with us.

Well, you didn't put any thought into it, quite frankly, sir. This is just a repeat. This was just cranked out like it was an old PR release, and that's disappointing, sir, given that we're talking about risk assessment and managing disasters and making sure the Canadian public is safe. So on a personal level, I'm disappointed. I would have expected more.

What I found most distressing out of all of this—and it's entirely upsetting in its totality, but given my own background, I have to say that this chart was the most distressing thing. Turn to the chart on page 22 of the original report, if you would, please. It talks about emergency preparedness plans. There's a matrix with eight columns along the top and six along the bottom. One of the columns I want to focus on is worker safety and welfare. What they've done is a chart that goes through and identifies what's been done, what's satisfactory, and what's partway done. Mostly, “does not meet requirements” is the grade. Overwhelmingly, the circles with nothing in them are predominant on that page.

Go to the last column, if you would, worker safety and welfare. I'm particularly asking government members to pay attention to this because I think some of them went through this. Under worker safety and welfare, when we look down under mine disasters, is there an emergency plan in place for mine disasters? After this country went through Westray, where 26 miners died, there's no plan for miners in this nation in the case of a mining disaster. How can that be? In fact, in every column except one, under worker safety and welfare, it's does not meet the requirements.

Under blackouts, which we went through in 1993, the Auditor General makes note of the fact that you couldn't provide her department with plans to address energy shortages. I'd like to know whether anything's been done there.

There's one half moon covered and the rest of that chart is not done, not complete. It does not meet the requirements. Also, another column has nothing; there's nothing done in this whole column. You have partial control of the issue of disease, and I don't have to elaborate on where we are on that question. That's why we hit the roof.

● (0955)

This is all coming post-9/11, which was part of the excuse a lot of folks used, sometimes justifiably; otherwise, I'm not so sure, but people have used that. Well, that's quite a way behind us now, and here we are today.

So I'd like some comments on that. I really would like you to do something to instill in me, if not my colleagues, that you really are serious about grappling with this and making things different and improving them. I have to tell you, sir, based on the job of your predecessor, based on what we found from the auditor's report and

your response and that of your officials to date, I'm not satisfied at all.

I have two minutes left. I'll leave those two minutes to you.

I've pushed a lot your way and I will remain quiet, sir, and give you a chance to respond. But, boy, you have a long way to go before you'll convince me that the public has any reason to feel assured that the emergency plans you are mandated to have in place will be there for them when they need them.

**Mr. Richard Fadden:** Thank you. Thank you, Mr. Chairman.

Let me start by saying I was aware that my speech was very similar to Mr. Anderson's. I did think about it, and I thought it was appropriate to respond because I wasn't responding as an individual. I was trying to convey what the department had done since the Auditor General's report. I could have personalized it, but that would have required me to assume a level of knowledge and understanding I think I couldn't claim to have after four or five weeks. I understand you disagree with that, but that was my rationale. I'm here representing an institution, and I think it's incumbent upon me to reflect what the institution tells me.

You raised a number of questions about the plans we have or do not have. My first answer goes back to an answer I gave Monsieur Sauvageau. The Government of Canada is not responsible for mining disasters; the provinces are. We have a variety of systems and practices in place to assist the provinces. We've revised some of these since the mining disaster you've talked about.

The Government of Canada—NRCan—is responsible for a mining disaster in only one mine, and that's one we own. We have some responsibilities, but they are not direct responsibilities. Those are for the provinces. We do not have responsibility for worker safety. We provide a bit of scientific advice and we do research to help the provinces and the industry. We cooperate with the Canadian Association of Chief Inspectors of Mines, but we're not on the front line on this one. I would submit that there is not a direct, causal responsibility between worker safety and the Government of Canada.

On the blackouts, again, I have to go back in part to the answer I gave Monsieur Sauvageau: this is primarily a provincial responsibility. What we have done is we coordinated and we co-chaired with the Province of Ontario a panel of the Council of Energy Ministers to develop reliable and mandatory standards relating to the provision of power. These were agreed to in September by the Council of Energy Ministers, and we're now going to work with the provinces to put them into place.

In respect of all of these, I agree with you that we need to do something about them. I have in my office a pile of books, the emergency plans, so the drafting actually is complete, but we haven't approved them yet.

Have we been too slow? That's for you to make a judgment on, but we have done a lot of work since the Auditor General's report.

We are going to push them through, and as soon as the department has approved these civil emergency plans, we'll be pleased to make them available to the committee if you're interested.

•(1000)

**The Chair:** Thank you very much, Mr. Christopherson.

Mr. Kramp, please, for eight minutes.

**Mr. Daryl Kramp (Prince Edward—Hastings, CPC):** Thank you, Mr. Chair, and welcome, guests.

When we have different department heads in here and different officials, we seem to have one common theme across the departments, and that's the total lack of communication and interoperability. We've had it with the defence department, we've had it with the emergency preparedness department. Where does the buck stop? Where I'm going with this is national emergencies. I'm not talking about sustainability right now; I'm talking about a national emergency.

In Ontario, as an example, our power transmission system is 30, 40, 50 years old. Getting into a post-9/11, Hurricane Andrew, or whatever, or if we were to walk into a terrorist situation... Obviously, we don't seem to have a level of, I suppose, attention to just how serious this is. We've had minor emergencies, whether it was the ice storm or a blackout, but if we're talking about a major emergency, I don't see anything in here that says we have any plan whatsoever.

Now, there's reference to NERC, the North American Electric Reliability Council. Who are they? What are they? Who are they accountable to? Where does the buck stop? If we have a national emergency, are you responsible? Are they responsible? Who's making the decisions on this?

**Mr. Richard Fadden:** It's one of those questions that cannot be answered by simply pointing to one accountability point. The North American Electric Reliability Council is a Canada-United States organization, which has been in existence for a long time, that aims to build the reliability of the electrical grids, which by and large are north-south in North America.

After the blackout in Ontario, the President of the United States and the Prime Minister mandated a review of all of this. It goes to my answer earlier. The department led the review on electrical reliability. There were a number of recommendations. They were taken to the Council of Energy Ministers. They agreed to them, and we're now in the process of implementing them.

But I have to tell you again, this is one of those areas where the bulk of the responsibility is provincial. It's not entirely provincial, but the bulk of it is provincial. What we try to do is provide, on occasion, some resources. We coordinate and we encourage. The reason it has taken a little bit longer than it probably should have is that we had to have the 10 provinces and the three territories agree on what needs to be done.

The United States has a similar problem with the states. Most of the utilities are run by the private sector in the United States, and coordinating this is more complicated than it seems.

So to directly answer your question about who is accountable, it is a fairly large number of entities and people.

**Mr. Daryl Kramp:** But what you're telling me is that if we have a national emergency, we don't have a national plan. In other words, we don't have something coming directly from the PMO that says,

"We're going to deal with it this way. This is what happens." Do we depend on a private power plant to say it will make a decision here and then it will turn this on there?

