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Chair

The Honourable Diane Marleau

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•(1110)

[English]

The Chair (Hon. Diane Marleau (Sudbury, Lib.)): I'd like to thank the officials from the Privy Council Office for agreeing to come before us. Unfortunately, Mr. Lynch was not able to be with us, but he did send representatives, who I'm sure will be giving us some very good answers. I want to remind you again that these people are non-political. They do not, in the end, make the political decisions; they implement them. I hope we keep that in mind in our questions.

I will start and will ask our invited guests to make a short overall statement about what PCO is and how it works, to help us all. Thank you.

If you'd like to introduce the people around you, that would be good.

[Translation]

Mr. Patrick Borbey (Assistant Deputy Minister, Corporate Services, Privy Council Office): Thank you, Madam Chair.

Good morning. I'm pleased to appear before the Standing Committee on Government Operations and Estimates today.

I'm accompanied by Mr. Yvan Roy, to my right. He is Deputy Secretary to the Cabinet, Legislation and House Planning, and Machinery of Government. He is also counsel to the clerk of the Privy Council. To my left, is Ms. Thérèse Roy, Executive Director, Finance and Corporate Planning Division. We are also accompanied by other official representatives who will provide us with support if necessary.

[English]

I am pleased to appear before this committee today to talk about the 2006-07 estimates for the Privy Council Office. PCO's last appearance before this committee was in April 2005, regarding the 2005-06 main estimates. The purpose of today's appearance is to discuss the 2006-07 supplementary estimates for the Privy Council Office.

[Translation]

The Privy Council Office or PCO is the hub of public service support to the Prime Minister and the Cabinet and its decision-making structures. Led by the clerk of the Privy Council, PCO facilitates the smooth and effective operations of Cabinet and the Government of Canada through the work of the PCO secretariats. PCO helps to clearly articulate and implement the government's policy agenda and to coordinate a timely response to issues facing

the government and the country. It also works to maintain the highest professional and ethical standards in the federal public service.

Some of PCO's main roles are: providing professional, non-partisan advice to the Prime Minister and Cabinet; managing the Cabinet's decision-making system (including coordinating departmental policy proposals and conducting policy analysis); arranging and supporting meetings of Cabinet and Cabinet committees and documenting their decisions; advancing the development of the government's agenda across federal departments and agencies and with external stakeholders; providing advice on the government's structure and organization; managing the appointment process for senior positions in federal departments, crown corporations and agencies; preparing orders-in-council and other statutory instruments to give effect to government decisions; fostering a high-performing and accountable public service; and submitting an annual report to the Prime Minister on the state of the public service.

[English]

PCO works to ensure that the Prime Minister and the three other PCO ministers receive the highest-quality consistent and appropriate policy advice, and objective recommendations. PCO's main estimates for 2006-07 total \$146.7 million.

The report on plans and priorities, the RPP, since it was tabled at a later date than normal, during this fall, reflects the Prime Minister's adjusted priorities, announced since February 6, 2006, as well as the 2006 budget. Planned spending in the RPP for 2006-07 is \$129.3 million; however, this amount will increase as a result of the creation of the Air India commission of inquiry, worth this year \$13.5 million, and the operating budget carry-forward of \$6.3 million. With these additions, PCO's total authorities for 2006-07 will be \$149.1 million.

Over the next three years, PCO intends to invest about 90% of its resources in the following key priorities: about 47% to focus on key policy areas and strengthen medium policy planning, 27% to support the Prime Minister in exercising his overall leadership, 9% to improve the management and accountability of government, and 8% to strengthen PCO's internal management practices. The other 10% represents the budget for the Prime Minister's Office and the three ministers' offices in our portfolio.

[Translation]

With regard to our top priority, focus on key policy areas and strengthen medium-term policy planning, the PCO will ensure greater cross-departmental coordination coherence in the execution of the government's policy agenda through a variety of communications mechanisms as well as the renewal of deputy ministers committees that will strengthen decision-making and integration on both policy and management issues; make more effective use of deputy ministers' time; provide a clearer role for associate deputy ministers; and strengthen the DM community.

We will also contribute to the Government of Canada's efforts to establish a better balance in fiscal arrangements by ensuring all governments have access to the resources they need in order to meet their responsibilities.

We will contribute to the development and implementation of domestic and international initiatives to protect the security of Canada and Canadians by strengthening Canada's national security system and advancing Canada's interests in North America and abroad.

Finally, we will contribute to the Government of Canada's efforts to forge, in partnership with the provinces and territories, a stronger federation.

• (1115)

[English]

The second priority, to support the Prime Minister in exercising his overall leadership, will be achieved through a number of initiatives. Since February 2006, PCO has refocused its activities to better reflect its traditional role, resulting in the transfer of certain PCO responsibilities to other government departments and agencies. The PM announced a smaller, more streamlined cabinet, structured to promote accountable, efficient, and effective government with more focus and purpose. And finally, the PCO organizational structure and processes were modified to provide effective support to the revised cabinet committee structure and deputy minister level committees. These changes are reflected in these supplementary estimates.

[Translation]

The third priority, improvement in the management and accountability of government, and help the government clarify its objectives and priorities. The PCO will continue to play a central role in assisting the Prime Minister and Cabinet in enhancing the overall management, transparency and accountability of government while ensuring that the objectives of increased security are met.

The PCO will concentrate its efforts to support the government in meeting its commitment to introduce and implement a Federal Accountability Act and other key measures aimed at ensuring integrity, accountability, responsibility and excellence in public administration, while developing strategies to enhance the effectiveness of the overall Cabinet decision-making process.

We will refine the governor-in-council appointment process by streamlining and modernizing that system and we will support the renewal of the public service through improved approaches to recruitment, development and management of human resources.

[English]

The fourth priority, to strengthen PCO's internal management practices, includes providing support and leadership in the successful internal implementation of the Public Service Modernization Act, strengthening the internal audit and evaluation functions through a more appropriate and effective infrastructure, and strengthening PCO's capacity to respond to its statutory obligations under the Access to Information and Privacy Acts.

PCO's supplementary estimates for 2006-07, with the exception of the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182 and the operating budget carry-forward, are reflected in the 2006-07 RPP.

The net increase of \$3 million from the main estimates amount of \$146.7 million is therefore due to increases of \$13.5 million to support the newly created Commission of Inquiry for Investigation of the Bombing of Air India Flight 182, \$6.3 million for the operating budget carry-forward to fund internal workload pressures, and \$2.7 million related to the completion of the work for the activities of the Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar, as a result of delays in the processes adopted for screening reports.

These are offset by decreases of \$13.4 million related to the transfer of responsibilities to other departments and agencies, a \$5.3 million decrease related to the budget reductions to ministers' offices due to the reduced cost of the ministry, and approximately \$800,000 related to expenditure review in savings for procurement.

I would like to say a few words on each of these items. First, on the commission of inquiry, many issues, as you know, remain unresolved relating to the 1985 terrorist attack on Air India Flight 182. More than 20 years have passed since this tragedy, and while Canadians have not forgotten what took place, the families of the victims remain in a state of limbo. Their concerns are largely unresolved, and it is not yet possible for them to achieve peace of mind. The families need to know what happened and what is being done to prevent such a tragedy from occurring again.

In announcing the launch of this inquiry, the Prime Minister stated that a public inquiry is the only route left to obtain answers on how the tragedy occurred on June 23, 1985.

An amount of \$13.5 million is being requested to create the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182. The commission of inquiry will collect evidence and provide guidance on systemic changes to prevent terror attacks against Canadians, whether on land, sea, or in the air. This inquiry will provide recommendations to public policy and procedural questions that can continue to repair the system that allowed this tragedy to take place.

The commission expects to produce its report by September 2007. PCO will also request an additional \$5.7 million in 2007-08, bringing the expected total cost of this inquiry to approximately \$19.2 million over two years.

Second, on the carry-forward, Treasury Board policy allows PCO, subject of course to parliamentary approval, to carry forward 5% of its main estimates operating budget from one year to the next. The maximum eligible carry-forward for PCO for 2005-06 to 2006-07 is 5% of our budget of \$125.4 million, or \$6.3 million.

Finally, on the transfer of activities to other departments and agencies, in recent months PCO was reorganized to provide a stronger emphasis on its traditional roles and responsibilities of providing context, coherence, coordination, and challenge to policy development and to ensure greater clarity in the respective roles of PCO and relevant departments and agencies. These changes were completed by September 2006. A number of secretariats are being officially transferred through the 2006-07 supplementary estimates that were tabled in Parliament on October 30, 2006, with the full year effect being reflected in future years' estimates documents starting in 2007-08. These transfers represent the estimated unspent budgets as of August 1, 2006.

• (1120)

The transfers include the following: the Official Languages Secretariat to Canadian Heritage in the amount of \$1.9 million, which is effective February 6, 2006; regulatory affairs, smart regulation, and regional communication offices to Treasury Board Secretariat in the amount of \$6.1 million, which is effective July 1, 2006; the policy research initiative to Human Resources and Social Development Canada in the amount of \$3.6 million, effective June 1, 2006; the transfer of the Aboriginal Affairs Secretariat to Indian and Northern Affairs Canada in the amount of \$1.6 million, effective April 1, 2006; the transfer of the Borders Task Force to Public Safety and Emergency Preparedness in the amount of \$600,000, effective June 1, 2006; the national science adviser transfer to Industry Canada in the amount of a half a million dollars, effective May 8, 2006; and the senior adviser for diversity, which was transferred to the Public Service Human Resource Management Agency of Canada, for the amount of \$200,000, effective August 1, 2006.

This results in a net reduction of about 120 FTEs on an annual basis.

I know I'm running a little late, but maybe I'll have just one last word on the changes to ministers' offices.