I'm not getting a level of reassurance that we have a sense of direction.

**Mr. Richard Fadden:** Sorry, I didn't mean to give that impression. There are plans and there are agreements between the provinces and the territories and between Canada and the United States that provide for the shifting of power in the event of an outage in North America. That's exactly what happened in Ontario and in those various states.

Those plans have been refined since the outage, and they're continuously being worked on. So is there a plan? Yes, there is. And there are also operational agreements between the provinces and the states and the two federal governments to try to deal with any outage.

**Mr. Daryl Kramp:** My point is, are you a partner to this plan?

•(1005)

**Mr. Richard Fadden:** Yes, we are.

**Mr. Daryl Kramp:** Okay. So you're directly involved, and there is a level of communication. The left hand is talking with the right hand on a continuous basis, so you're not left out in the dark.

**Mr. Richard Fadden:** Correct.

**Mr. Daryl Kramp:** Okay.

I'm responding to your department's response, and it says that you have met or exceeded all of NRC's legislative obligations. Well, legislative obligations are one thing; the obligation to the taxpayers or the commitment to the safety of this country is altogether different. How can you say we've met all our legislative obligations? Do we change the legislative obligations to meet the demand, or do we accept a bar that is down here? Can you not raise the bar on this department to an acceptable level?

Once again, there's no reassurance. I find that to be just a contradiction, because the Auditor General's report says that this thing is absolutely, totally insufficient, and yet your department says it has met or exceeded its obligations. There's a direct contradiction there.

**Mr. Richard Fadden:** I think we have met our legislative responsibilities, and I think the Auditor General, somewhere in the body of her report, agreed with that.

Having said that, I agree with you that there's a great deal of difference between meeting the legislative requirements, which are at a very high level, and the reality of day-to-day life.

**Mr. Daryl Kramp:** How can the legislative responsibilities be at a very high level and come up with a chart that shows such a dismal record?

**Mr. Richard Fadden:** Mr. Chairman, there is no legislative requirement that any department do a civil emergency plan. There should be.

**Mr. Daryl Kramp:** There is not?

**Mr. Richard Fadden:** No.

**Mr. Daryl Kramp:** You mean to say there is no civil emergency response plan in your department?

**Mr. Richard Fadden:** No, that's not—

**The Chair:** No, that's not exactly what Mr. Fadden said.

**Mr. Daryl Kramp:** Okay, that's fine. I just—

**The Chair:** Mr. Fadden, do you want to repeat your answer?

**Mr. Richard Fadden:** What I'm trying to distinguish, Mr. Chairman, is the requirement set out in the law. We believe we've met those. We may or may not have; you inform your own view.

But the law operates at a fairly high level. What I'm arguing is whether there are administrative requirements for civil emergency plans imposed by Public Safety and Emergency Preparedness Canada or the Treasury Board. Yes, there are.

My understanding of the Auditor General's report is that we have not met those, and we disagree with the Auditor General.

**The Chair:** Ms. Fraser, do you have a comment on this?

**Ms. Sheila Fraser:** Chair, I would refer the committee to paragraph 1.81 of our report which says:

The Emergency Preparedness Act establishes the requirement for Natural Resources Canada to have civil emergency plans for contingencies that are within or related to its area of accountability.

It goes on, and it says:

The Act also requires the Department to conduct training and exercises in relation to a civic emergency plan developed pursuant to the Act.

And then it goes on with the policy. We do—

**Mr. Richard Fadden:** I stand corrected.

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

Mr. Kramp, please.

**Mr. Daryl Kramp:** I'd really like something clear and concise. I'm reading one paragraph here, under your national hazards and emergency response program, and I thought, talk about legalese gobbledygook with no clear definition of what it really means.

Could you just paraphrase this paragraph in a few words so I can understand it? It says:

...was originally expected to accomplish more, specifically in terms of increasing the scope and understanding of integrated hazard assessment and risk management. The NHERP's design was incomplete and not adequately communicated so that the logic behind achieving the outcomes was called into question. It was determined...was overly ambitious relative to the assigned resources. ...the Program will be replaced with new sub-sub activities with improved design, clearer roles, and more realistic and contemporary objectives. The new activities will provide a service to Government to disseminate hazard information, and a research program designed to reduce risk from natural and human-induced hazards.

What does that mean—in English?

**Mr. Richard Fadden:** I haven't seen this, so you're taking me a little bit by surprise. I think what it means is we've looked at what we have in place, have found it wanting, and are going to make a change.

**Mr. Daryl Kramp:** Thank you.

**The Chair:** Thank you, Mr. Kramp.

Mr. Wrzesnewskij, please, for eight minutes.

**Mr. Borys Wrzesnewskij (Etobicoke Centre, Lib.):** Thank you, Chair.

Prior to asking my question, I would like to make a request of the research staff. Mr. Fitzpatrick said that Mr. Alcock, while here, used the word "stupid". I don't believe that was one of the terms Mr. Alcock used during his presentation. I know it's a regular part of Mr. Fitzpatrick's lexicon, but I'd appreciate the research staff clarifying this for us.

I'd like to congratulate the auditor on this report. It's a very important report because it highlights some significant issues that need addressing. I'm glad it's not just a percentage report card; it's 31 pages. For some that may seem like a great deal to read, but it isn't. It's very in-depth and very concise, and I'd like to congratulate her, Ms. Cheng, and Ms. Pace for a great report.

I'd like to go to paragraph 1.35 in the report, where there's reference to the lack of a business plan. In the search to find some sort of guidance on how the department works, it refers to two classified documents. When I look at the five areas the department covers off—the forest service, corporate service sector, earth sciences, energy policy, energy technology and programs, minerals and metals—I wonder what is so top secret about this department that not only does it not have a public business plan, but it seems to refer to classified documents. Then it further clarifies and says they're not just classified for the general public; staff and other stakeholders don't have access to these documents.

I try to envision what's going on here. We have a department that seems pretty benign, a research department, where we seem to have an aging workforce of science researchers. Are they sitting there at some top secret level? Why are these documents top secret? Why are they classified, never mind from the public but from the people working on them in the department themselves?

• (1010)

**Mr. Richard Fadden:** It's a good question, Mr. Chairman.

I understand they were classified because they were initially prepared as part of transition work at the time of the last election, and we're required to classify these at the secret level. All I can say is that as we work our way through the AG's recommendations and start implementing them, they will not be secret, and we will make a special effort to make sure our staff and stakeholders know where we're going.

That's the technical reason, Mr. Chairman.

**Mr. Borys Wrzesnewskij:** Well, there was an election quite a while ago. There may be another one coming. Is that the reason these were classified? I'm not following the logic.

**Mr. Richard Fadden:** As I understand it, the Auditor General has pointed out that over the years we haven't had a good corporate strategic plan. I think that's true. My predecessor, I believe, started the development of a strategic plan and advice in the context of transition planning. Transition planning in this country is done within government departments in anticipation of a change at an election. All of this is classified, and we cannot declassify it ourselves. That's the technical reason for it.