On January 23, the Prime Minister announced the appointment of a new ministry. The PM created a smaller and more streamlined cabinet structure. A number of changes to the structure were made to promote accountability, efficiency, and effectiveness. As a result, changes to the structure of ministers' offices within PCO's portfolio were made, resulting in a savings of \$5.3 million. I will skip the details.

As a result of the transfer of certain functions and the reductions in ministers' offices, the PCO core structure and mandate have been refocused. Consequently, the estimates of the PCO are expected to remain stable over the next few years, with, of course, the exception of commissions of inquiry.

[*Translation*]

Thank you for your patience in listening to my presentation. My colleagues, Yvan and Thérèse, and I will be happy to answer your questions.

The Chair: We will now go to Mr. Bains.

[*English*]

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Thank you very much, Madam Chair.

I thank you very much for the opening remarks. I'm just trying to digest all that information—usually there are notes at the beginning. I tried to take notes along the way as well, in terms of some of your remarks.

I have a few questions to ask. Initially, my reaction was that there was this restructuring that was conducted, and then there seems to be an increase of \$3 million, I believe, in supplementary estimates. That's very clearly explained by the inquiry as a one-time expenditure, which makes a great deal of sense. You indicated that this exercise, if you look at this supplementary estimate summary on page 3, has the transfers, the savings, and then it has the one-time cost. So the actual saving that was done to the restructuring was only \$780,000, I believe. That was because of procurement. Everything else seems to be a transfer. That shouldn't be deemed as a saving. Is that correct?

• (1125)

Mr. Patrick Borbey: That's correct. The amount of \$13.4 million has been transferred to and integrated into the budget—

Hon. Navdeep Bains: Correct. So that's not a saving, that's just a simple transfer, right? So the true saving from this entire exercise is only \$780,000.

Mr. Patrick Borbey: Plus the savings associated with the reductions in the sizes of ministers' offices. So those are net savings as well—there are fewer salaries, fewer operating dollars being spent than there would have been previously.

Hon. Navdeep Bains: That leads me to my second question, which is impact on jobs. I know this restructuring exercise looked at efficiencies and savings. Was there any impact on jobs with this restructuring? Were there any positions eliminated?

Mr. Patrick Borbey: No, there were no positions eliminated as a result of this. The people were transferred with their positions to the new departments, so it was clear that they were protected in that way and they were integrated into their new structures and departments. So no jobs were cut as a result.

Hon. Navdeep Bains: Is the restructuring that you talk about simply a one-time exercise, or will this be taking place on an ongoing basis in terms of evaluating how the PCO works, specifically, for the transfers to other departments? Is that something you think is going to take place in the future, and if so, is there a timeline associated with that?

Mr. Patrick Borbey: I think we're going to constantly re-examine our structure, to make sure it does meet the needs of the Prime Minister and the cabinet.

In this case, over the years we accumulated a number of functions that we felt were not part of our traditional role and that were more almost of an advocacy nature. These were things that departments and agencies should be doing. For example, in the area of aboriginal affairs, we have a very strong department that is responsible for those functions.

There was a sense that there was a need for coordination at the centre. The Clerk of the Privy Council wants to ensure that we are playing the role we should be playing, that there's no confusion in role and responsibilities, and that departments are held accountable for developing policies, implementing them, and reporting on them.

We provide context and coherence to departments. We provide a challenge function when proposals come forward, to make sure they're well integrated and that all aspects have been taken into consideration. Then we have a certain role in terms of ensuring accountability for results. But we don't get involved in the actual delivery of policies or recommendations with respect to specific areas, such as aboriginal affairs.

Hon. Navdeep Bains: If you don't mind my asking, from your experience, in a non-partisan fashion of course, why do you think these particular additions were made over the previous years? Why were these roles and responsibilities taken into the PCO office? What was the objective or mandate or idea behind that?

Mr. Patrick Borbey: I think it was the result of increased horizontality. Everything we do in government has horizontal impacts. You can no longer easily identify one single department or agency that's responsible for making sure that a complex set of answers is presented to a particular problem. I think the natural tendency was, well, you need strong coordination at the centre so let's establish a secretariat that will play that role. You can understand how that can happen over time. The impact is to reduce the overall accountability for the individual departments and agencies to deliver on those results.

I think it's a natural progression in a stable, mature democracy such as Canada, where complex issues don't get resolved by the actions of a single organization. They require partnership, across government cooperation, cooperation with other levels of government and Canadian society. So it's a natural tendency. What we said is that we're going to push that accountability back to departments; we're going to make sure that one department is going to take the lead and bring the others to work together in the same way.

• (1130)

Hon. Navdeep Bains: So then, how do you hold them accountable if that secretariat is not a means to do so? What other measures do you have to hold them accountable, then?

Mr. Patrick Borbey: Well, the way we hold them accountable, first of all, is that major proposals have to come to cabinet committee. We have secretariats that analyze, make recommendations, and bring departments together when they're not working closely enough. We have deputy minister committees that the clerk has put in place. You bring those key deputy ministers together and

say, okay, let's present an overall coherent strategy on how to deal with this. You do it that way.

Plus, there are the letters sent by the Prime Minister to his cabinet colleagues. There are also mandate letters that the clerk writes to his deputy colleagues. You can also use those as a way to ensure accountability.

Hon. Navdeep Bains: On page 4, you listed the priorities of Privy Council, and in your opening remarks you indicated percentages of costs associated with those particular priorities. I was unable to take them down. I just want to understand each one of these four priorities you listed. You listed, I guess, a component that you had costed out of where your resources went. That's what I was referring to that again? I'll tell you why I'm asking.

Mr. Patrick Borbey: It's the result of the government's restructuring, a few years ago, of the way it presents estimates with the PAA, program activity architecture. We have specific priorities that have been established. Within that, we've organized our work within PCO to support those priorities. That's what I was referring to in terms of the percentages and how they relate.

Hon. Navdeep Bains: I want to understand where the majority of the costs are going. Are they going towards supporting the Prime Minister in exercising his overall leadership responsibility? Are they going towards internal management processes? I want to know where the money is being spent and in what category. Is that a reflection of how those particular priorities are ranked?

Usually what happens, and maybe you can help me with the logic, is that certain priorities are established, but sometimes the resources aren't there. I want to make sure the priorities are consistent with the money and resources allocated to them.

Mr. Patrick Borbey: The largest category, approximately 47%, definitely focuses on our policy advice in terms of key priorities and our support for the Prime Minister and for the cabinet. That is our bread and butter in terms of activities within PCO, so that is clearly where the largest resources are being spent.

Hon. Navdeep Bains: Okay, not a problem. I wanted the number, but I will get that later.

My next question—

The Chair: It's time to go to Madame Thibault.

Hon. Navdeep Bains: Okay, I'll come back to that later.

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Thank you, lady and gentlemen, for coming here today.

I want to come back to a point you raised and on which my colleague asked several questions. I'm referring to transfers. You said earlier that they would be done without having the least impact on employment. In September, the government announced cutbacks by telling us that it was going to trim the fat, cut wasteful programs, ensure value for money and efficiency savings, among other things. People came to testify about this including ministers and senior officials.

Were you concerned with efficiency savings? It seems quite strange to taxpayers and those who represent them here that these transfers are occurring without there being the slightest efficiency savings. There are no gains in efficiency for small agencies with two, three or four employees. As for large organizations such as Heritage Canada or Human Resources and Skills Development Canada, it seems likely that they could absorb that. I'm not talking here about the impact. Someone may say that we need to save jobs in the public service. I am merely talking about efficiency savings and ensuring good value for money, from a taxpayer's perspective.

How would you explain this?

• (1135)

Mr. Patrick Borbey: I think that the Privy Council Office, like all departments, has an obligation to meet objectives in terms of effective spending and efficiency savings. We have already implemented measures to cut our budgets. Those measures are based on expenditures from last year or two years ago. We cut our budgets by approximately 5 per cent over a three-year period. We are now entering the third year.

Ms. Louise Thibault: That is not unreasonable.

Mr. Patrick Borbey: And yet we have saved approximately \$7 million. That is our contribution. This money has already been taken from our budget envelope. We achieved the savings by cutting expenditures as much as possible here and there, by saving on management services and by ensuring more effective use of technology.

Ms. Louise Thibault: So in your opinion, there's nothing surprising in having the Treasury Board transfer several millions of dollars to these departments and agencies, and for this transfer not to result in any efficiency savings?

Mr. Patrick Borbey: I think that this will happen eventually, but within those departments. They will review the structure and adapt it. You must remember that salaries and benefits represent the vast majority of our expenditures. We did not want this to become a way of cutting staff. We wanted to ensure that there would be the salaries and benefits for transferred employees.

Ms. Louise Thibault: We are talking about efficiency savings. Yet, after the major staff cuts that occurred in 1996-97 to the entire public service, the goal of which was to cut approximately 15,000 positions, we now see, 10 years later, that more than 15,000 positions we recreated.

Is the reaction of the Privy Council one of surprise or concern?

Mr. Patrick Borbey: I don't have access to that information. I apologize.

Ms. Louise Thibault: No problem.

Mr. Patrick Borbey: Perhaps you could ask official representatives of the Treasury Board Secretariat this question.

Ms. Louise Thibault: Right.

To come back to the transfers, there is no expectation that there will be a cut. Nor do you expect that this will cost any more, correct? The danger may be that the organization receiving the transfer will then say that the transfer did not include x and y . Let's suppose, to illustrate my point, that we were talking about a \$9 million transfer. This \$9 million would not be sufficient. Those individuals might, in reality, need \$12 million. You don't expect the organizations that received transfers to do this. Once we have conducted the follow-up and seen how the situation has evolved, over the next few years, within the organizations, there should be no surprises with regard to the figure I see here, correct?