I repeat my earlier answer: when we implement the Auditor General's recommendations this time, they will be public.

**Mr. Borys Wrzesnewskyj:** When do you expect that these classified top secret documents will be declassified?

**Mr. Richard Fadden:** That's a matter for the Privy Council Office, because of their nature, Mr. Chairman.

**Mr. Borys Wrzesnewskyj:** I'm also looking at the general fields you're working in as a department. People have been there for a long time. You have, as I said earlier, an aging workforce. I would have assumed that the area of water and water management would be a significant area of study. However, I notice it doesn't have its own sector within your department.

Are there any particular reasons or changes that you foresee in that particular area, especially taking into account that we have a neighbour who is running out of fresh water supplies and we are the largest source of fresh water on the planet? They're running out of supplies for sewage and waste, for irrigation, for human consumption. How far along are you in planning, or putting something in place to plan, for potential pressures being put on our country when it comes to our freshwater supplies?

**Mr. Richard Fadden:** Thank you, Mr. Chairman.

It's interesting that the member raises this, because at the time of my appointment it was suggested to me that this was one of the areas in which the department should spend more attention.

One of the difficulties in this area is that responsibility for water is spread between both the federal and provincial governments, and in a variety of places within the federal government, Environment Canada being one in particular.

We have done some work within the department to pull together our various interest lines, and we're in the process, as part of our strategic review, to determine where it fits in. I agree with you, it's an important issue, but I also think it's a matter for the centre to determine which department has the lead on water. That's not clear at this time. We clearly have a role and we're trying to pull it together.

• (1015)

**Mr. Borys Wrzesnewskyj:** Finally, you mentioned that you were previously...which department was that?

**Mr. Richard Fadden:** Canadian Food Inspection Agency.

**Mr. Borys Wrzesnewskyj:** And you were there for a while, were you?

**Mr. Richard Fadden:** For three years.

**Mr. Borys Wrzesnewskyj:** Assume that in the area you were heading up, someone had just arrived on the scene. Do you think it would be fair that a person, within weeks of taking over your position and files, would have to respond to questions about management, management policies, styles, etc., that you had been putting in place over the previous three years?

**Mr. Richard Fadden:** That's sort of a difficult question, Mr. Chairman, because the culture amongst the public service is that you do it even if it's the next day. As I was saying to the chairman before the meeting started, I briefed myself as well as I could. Most of my answers are at a fairly high level of aggregation, so it's a challenge, Mr. Chairman.

**Mr. Borys Wrzesnewskyj:** Mr. Fadden, you are a trooper, but you didn't give a clear answer, a yes or a no, so I can assume from that that there is a sense—although we do respect the professionalism of the civil service and certain principles that they adhere to—that it's probably quite unfair, and in a similar set of circumstances, it's unfair for us to be grilling you.

I simply wonder about the set of circumstances that arise every time there seems to be a report that, quite rightfully, is critical about government functions—and we know we'll be addressing those reports further into the future—that there seems to be a switch in personnel who were responsible at the time the report was being written. I think we should address that issue at some point in the not too distant future.

Thank you.

**The Chair:** Thank you very much, Mr. Wrzesnewskyj.

Basically, my comment is that somebody has to respond for the department. I'm sure the deputy wouldn't want to delegate that to somebody else to speak on his behalf when he comes before the committee, so we certainly welcome your best efforts here, Mr. Fadden.

Mr. Devolin, please, five minutes. We are into round two, so it's five minutes from now on.

**Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC):** Thank you, Mr. Chair.

I've listened carefully this morning to the discussion on emergency preparedness and what NRCan has done, or should have done, or is going to do.

I listened to your answer regarding mine disasters. According to the Auditor General's report, you received a failing grade in terms of being ready for a mine disaster. I also appreciate the fact that in Canada, natural resources and mining are primarily areas of provincial jurisdiction, not federal jurisdiction.

As I listened to your answer, the question that came to my mind was this. You've been given a job to do, which is to bring NRCan up to some standard and get to the point where there is some kind of a federal plan that you can actually implement. But by admitting that these are areas of provincial jurisdiction, can that be done?

Realistically, on the one hand, you say these are areas of provincial jurisdiction, and you fill in the gaps and support provincial or territorial authorities. On the other hand, you've been asked to meet some standard that will apply across the country, and when some disaster strikes, whether in six months or two years from now, NRCan will actually get to a point where it can respond to that.

My question is pretty simple. It's easy for parliamentarians to tell you what you should do, but on some level it has to be able to be done. In your opinion, can this be done?

As the new deputy minister, are you prepared to stake your own reputation and the evaluation of your own job on the fact that you'll actually achieve this in a year or two?

**Mr. Richard Fadden:** That's a very good question, Mr. Chairman.

I think it can be done, but it has to be done taking into account the responsibility of the provinces.

Let me give you an example from the forestry sector. In this country, the forests are owned by the provinces. Over the course of the last decade, we have been providing science to the provinces on how fires spread and how to prevent them. Whenever there are major forest fires, we have officers who are detached to go and assist the firefighters. I've forgotten their title, but they're basically fire behaviour officers. We have more expertise on that than most of the provinces.

We've caused and worked with the provinces to develop a wild land fire strategy. Some years ago, the federal government made a major contribution to the purchases of fire bombers in the context of a strategy with the provinces. They bought some, and we paid for some. We have the Canadian Interagency Forest Fire Centre that we support both monetarily and with staff, which encourages the sharing of resources among provinces if there are major forest fires.

All of this recognizes the fundamental responsibility of the provinces, and various provinces have different views on how much they want the federal government involved.

In direct response to your question, yes, I think we need to have a civil emergency plan to deal with fires, but it has to take into account the role of the provinces.

In my personal opinion, our role in the respective mines is less than it is in other circumstances. There is a federal role there as well, but it's limited.

• (1020)

**The Chair:** Ms. Fraser has a comment.

**Ms. Sheila Fraser:** Mr. Chair, I'd like to remind the committee that we did note in our review that two plans were very well done. To us, it's an indication that it is feasible. It can be done, because it has in fact been done.

**The Chair:** Mr. Devolin.

**Mr. Barry Devolin:** For the deputy, when will it be done? At what point are you prepared to come back before this committee, actually say that you've met this standard, and personally take the responsibility at that time that it has been done? Is this a six-month job or a one-year job? When can we expect you to come back and say that you have now achieved your goal and you meet the emergency preparedness standard that has been set?

**Mr. Richard Fadden:** I think I can come back before the end of this fiscal year to brief you on the 11 areas where we're required to have civil emergency plans, which will summarize and detail at the corporate level what we're required to do. The challenge with emergency plans, as you probably know, is that you have a corporate plan and a sectoral plan, and you keep working down the levels of detail. That's not just true for NRCan; it's true everywhere.

If you talk about the area of power outages, which your colleague was worried about a moment ago, we now have a plan. The Auditor General recognized, with a kind of half circle, that the work that has to be done there is not at the corporate level. It's at the level of the energy policy sector, which has to do detailed planning with each of the provinces and each of the utilities. This is all under way.

To answer your question on whether I can come back by the end of this fiscal year and say that we've met the requirements at the corporate level, yes, I can do that. The detail level for each of the separate 11 areas will vary with the sectors. I think we've advanced fairly far on power, and there are the two that the Auditor General said we hadn't done badly on already.

**The Chair:** Thank you very much, Mr. Devolin.

Mr. Holland, please, for five minutes.

**Mr. Mark Holland (Ajax—Pickering, Lib.):** Thank you, Mr. Chairman.

Thank you, Madam Fraser, and also to all the delegates.

Mr. Fadden, I have a question first. How long was your predecessor in the role of deputy minister?

**Mr. Richard Fadden:** It was three and a half or four years, sir.

**Mr. Mark Holland:** It was three and a half years. That was an unusually long period of time. One hopes that you're going to be in the position for a similar duration such that you can carry these plans through.

One of the frustrations we often encounter is that we have a presentation like this and there's a feeling that there's a good plan, but there isn't the opportunity to follow it up because the person leaves and somebody else comes, and they don't know why the plan wasn't adopted, so there it goes.

I just wanted to ask the Auditor General this, if I could. You stated you are satisfied with the plan, generally speaking. I just wanted to know, in listening to the responses today, and in reviewing the plans, as you have, in response to your concerns, whether you feel you're satisfied with the timetable that's presented, whether you're satisfied generally with the plan, and whether you see any deficiencies.

**Ms. Sheila Fraser:** Mr. Chair, I'd just like to clarify that we haven't reviewed the plan in detail. We are pleased with the progress Mr. Fadden has indicated. There certainly appears to be a commitment to address it by the fact that the department is working on it, but we have not reviewed the plans in any detail.

But as requested by the committee, we will look at the action plan and provide comments to you if we think that is necessary.

**Mr. Mark Holland:** Sensationalism aside, you did hear a lot of frustration from the committee. One of the things I really would suggest would be helpful in moving forward, Mr. Fadden, is to proactively advise the committee of what you're doing in these various areas, how you're moving along in your plan, and what your achievements are, so that we're aware of those. That would alleviate a lot of our frustration.

If we had you come back in a year's time and we suddenly find out that things have or haven't happened and this is new and surprising to us, I don't think that would be helpful. It would be better to keep the committee informed on an ongoing basis. It would avoid many of the problems you were encountering.

• (1025)

**Mr. Richard Fadden:** We'll do that.

**Mr. Mark Holland:** Thank you. I appreciate that.

The issue of sustainability is an extremely important one for the department, and I'm glad you acknowledged that. The auditor referenced the fact that it was only mentioned a couple of times. In the planning you're doing, is this something you're going to apply across the board? Is that something we can expect is going to be an integral part of all the planning processes and all the different aspects of the department?

**Mr. Richard Fadden:** Yes, Mr. Chairman.

**Mr. Mark Holland:** I have just one last comment, Mr. Chair.

It's difficult, as I said, because I haven't had a chance to review the full plan, so I don't have a lot of questions on it directly. I don't think any of us have had the opportunity to go through it.

I do want to say one thing, and that is to simply respond to this notion of continuous improvement. Frankly, I think today is an example of how continuous improvement can work and how we can help facilitate it through this committee directly.

I would also suggest that we have to be careful. The Treasury Board President, Mr. Alcock, did not say that all government was stupid. That certainly was not his comment. It's an interesting way to characterize it. What he did—

**The Chair:** We'll get the quote.

**Mr. Mark Holland:** What I do think he said and meant, and what I do think is important, is that there are many different aspects of government that have worked and continue to work very effectively. There are areas that don't, and there are deficiencies that have to be met. The plan he presented wasn't intended to approach mediocrity. What he said is that he intended to have the best system in the world. He invited input on that, as we wanted to be a leader.

One of the areas I think we should acknowledge is that the public accounts we received very recently acknowledge that Canada is one of the three best countries in the world in terms of the quality of our financial reporting. I do think we have to recognize success where it's present. We have to recognize that we have some phenomenal people working in our public service who deserve to be acknowledged and who deserve to be given credit for the work they do on a proactive basis to bring an incredibly high quality of service. I don't think we do anybody a service by making blanket comments that label everybody as stupid, or something in that line, Mr. Chair.

I just thought it was important to say that. Thank you.

**The Chair:** Thank you very much, Mr. Holland.

*Monsieur Boire, s'il vous plaît, cinq minutes.*

[*Translation*]

**Mr. Alain Boire (Beauharnois—Salaberry, BQ):** Thank you, Mr. Chairman.

My question is for Mr. Fadden. In its response to the Auditor General, the Department notes that a number of areas of responsibility come under provincial jurisdiction, as you pointed out earlier to Mr. Sauvageau. However, the Auditor General made it clear that this does not in any way relieve the department of its obligation to develop emergency preparedness plans.

How would you respond to this statement by the Auditor General, namely that while a number of areas of responsibilities fall under

provincial jurisdiction, this does not in any way relieve the department of its obligation to develop emergency preparedness plans? How do you rate your efforts to work with the provinces?

**Mr. Richard Fadden:** Mr. Chairman, I agree with Ms. Fraser. We have a duty to draw up plans. As I just said, we're making good progress on that front. It's critically important that these plans take into account constitutional responsibilities. It won't help if we try to interfere in an area of provincial responsibility when we do not have the right people on the ground. My answer is simple: we have an obligation to draw up emergency preparedness plans that take into account provincial jurisdictions. Provincial, territorial and federal responsibilities must be coordinated.

**Mr. Alain Boire:** Thank you.

**Mr. Benoît Sauvageau:** Earlier, I said that we hadn't had time to read the Performance Report released on October 31. However, our experts have read it. We have here an excerpt from your report and I'd like you to explain something to me. Some departmental documents are classified "*Top Secret*", whereas others are not and are more difficult to understand. I'd like to read an excerpt of the report and I'd like you to explain the meaning of it to me, because I don't understand. What does the department mean when we read the following in the Performance Report ...

• (1030)

[*English*]

**The Chair:** Mr. Sauvageau, what is the document?

[*Translation*]

**Mr. Benoît Sauvageau:** I'm referring to the briefing notes and to a comment on page 15 of the Performance Report where mention is made of the Natural Hazards and Emergency Response Program. I'm quoting from page 15 of your report...

**Mr. Richard Fadden:** I'd very difficult to listen and to respond at the same time.

**Mr. Benoît Sauvageau:** Just a moment. This is your copy.

The question was already asked in English. I'm putting it to you again in French. You were given the notes a little earlier. Can you explain the meaning of this to us in French?

**Mr. Richard Fadden:** The particular quote that we've already seen?

**Mr. Benoît Sauvageau:** Yes. What are sub-sub activities? I have another question for you as well. Still on page 15 of the report, it is noted that the department has "[...] met or exceeded all of NRCan's legislative obligations with respect to emergency preparedness and response [...]. However, the Auditor General maintains that this is not so.