Mr. Patrick Borbey: I hope not. After all, we're talking about small amounts. As you said yourself, in the major departments, it should be easy to absorb a dozen or some 30 such employees. We expect them to do this. This could also lead to internal efficiency savings.

Ms. Louise Thibault: On page 227 of the English copy of the Supplementary Estimates, under "Voted Appropriations", reference is made to the commission of inquiry into the investigation of the bombing of Air India. Mention is also made of an amount for \$6,268,000 under "Operating budget carry forward (horizontal item)".

Could you briefly tell me what this refers to?

Mr. Patrick Borbey: It is a Treasury Board policy that allows all departments automatically to carry forward 5 per cent of their operating budget.

• (1140)

Ms. Louise Thibault: Oh, very well.

Mr. Patrick Borbey: In fact it is not quite automatic, since it must be voted on.

Ms. Louise Thibault: I understand. So this includes the carry forward. This is quite telling.

Under "Funds Available", an amount of \$780,000 for "2005 Expenditure Review Committee Savings—Procurement".

What does this refer to?

Mr. Patrick Borbey: The budget reduction exercise that took place two years ago included various measures to ensure savings in the area of procurement. All departments were given a quota. This represents our quota. It is based on the analysis done regarding procurement and contracts within the department.

Ms. Louise Thibault: Does the amount of \$5,333,000 under "2006 Expenditure Restraint" correspond to the fiscal year that just ended?

Mr. Patrick Borbey: These are savings associated with the change in size of Cabinet and the available resources for the establishment of ministers' offices.

Ms. Louise Thibault: With regard to your obligations, meaning the commission of inquiry on Air India and the commission of inquiry on the Arar affair, savings, transfer payments and so forth, could you explain to me once again to ensure that I have understood correctly, how is it that your total is \$149 million rather than \$146 million? We're talking about \$3 million more than anticipated.

Mr. Patrick Borbey: There is an increase of approximately \$13.5 million related to the commission of inquiry on Air India. There is another increase that corresponds to funds carried forward from last year in the amount of approximately \$6.3 million. There was a slight increase of approximately \$2.7 million related to the commission of inquiry on the Arar affair. We then need to deduct the \$13.4 million transferred to other departments, amounts will then be reflected in the supplementary estimates of those departments. There was an amount of \$5.3 million related to budget cuts to ministers' offices. Finally, an amount of \$800,000 represents procurement savings.

The Chair: Thank you, Ms. Thibault.

[*English*]

We will go to Mr. Tilson.

Mr. David Tilson (Dufferin—Caledon, CPC): Thank you, Chair.

The library has prepared an excellent paper with some questions that we can refer to you, and some of them deal with the Federal Accountability Act. The act is very extensive. It's a very long bill dealing with a whole range of issues that affect elected officials, members of the public service, and lobbyists.

My question is, what plans are made by the Privy Council Office—or perhaps directives to other ministries—to brief members of the public service, elected officials, and others affected by the Accountability Act? Or are there any at this stage? The reason I raise this is that you briefly referred in your presentation to the Accountability Act. I can only assume that the cost to the Privy Council Office will go up somewhat because of the Accountability Act.

Mr. Patrick Borbey: Maybe I can address the cost first, and then I'll ask Maitre Roy to address the issues relevant to the Federal Accountability Act. That's really his domain.

In terms of the costs, we have not yet established the additional costs. There may be some minor costs associated, for example, once the public appointments commission is established or the secretariat is formally established. There's a small cost associated with that. But those costs should be very minimal for PCO.

Mr. David Tilson: I threw the question out. It may be that you just haven't gotten to that yet, and I understand that. It's just that I assume that, somewhere down the line, we'll all have to be briefed on some of these issues, particularly members of the public service. The act will have a profound effect on members of the public service.

Mr. Yvan Roy (Deputy Secretary to the Cabinet, Legislation and House Planning and Machinery of Government, and Counsel to the Clerk, Privy Council Office): As far as a communications plan following passage is concerned, Mr. Tilson, if there is passage of Bill C-2—I know you will voting on Bill C-2

later today, and then it will go back to the Senate—then once passed, it is clear that there will be a large effort in terms of communications so that the whole of the public service is aware of the obligations.

PCO does not have a direct role in directing how these communications will take place. It is the part of the government that is responsible for the employment of public servants that has that responsibility, and that happens to be Treasury Board Secretariat, together with what we call PSHRMAC, the human resources group within Treasury Board. They have that responsibility and are in the process of putting that kind of communications package together, with the purpose of ensuring that everybody is aware of the new obligations that are created by Bill C-2.

• (1145)

Mr. David Tilson: That really does lead, then, to a question that was prepared in the paper. It was whether the Federal Accountability Act alters the role of the PCO.

Mr. Yvan Roy: That is a very good question.