I apologize to Mr. Kramp and to you, but I was discussing the wording of my motion when he asked the question. I'd like you to explain the meaning of this to me in French.

**Mr. Richard Fadden:** I'd be happy to oblige.

It's quite simple. We looked at the model in place. We agreed with the Auditor General that there were some problems and we decided to rework the model. That's what we're saying here, quite simply.

**Mr. Benoît Sauvageau:** That's how this paragraph should be interpreted!

**Mr. Richard Fadden:** Yes.

**Mr. Benoît Sauvageau:** Surely this could have been stated in simpler terms.

**Mr. Richard Fadden:** Probably it could have, Mr. Sauvageau.

**Mr. Benoît Sauvageau:** Is the person responsible for writing this also the person who wrote your predecessor's speeches? Is that person your speech writer as well?

**Mr. Richard Fadden:** I don't know, Mr. Chairman.

**Mr. Benoît Sauvageau:** Fine.

I have no further questions.

**The Chair:** Do you have any questions, Mr. Boire? No? Thank you very much.

[*English*]

Mr. Murphy, please, five minutes.

**Hon. Shawn Murphy (Charlottetown, Lib.):** Thank you, Mr. Chairman. Thank you to the presenters.

I will follow up on an issue that was raised by Mr. Holland. I only have the one issue and I want to talk both with the auditor and with you, Mr. Fadden.

In this examination there appears to be some resistance to change within the department to try to do the things that are recommended. However, I'm very impressed with you as a person and your grasp of the department. My first question to you is, do you think you're capable of effecting the necessary changes that are requested?

**Mr. Richard Fadden:** Mr. Chairman, do I think that am I capable of doing it alone? No, I'm not. I think I have a very good senior management team that recognizes the need for change. But I would be less than honest with the committee if I said there was not some resistance.

It's particularly difficult in science-based departments to get scientists to shift, and we have a lot of scientists. However, one of the things we are trying, and we've already started doing, is to significantly reinforce Mr. Des Rosiers' branch, which is responsible for strategic policy development in the department. So the short answer is yes, I do think it's possible. It's going to have to be a team effort, and I think it will take some time.

**Hon. Shawn Murphy:** You think you're capable of leading this team effort.

**Mr. Richard Fadden:** I hope so, sir.

**Hon. Shawn Murphy:** The systemic problem that I find frustrating here is that about every 18 months they change deputies. If things go the way they've gone the last number of years, in 18 months you're not going to be the deputy of Natural Resources, and in five years' time you'll be four deputies removed from Natural Resources. That creates a problem in trying to do the things we're talking about today.

So my question to you is—and by the way, I will be putting that in a recommendation from our committee, and I think others will support me—do you want to stay on until this job is done?

**An hon. member:** Or are you going to resign right away?

**Some hon. members:** Oh, oh!

**Mr. Richard Fadden:** Yes, Mr. Chairman, I do.

At the time I was appointed, it was suggested to me that, all things being equal, I should plan to be there at least three years. My predecessor, as you may know, resigned from the public service. There's nothing anybody can do about that. He simply left. That was the principal reason for the change, but I certainly hope to stay at least three years.

**Hon. Shawn Murphy:** We'll be following that very closely, and we'll be very disappointed if in 18 months you are the deputy minister of another department and we have another deputy minister basically saying the same thing.

To follow up on the same issue to the auditor, you've seen the situation, and we've raised it before. I would suggest it would be a very difficult situation if we changed auditors general every 18 months. It would be very frustrating, but we don't.

I'm not suggesting it, but you can see the problem. Perhaps we're outside the purview of your mandate, but do you have any comments on this frustration that we have as a committee?

•(1035)

**Ms. Sheila Fraser:** I agree that length of tenure is important. I look at the mandate of the Auditor General, which is 10 years, and quite frankly with the complexity of government, in 18 months you're only starting to begin to understand, if you ever do, what is going on. So I think you need that time.

I also think it makes a commitment much more serious if you know you'll be the person around to see the results at the end. If you have to deliver on that commitment, I think you perhaps take a little more care in what you promise you're going to do. So I do think the question of length of service or length of tenure in a department is an important one.

**The Chair:** Thank you, Mr. Murphy.

You may recall that the public accounts committee recommended—I think it was in our ninth report—that the government consider a reasonable amount of longevity. I think it was three to five years for deputy ministers. The response was, “We'll see what we can do”, so there was no real commitment on behalf of the government. But I think this committee is again reinforcing the idea that—and as the Auditor General points out—it takes time in a senior executive position to grasp the complexities of a particular department. Emergency Preparedness and NRCan is a complex department, and to keep shuffling the deck at the top means there's no commitment to leadership and it's not going to be as effective as it could be.

Did you have a comment?

**Mr. Borys Wrzesnewskyj:** Mr. Murphy's last minute?

**The Chair:** He said he was fine.

We're going to Mr. Fitzpatrick now.

**Mr. Borys Wrzesnewskyj:** So I don't get the last minute?

**The Chair:** No, you don't get the last word. The chair always gets the last word. We've still got time and you never can tell.



Mr. Fitzpatrick for five minutes, please.

**Mr. Brian Fitzpatrick:** I will raise a point of order afterwards about the attributed quote to Mr. Alcock, but I won't deal with that right now.

I want to make a couple of observations. I know you've only been on the job for two months, but there is a very striking similarity between the report that you've given us today and the report given by Mr. Anderson. In fact, large parts of the report are verbatim, the same.

Another area of concern is that you've been on the job for two months, and something that came out that I found rather surprising was that you didn't seem to be aware of a major legal responsibility in legislation for your department. I find that a matter of concern.

If we really do get into a culture of continuous improvement and so on, sir, next time you show up at our committee, I expect a whole lot of these blank spaces here to be filled in. Quite frankly, if they ever all get filled in, I expect to see a new marker in there to say "exceeds guidelines", not just meets them. We are in the pursuit of excellence, and we should be in the pursuit of excellence in government, not mediocre performance.

If I understand Mr. Alcock's commitment to this culture of continuous improvement, that's where it goes.

So if you show up at this committee again, I will be expecting this report card to be much improved. I'm not looking for long quotations like Mr. Kramp referred to. We're looking for very specific progress on things that should be able to get improved here.

**The Chair:** Mr. Fitzpatrick, is it exhibit 1.8 on page 22 that you're talking about?

**Mr. Brian Fitzpatrick:** That's right.

**The Chair:** Thank you.

**Mr. Richard Fadden:** All I can say, Mr. Chairman, is I agree. I want to be very clear. The department took the Auditor General's recommendations seriously. They have been working on them. I wish we could have come here today and given you the stats; we're not quite ready. I appreciate the warning that you're going to be questioning me on this the next time I'm here. We will continue to make progress.

• (1040)

**Mr. Brian Fitzpatrick:** I'll make one last other observation too, based on an observation with Hurricane Katrina. There was the municipal level of the New Orleans government, the state level, and the federal level, and it seemed to me that once the crisis took place there was no end of finger-pointing. But the frustration of the people was about the lack of leadership. Nobody would step up to the plate. The feds were saying it was a state problem, the state was saying it was a federal problem, and then at different points they said the municipal people could have done something and failed to do it. It was just a total circle that went around and around, and people wanted action.

I am a bit concerned here. I don't think arguments about constitutional jurisdiction are going to go over very well with the public if there is a huge disaster in our country—your saying it's really a provincial matter, or somebody at the provincial level saying

there was no leadership at the federal level. You can at least get a plan in place.

**The Chair:** That was a statement; it wasn't a question.

**Mr. Brian Fitzpatrick:** Yes, it's just an observation. Unless we want to go the same way the U.S. did with a Katrina-type disaster and you want to be associated as the equivalent to the FEMA director in the United States—

**Mr. Richard Fadden:** I'd like to avoid that, Mr. Chairman.

**Mr. Brian Fitzpatrick:** Good. It's fear, sometimes, that gets you moving too.

**The Chair:** Thank you very much, Mr. Fitzpatrick. Are you finished? You have one minute left.

**Mr. Brian Fitzpatrick:** Yes, thank you.

**The Chair:** Okay.

Mr. Carr, please, you have five minutes.

**Mr. Gary Carr (Halton, Lib.):** Thank you very much to both of you. As has been expressed, our role—and I've said this a number of times and I'll say it again—as legislators is to hold the executive branch responsible, and we should do that in a non-partisan way. I think you've seen the frustration today, even on the government members' side. They've been as critical and as aggressive in expecting answers, and I think that's the way this committee should work, rather than with political wrangling.

I guess the way it should work is that we wouldn't need to do it, but in light of the fact that we have to do it, hopefully you will take back the sense of urgency we all feel.

My question is for the auditor. It's on your paragraph 13. You say we "may...wish to request updates on progress". In your estimation, for the deputy and the department, what would be a fair set of progress updates that we could ask of the department?

**Ms. Sheila Fraser:** I think Mr. Fadden has already committed they will be before the end of the fiscal year. I would think every six months perhaps—something like that—obviously depending on the dates and the action plan too. It should be synchronized with the commitments that have been made in the action plan, because it's not fair, if they're saying it's going to take a year.... Well, in six months they can tell you what the progress is, but you would certainly want to see that they've actually met the commitment they've made.

**Mr. Gary Carr:** Thank you. That's very helpful.

Just so I'm clear, a commitment at the end of the year to get it and then at six months.... I would ask the deputy whether he thinks he can meet those guidelines that the auditor would request.

**Mr. Richard Fadden:** I think we can, Mr. Chairman.

**Mr. Gary Carr:** Thank you very much. We will look forward to those. As I said, it's part of our responsibility to carry forward what the auditor has said, so it's very helpful. I like to get very specific, and you have done that and been very specific. We will look for this over the next little while.

Thank you, both of you.

**The Chair:** Thank you, Mr. Carr.

Mr. Christopherson, please, you have five minutes.

**Mr. David Christopherson:** Thank you very much, Chair, and thank you for your continuing responses today.

I want to underscore the concern I have, which Mr. Fitzpatrick raised, with regard to the uncertainty about the legal mandate. I appreciate and have total sensitivity for the fact that you haven't been on the job that long, but you are a seasoned deputy minister. You know that for a minister or deputy minister the first thing you have to do is find out what your legal mandates are, your responsibilities.

I could appreciate that under the pressure of being here you might not have gotten it, but your two assistants didn't jump on it either. The message that came out of the top of the house, as far as we're concerned, was wrong. Had the Auditor General not been here, that information would have been left. It's not because you were trying to mislead us, don't get me wrong, but you as the deputy minister and your senior aides did not know the legal requirement you have. That's scary.

I'll give you a chance to respond. I did before. Let me get my bit out. I have a little less time than I did last time.

I just want to also pick up on this. You've now admitted—and I wrote it down—that there is a federal role; I'm going back to the mine disaster. Most of your answer, really, was quite defensive about it not being your responsibility, that it's mostly provincial.

Now, to be fair to you, so you know, I was a former Ontario minister responsible for emergency plans in Ontario. I know the relationship between your primary responsibility at your level of government under the Constitution and those requirements you have at the provincial level vis-à-vis the municipal, and it's not unlike the relationship between the federal and the provincial. Even if you have the smallest piece of requirement, you cannot begin to provide that if you don't know where the line is between your responsibilities and the provincial responsibilities.

Further to that, it states right in the document from the Auditor General that you have no plans to address mine disasters. It says that straight in there.

So I appreciate what you're saying, that most of it is provincial. I do not accept that it is an acceptable answer from you that therefore it's not as big a problem perhaps as it might otherwise be. I disagree entirely. In a state of emergency we need everybody on deck doing their job and knowing what's expected of someone else, and your ministry was not there. I found your answer a little defensive and not wholly acceptable.

I have a specific question. It relates to the report the Auditor General presented today, and it's point 10. The auditor has pointed out that you have a "broad mandate" and you face "a number of significant challenges". These were broad cuts to funding levels by about 50%—and this is all under the same government—"which were then doubled over the last 10 years". So the current government slashed the funding levels to this ministry by 50% and then doubled them over the last 10 years. The auditor says "The Department had to wind down programs and significantly reduce its staff in a short period of time, and then re-build its capacity."

That does not sound like good governance. That's not your responsibility, but I am pointing out that's the history.

Then it goes on to say we're into a concern now because there's only short-term funding, three to five years, and it's hard to hire professionals, experts, who will come on board for such a short period of time.

My concern is that there's a track record of mismanagement, improper medium- and long-term planning for the ministry, given that they cut and then doubled and had to cut down, rebuild, and now we're facing the same sort of thing. I'm concerned that we're getting into another cycle of waste and mismanagement by not addressing this short-term funding vis-à-vis your ability to hire the kinds of experts and professionals you need to carry out the mandate.

● (1045)

**Mr. Richard Fadden:** Thank you, Mr. Chairman.

If I can, I'll just take the three points in order.

I acknowledge the point on legal responsibilities. I think the department is responsible for something like 23 acts. I admit I haven't read them all. I read the principal ones when I came online.

But my substantive response to you—

**Mr. David Christopherson:** But, sir, it is fair for us to expect that you would have senior officials here who could apprise you of that if you just had a momentary lapse?

**Mr. Richard Fadden:** My substantive point is that I was absolutely accepting the responsibility we had to develop civil plans. I just thought they were at the administrative level, not at the legal level, so substantively we're on the same wavelength.