Bill C-2, the new Federal Accountability Act, fits within a context. That context is basically what has been the practice that has become part of our common law. For instance, in matters in which there is a disagreement between the minister and deputy minister, it requires that a matter like this be referred to the Clerk of the Privy Council, my boss, who, according to how things work, would take this up with the Prime Minister. But that is when you have a situation developing between a minister of the Crown and his or her deputy minister. That doesn't change because of Bill C-2. That continues to be a role that the Clerk of the Privy Council will play. It is actually needed that there be someone in the system who does that, and the Clerk of the Privy Council will continue to do that.

Mr. David Tilson: But the act is going to put forward a whole bunch of new things that you've never had before.

Mr. Yvan Roy: On the act in particular, I think what your question is leading to is the whole issue of the accounting officer and the role that the new deputy ministers will have to play in appearing before parliamentary committees for the purpose of answering their questions.

The act is clear on what is going to happen if there is a conflict between the deputy minister and the minister on a matter that deals with administration or, generally speaking, issues that are governed by directives and policies of Treasury Board. In those circumstances, you may have a deputy minister who says he's a bit caught because the minister is asking him to do something. He thinks that what the minister is asking him to do goes against the policies and directives. Where does he go for guidance on something like this? The act says that in circumstances like this, he should go to the Secretary of the Treasury Board, who is a deputy minister, but a deputy minister who has special expertise. That deputy minister—the Secretary of the Treasury Board—will see to it that the matter is resolved. If it is not, the matter is going to be brought to the attention of the Treasury Board itself, which is, as you know, the committee of cabinet that would make the final determination.

What the act is trying to do with respect to matters of that nature is provide guidance and provide the mechanism whereby the situation will be resolved. Again, this mechanism is with respect to these types of issues. There are many more issues that deputy ministers and the bureaucracy in general have to deal with on a daily basis, and they do not in any way, shape, or form diminish the role the Clerk of the Privy Council would have to play in those circumstances. Again, in other cases the deputy minister would seek guidance from the clerk, and the matter, if it needs to be resolved at a higher level, will have to go the Prime Minister.

Mr. David Tilson: This leads perhaps to my final question. I don't know if any of my colleagues have questions on this side at this time, but you've given a specific example of when there's a potential conflict—perhaps a question, maybe not the word “conflict”—when a question is raised between a deputy minister and a minister. I understand that's one example. The question that has been suggested is what effect the Federal Accountability Act will have on the routine operation of the Privy Council, if any.

• (1150)

Mr. Yvan Roy: Of the Privy Council, as such? We are a department like any other department around town, so the issues having to do with conflict of interest, having to do with contracting—you have part 5 of the bill, which deals with contracting—applies to us, the same as anyone else. I don't think it would be fair to tell you that we see Bill C-2 as providing us with a new tool to, for all intents and purposes, supervise the whole of the public service.

With the resources that we have, one, it would be impossible, and we'd be selling you something that you're not willing to buy. Two, in law this is not how this works. I happen to be a lawyer and I like to go back to that kind of framework. The Financial Administration Act continues to apply, and it will be strengthened by Bill C-2. It will be the responsibility of Treasury Board to ensure that these things take place.

What we provide in PCO is the challenge function. We try to coordinate issues. We try to make sure things are coherent. But Bill C-2 has not made PCO into policemen for the whole of the civil service. That's not what was intended, and that's not what we intend to do with it.

Mr. David Tilson: Thank you, Madam Chair.

The Chair: Thank you.

Madam Chow.

Ms. Olivia Chow (Trinity—Spadina, NDP): Thank you, Madam Chair.

I have three or four questions, but on a point of order first, we do have a motion that deals with the supplementary estimates that have been submitted to the clerk, and I think we will deal with it probably around 12:30 or so, prior to the end of the meeting and after the witnesses leave. Is that the intention of the committee?

The Chair: It would depend on how much time we take with this. It may or may not come forward. Right now we're dealing with the estimates for the Privy Council Office, and whether we actually get to vote on those estimates at this point, I can't tell you. We'll have to

wait to see what happens toward the end of the meeting. The motion that you're talking about has to do with—

Ms. Olivia Chow: Public Works.

The Chair: —Public Works, that's right. We may get to it and we may not, it's difficult to say.

Ms. Olivia Chow: But one way or another, this committee needs to have a vote on the Public Works budget eventually.

The Chair: We will be doing that either today or Thursday, one or the other. Depending on how much time we take with this group, we will go on from there.

Ms. Olivia Chow: I will proceed with the questions, then.

I have three areas of discussion. One is the appointment process and the other one is the access to information reform. The last one is on the supplementary budget specifically.

As to the appointment process, what role do you play and where is that budget? For example, if recently there's been an appointment on the Immigration Refugee Board and that appointment is done through, I believe, the immigration minister, what role would you play? Is there going to be any reform as to how that appointment process would be vetted, any public process?

Mr. Yvan Roy: It happens, Madam Chairperson, that the assistant deputy minister responsible for senior personnel and those appointments is with us and will be able to answer your question with the appropriate details. It's Mr. Marc O'Sullivan sitting at the back.

Marc, do you want to join us?

Mr. Marc O'Sullivan (Assistant Secretary to the Cabinet, Senior Personnel and Special Projects Secretariat, Privy Council Office): With respect to the Immigration and Refugee Board, the role of the Privy Council Office is the same as for all appointments made by cabinet, appointments by the Governor in Council to various boards, agencies and commissions. Essentially, it's a coordination function to ensure that vacancies are filled and to ensure that necessary due diligence is applied in terms of vetting the appointments, in terms of security checks, etc., that have to be done before the appointments are made.

The responsible minister recommends the appointment and cabinet approves the appointment.

Ms. Olivia Chow: I know all that. As a public servant, being neutral, whether it's the Toronto Port Authority or the recent appointment to the IRB, given that there are a lot of vacancies and the recent appointment was a person who happens to be on the executive of the Conservative Party of Ontario, is it part of your mandate to make sure there is neutrality in who gets appointed, the process itself, how the public can be involved in it, the transparency, and the accountability?

•(1155)

Mr. Marc O'Sullivan: To use the IRB as a specific example, it runs a very rigorous selection process for positions. The intent to run a process is announced publically. People apply, and then they go through a very rigorous selection process to arrive at a list of qualified candidates. That is then submitted to the minister to select those to recommend as appointees to cabinet. The IRB is a good example of a very rigorous, open, and transparent selection process for the members of that board.

The government has announced its commitment to run such open and transparent processes for as many appointments as possible. Positions as heads of agencies, for example, are announced. There's a government website that lists the vacancies, and people can apply for them. Selection processes are run to identify qualified candidates. At the end of the day, the responsible minister makes a recommendation to cabinet. The IRB is a good example.

Ms. Olivia Chow: But your role is primarily just a coordination role.

Mr. Marc O'Sullivan: Yes.

Ms. Olivia Chow: Do you also let the public know?

Mr. Marc O'Sullivan: There are hundreds of positions. It would be physically impossible for us to coordinate and run everything centrally. The positions are announced. There are various agencies such as the IRB that run their own selection processes. Vacancies are announced. People submit their CVs and go through written tests. Then there's a selection board for the names of qualified candidates to be put forward to the minister.

Ms. Olivia Chow: Thank you very much for that.

On another area, access to information relating to Bill C-2, tell us about the role you have in resisting some of the reforms. There have been a lot of discussions. What kinds of connections in terms of ATI reform related to Bill C-2...? What role did you play in that whole discussion?

Mr. Yvan Roy: I'm a tad surprised by the question, in that it implies that the Privy Council Office has been resisting changes. That is not my understanding of what transpired following the discussions that took place and what you will find in Bill C-2.

PCO has a role to play, like any other department, but we are not in charge of this area or responsible for making decisions at the end of the day. Let's always bring this back to what it is. We're providing advice to the government that is completely non-partisan, and the political overlay and decisions are made by ministers. I am able to answer the question of what; it's much more difficult for me to answer why we are doing this or that.

Ms. Olivia Chow: No. How about what advice you have...?

Mr. Yvan Roy: It's not something a lawyer will disclose in public. You will understand that.

Ms. Olivia Chow: That's true. Yes, I know.

Mr. Yvan Roy: I'm sorry about that.

Ms. Olivia Chow: Let me ask you a last question on the budget.

The election finance is about \$61.4 million, I take it. There has been a lot of discussion on the need for door-to-door enumeration in big cities, in areas where there is a lot of turnover. I know it's really

under the Elections Act, it's up to the Chief Electoral Officer, but part of it is how much money is allocated to that area.

Has there been any discussion as to whether...because years ago we used to have door-to-door enumeration, and especially in very dense urban areas we notice that, because people move in and out so often, the list is often dramatically wrong as a result of the lack of door-to-door enumeration in those areas. Has there been any discussion of whether there should be any increase or decrease of that funding?

•(1200)

Mr. Yvan Roy: As with the whole issue of electoral reform, the role that is played by the Privy Council Office—we have a sub-secretariat that is dealing with that—is not addressing these kinds of issues. I am sorry to tell you that probably the more appropriate official to deal with something like this would be the Chief Electoral Officer. We have no responsibility with respect to that.

Ms. Olivia Chow: It's just that the money is housed in your area.

The Chair: Thank you very much.

We will go to Mr. Bains.

Hon. Navdeep Bains: Thank you very much, Madam Chair.

Again, in terms of the question that I had before, I want to go back to the commission of inquiry, the investigation of the Air India flight. You had listed in your estimates, or the voted appropriations, that it was \$13.5 million, and then you indicated in your opening remarks that the cost has gone up to \$19.2 million in total cost. Is that total PCO cost or is that cost that may be incurred by other departments as well? Is there a cost that is absorbed by other departments or other agencies?