I agreed in my answer to Monsieur Boire that we do need civil emergency plans in all areas, including mining. My point is simply that we have to take into account the divisions of federal and provincial responsibility, so I agree with you entirely. Was I a little bit defensive? Yes, I probably was, because my understanding from my colleagues was that the initial conversations with the Office of the Auditor General suggested that we had a larger role there than we think we have. I don't know exactly where the line is, but we certainly have a responsibility. I agree with you.

In respect of your last point, funding, I don't quite know what to answer. The initial cuts were brought about through program review for very good public policy reasons. The government was trying to get the deficit under control. It didn't only hit NRCan; it hit a large number of departments. For a variety of reasons, since then, to deal with immediate problems, the department has been given additional resources.

The real problem I have as the deputy is that about half of our budget is temporary; that's very difficult to deal with. One of the things I hope I can convince my colleagues of is the need to shift that down a little bit, the temporary stuff. I think we can do a lot with this kind of funding, but I admit it's a problem. I think we're one of the worst ones in town.

**The Chair:** Thank you very much. We're going to bring this to a conclusion.

A couple of people have made reference to the gobbledygook in departmental performance reports. I've said about these departmental performance reports that they're quite often self-serving fluff and that we're being buried in stuff we can't understand.

I would like to see bar charts in the departmental performance reports showing the amount of success or progress towards achieving what you consider to be best practices as far as development of these plans is concerned, so we can follow your progress on an annual basis. I would like to see your initial report back to this committee effective, say, March 31, 2006, with a copy to the Auditor General, so we can see that you are making progress. And every year I'd like to see a bar chart in your departmental performance report so we have hard commitments or statements by the department as to what they're actually doing as far as progress is concerned.

There are two other things. I would like you to take into consideration human resources. We have made reference to Hurricane Katrina and the leadership down there, which was unfortunate, but nonetheless, lessons were learned. We don't want to find out that we don't have the proper personnel to manage this.

The third point I want to make is of course we have been predicting the big one for Vancouver, the earthquake. Now, it's going to take all the resources of Canada if that happens. I don't know whether it's provincial or federal jurisdiction, but nobody is going to worry about jurisdictional lines when that happens. You'd better be prepared, because if it happens next week or next year, you're on the line. We don't want to find it's a bureaucratic snafu that has caused serious problems for people in that particular part of the country.

Mr. Fitzpatrick.

•(1050)

**Mr. Brian Fitzpatrick:** I have a point of clarification or a point of order on Mr. Boire's point.

**The Chair:** No, I'm not going there. I'll get the actual quote from the—

**Mr. Brian Fitzpatrick:** But I'd like to clarify the comments I made so we can save our staff some headaches.

**The Chair:** No, we'll get the research and we'll bring the comments made by Mr. Alcock back to the committee. We're not going to have a debate back and forth about who said what, where, and when. We'll just get the quotes and we'll read that into the record.

On that basis, I'm going to excuse the witnesses. I thank you very much for coming forward.

We have a motion we are going to deal with, and that's the motion Mr. Sauvageau tabled on Tuesday.

The motion is that pursuant to Standing Order 108(3)(g) and the Public Accounts of Canada, the Standing Committee on Public Accounts request the government table by November 30, 2005— we're deleting the word “forthwith”—with the committee copies of all internal and external audits, including forensic audits, pertaining to the administration of the Internationaux du sport de Montréal and to the organizing committee of the XI Championnats du monde FINA, Montreal, 2005.

Monsieur Sauvageau, you may speak to your motion.

[Translation]

**Mr. Benoît Sauvageau:** Mr. Chairman, it is with considerable optimism that I present this motion. As I do so, I'd like to paraphrase Mr. Alcock who had the pleasure and good fortune of appearing before the Standing Committee on Government Operations and Estimates.

For the benefit of my colleagues and friends in the Liberal Party, I'd like to recall some of the comments made by Mr. Alcock.

[English]

**The Chair:** Could you speak to the motion?

[Translation]

**Mr. Benoît Sauvageau:** I am speaking directly to the motion, because it calls for the findings of internal and external audits to be made public. In fact, Mr. Alcock was speaking yesterday about internal and external audits. He stated that the government was in favour of transparency and that it would never go back to the way things were before, that five minutes worth of research was worth more than partisan attacks. He maintained that he was wholeheartedly committed to strengthening access to internal and external audit findings and that committees, including the Public Accounts Committee, are part of the solution, not part of the problem. He went on to say that if a committee was prepared to take up the challenge, he would work closely with the members to make such findings available. He maintained that several internal and external audits are already available for consultation on the Internet, but that most likely this wasn't the case for all documents. Lastly, he added that the committee could act under the Access to Information Act if it wanted certain internal and external audit reports, and that committee members could move to have questions put on the Order Paper.

As I listened to Mr. Alcock's statements yesterday, the government's new philosophy of endeavouring to improve the accessibility of documents became clear to me. Mindful of the government's good faith, I ask committee members to support the motion read previously.

Thank you very much.

•(1055)

[English]

**The Chair:** Okay.

Mr. Murphy, please, followed by Mr. Lastewka.

**Hon. Shawn Murphy:** Before I even speak to it, is this a government organization?

**The Chair:** I don't know.

[Translation]

Are we talking about a government organization, Mr. Sauvageau?

**Mr. Benoît Sauvageau:** This is an organization that received \$16 million in federal funding to plan the World Aquatic Games held last summer in Montreal.

Are the Olympic Games a government organization? No. Is the government transferring funds to the Canadian Olympic Committee? Yes. Does the Standing Committee on Public Accounts have a responsibility to ensure that any funds transferred are properly administered? Yes. If there is any hint that funds transferred from the Canadian government to the Canadian Olympic Committee were misappropriated in some way, do the Standing Committee on Public Accounts and the Auditor General have the legal authority to look into the situation? Yes.

The federal government awarded \$16 million in funding to the World Aquatic Games in Montreal. According to some studies, including one done by DBSF, the government, for one reason or another, apparently withdrew its funding, and in so doing, raised some doubts as to whether or not the Games would go ahead as planned.

I've given a concrete answer to Mr. Murphy's question.

[English]

**The Chair:** In response to Mr. Murphy's question, if the motion passes and they feel they're not obliged to submit this by virtue of the fact that they are an arm's-length organization, they would advise us accordingly and would bring it back to the committee.

**Hon. Shawn Murphy:** About the first point, Mr. Chairman, I'm not even sure if the motion is in order.

But again, I want to point out first of all, Mr. Sauvageau, that I'd certainly support an open, transparent government. If there are some questions on taxpayers' money, Mr. Sauvageau should be given the mechanisms and methods to get the information. I have no problem with that. But this is the public accounts committee, and every week we seem to be dealing with a motion to table some issue, whether it's the Canadian unity fund or whatever, coming from Mr. Sauvageau, and basically, I feel it's politics.

We have an access to information regime. I trust it's working; I don't know. There are other committees that can get this information. This hasn't been our practice in the past. Once this goes on—and I'm speaking to the other members of the committee through you, Mr. Chairman—we're just going to be perpetually dealing with motions, whether it's an internal audit, whether it's a report, whether it's somebody's salary, something out there in the public domain to be filed to the public accounts committee. And that, Mr. Chairman, is not the purpose of this committee.

**The Chair:** Thank you, Mr. Murphy. I appreciate your point. If we continue to ask for documents, what the committee is going to do with these documents the committee hasn't decided at this point in time. I appreciate your very point. This is not the normal way the committee has worked. Nonetheless, if it's in the spirit of openness and transparency and supported by the Treasury Board, it may be an issue that we'll have to deal with philosophically or globally so that we can understand what the committee would want to do.

At this point in time I would say it's strictly a case of asking for documents, and we'll have to address that issue—

**Hon. Shawn Murphy:** Mr. Chairman, if I may.

**The Chair:** Yes.

**Hon. Shawn Murphy:** If it is the case that we're philosophically going to change the mandate of the committee, and it's going to

become a clearing house for every document out there, then I think we should have a couple of meetings to discuss it, rather than deal with it on an ad hoc basis and with individual motions. I think that basically changes the mandate of the committee.

**The Chair:** We only have a couple of minutes left. I have Mr. Lastewka, Mr. Carr, Mr. Fitzpatrick, Mr. Sauvageau, and Mr. Wrzesnewskij.

I apologize if I didn't leave enough time. We can wrap up this discussion. When we adjourn, if we feel that we have to defer it to the next meeting, then we may unfortunately have to do that, if we can't come to a conclusion and a vote this afternoon.

Mr. Lastewka, please.

**Hon. Walt Lastewka:** Thank you, Mr. Chair.

I was only trying to provide you with more information.

**The Chair:** On a point of order.

[Translation]

**Mr. Benoît Sauvageau:** With all due respect, Mr. Chairman, I'd like us to vote immediately following this debate.

[English]

**The Chair:** Okay. That's fine.

Mr. Lastewka.

**Hon. Walt Lastewka:** Thank you, Mr. Chair.

I was trying to do some work on this, since I received the motion, to try to get more information. But there is a spirit of openness in that more and more we're trying to put things on MERX.

For example, on the request for a forensic audit, I'm not sure if it's the same one that Mr. Sauvageau had. It's on MERX, and it's going to close next week. The forensic auditor is going to be chosen. It's going to be dealt with. I think around \$1.5 million is being held back from the organization.

For a sense of proper order, I think if we want to delve into this more, we should call in the department, the minister, or the deputy minister who is responsible for doling this out, on what they are doing.

The request for the forensic audit is on MERX, and it doesn't close until Tuesday. I know it's easy to now go to MERX and ask, if the government is going to do it, why not put a motion in advance to the government doing that?

I'm not saying Mr. Sauvageau is doing that, but it seems that is the trend. I think there is a matter of order here that we need to satisfy among ourselves. I only bring to your attention the procedures of what's happening to date.

• (1100)

**The Chair:** I'll have Mr. Fitzpatrick speak, and then I think we will have to bring this to a conclusion.

**Mr. Mark Holland:** I have a point of order, Mr. Chair.

**The Chair:** I appreciate that.

I was going to say that the time has expired. There is no limit for debate on motions. Therefore, I know Mr. Sauvageau would like to put the question and that the question would now be put, but it will be out of order and will therefore be deferred for another day.

Mr. Fitzpatrick, please.

**Mr. Brian Fitzpatrick:** I have a quick comment.

This committee is about accountability, responsibility, openness, and shining the light on government operations.

Mr. Sauvageau's motion only tries to get documents and information to the public, so that we can understand what's going on. For the life of me, public accounts should be the last committee to question that process. That's what we do here.

**The Chair:** Mr. Carr will have a final comment.

**Mr. Gary Carr:** Mr. Murphy said it more eloquently than I could, and I won't go over it, but I was very briefly going to say that if we are going to change the mandate, I agree with him, let's have a discussion.

As you saw today, I think our function can be to follow and do the work that needs to be done by the auditor. It worked properly today, in the way it should do. You saw members on this side being very aggressive towards the deputies. It's the way I think it should operate. If we get off on these political tangents, it will only hurt the committee. That's my first point.

On the second point, very quickly, it's my understanding that the Department of Canadian Heritage has an audit coming up that closes on November 8. I'm told that audits like this probably take until December 31. We could probably have an audit in our hands; I guess it's on the MERX. My suggestion would be that we wait for the audit. If we then find something in there, we can schedule meetings as a follow-up, as we did today, rather than going ad hoc, as we did today.

That would be my suggestion to this committee, for what it is worth, Mr. Chair.

**The Chair:** I'm going to bring this debate to a conclusion.

I have Mr. Sauvageau, Mr. Wrzesnewskyj, and Mr. Christopher-son. If they do not waive their rights to speak, then the motion will be deferred to the next meeting.

Are you deferring? Do you want the debate to continue?

[*Translation*]

**Mr. Benoît Sauvageau:** Since I am the mover of the motion, can I request an immediate vote?

[*English*]

**The Chair:** You can call for the vote, but the chair will rule it out of order because other people want to speak, and they have the right to speak. Therefore, it has to be deferred to another day.

I have two points. I would like to recognize Mr. Bernard Fournier, who is with us here. Some of you may recall that Mr. Fournier was a clerk of our committee for seven years, and this is his last year with the public service. We want to welcome him.

[*Applause*]

**The Chair:** He was a very able and competent clerk—of course, Ms. Kingston is a very able and competent clerk too.

But we do want to thank you for your devotion and commitment to the public service and to the people of Canada as clerk of the public accounts committee. You did a fabulous job, and you supported the committee well. Hopefully through your able assistance, the committee worked very effectively indeed on behalf of Canadians. We thank you.

Finally, on the issue of the President of the Treasury Board, Mr. Alcock, and his use of the word “stupid”, this is what Mr. Alcock said:

If you want to have a substantive discussion about improving the management of the Government of Canada, I'm your huckleberry. I'll be here day and night. But if you want to play the silly games you guys have been playing for years, simply, I'm going to play back.

The chair called for order. Mr. Alcock continued:

It's just stupid. It's a waste of time, Gary. You can do a better job of oversight if you have focus on it.

The chair says:

Minister Alcock, you were asked a question. If you would, try to stick to answering the questions, please.

Mr. Lunn continued:

I ask you one more time. This is a very serious question. It's a very serious matter. I think you shouldn't make light of it.

Your party has admitted to stealing \$1.14 million. Your leader was on the news last night on the networks saying they're cutting a cheque to pay it back. I want to know where that number came from. I can't find it in the Gomery reports.

That is the context of the quote by the President of the Treasury Board.

Now we are going to adjourn unless—

• (1105)

**Mr. Borys Wrzesnewskyj:** It's totally....and it wasn't even in this

—

**The Chair:** I read the quote into the record, so there it is.

**Mr. Borys Wrzesnewskyj:** A point of order

**The Chair:** The meeting is now adjourned. If you want to continue this debate another day, bring it up.





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