Mr. Patrick Borbey: No, this is only the costs that are projected for PCO. As I said, for this year \$13.5 million is what's in the supplementary estimates, and it is expected that we will come in for another \$5.7 million in the main estimates for the coming year. And that would be the total budget that's planned at this point for the commission. So a little bit over \$19 million, and those are only your costs within PCO, but again of course the commission is independent, so it has its own budget. It does receive some services from PCO like financial contracting, human resource pay, things of that nature, but basically that budget is managed by Commissioner Major and his organization.

The other departments that are asked to contribute in terms of information, documentation, whatever it may be, if they have some costs to absorb, then they're not included in those estimates. PCO also has some costs that it's absorbing within its own activities in terms of providing non-corporate services support to the commission. Again, those are not included, but they're not that significant.

Hon. Navdeep Bains: So do we have an idea of what the total cost of this inquiry would be? Are you able to gauge from what you just indicated now that the commission has its own budget? You are providing support for it and you've indicated your costs. There might be some costs associated from other departments possibly as well. So in light of all those costs that are incurred, do we have a global number that we have an idea of, or that you're tracking?

Mr. Patrick Borbey: No, the \$19.2 million is as much as I can tell you at this point. Just to clarify, for the corporate support that we're providing we're charging back small amounts, so it's within that \$19.2 million. What I was talking about is if there is time of lawyers working on the file or processing documents that are requested by the commission. I'm sure there'll be some costs associated with that, but we don't have a way to track that—

Hon. Navdeep Bains: So if we wanted to find out the total global cost of the inquiry, how would that become public knowledge?

Mr. Patrick Borbey: Just like we went through with the previous inquiries, we get a lot of access to information requests or parliamentary questions, and then there have to be some estimates done, because as I said, the \$19.2 million is a pretty firm number and it will be presented to Parliament as it is with the first supplementary estimates. The rest are basically costs that the departments are going to be absorbing within, and I expect that they're not going to be huge compared to the cost of setting up and running the inquiry.

Hon. Navdeep Bains: Again going back to the expenditure review committee savings, you indicated that the \$780,000 in savings is attributed to streamlining committee structure. Could you elaborate? Is it strictly based on cabinet committee meetings? Is that all the savings attributed to it or are there are other savings within that?

• (1205)

Mr. Patrick Borbey: No. It's an estimate. When the public works department put forward the recommendations in terms of procurement savings, they did an analysis of the buying trends and the use of different types of contracting instruments within departments. After that, they came up with an estimate of savings by bringing more rigour through more standing offers, for example. If you're using standing offers, you should be saving some money.

They came up with a percentage that was then allocated across the board to departments. The percentage grew over a period of three years. The \$780,000 represents the second year of the growth of those savings.

Basically, if we're spending a million dollars to procure temporary help services, they assume that through the instruments, the tools they're going to be developing, we may be able to save 5% or 10% of those costs. They then came up with an overall savings target.

It will take some time to determine whether the \$780,000 is actually associated with real savings. All departments are struggling with that right now, but we have faith.

The Chair: It's called creative accounting.

Hon. Navdeep Bains: Yes. I was about to say the impression one gets is that it's attributed to the savings you talked about earlier on restructuring and streamlining. But it seems to be more focused on the procurement element of this. It's a simple calculation of possible savings due to changing procurement practices, and they haven't been realized. Is that correct?

Mr. Patrick Borbey: That's right.

Hon. Navdeep Bains: I also want to indicate that earlier when I was referring to page numbers, I was referring to the notes made by the library. There might have been some confusion, and I apologize for that.

I think one of the questions they asked is a question we'll be struggling with going forward. The PCO is responsible for it, and the clerk is the head of the public service and responsible for that particular area. One of the major concerns we foresee is the aging population and the retiring of baby boomers. A void will be left in terms of executive positions and senior positions. It's a major concern in terms of the public service.

I know you have internal management as one of your priorities, and it's an exercise that needs to be done. Is there a concrete plan in place that you have put forth or a proposal to address the issue? Is it something you are actively working on to put in place procedures and some kind of policy to deal with that issue?

It's imminent, and it's going to take place within the next few years. Rather than reacting to it, are we being proactive?

Mr. Patrick Borbey: I think we have to describe this as a challenge the clerk has taken on and has asked all of his colleagues across the public service to take on.

In terms of concrete plans, at this point he's looking for all of us to look at what we can and should be doing and to personally become engaged in the problem. We shouldn't wait until it happens four or five years later. We should start right now.

For example, he's gone out and spoken at university campuses. He wants us to do the same thing, with senior leaders going in. You shouldn't leave it to the human resource specialists alone to try to recruit the cadre of future public servants. You should go and personally get involved. If you're a scientific manager, you know which science schools are the best and where the best students may be coming from. You need to go and talk to them about careers in the public service. He has really put the emphasis on leadership across the public service in terms of renewal.

Will there be specific programs developed and specific initiatives to respond to certain niches where there are particular problems? I am sure there will be, but it's still a process under development.

• (1210)

Hon. Navdeep Bains: For example, for executive level positions and senior positions, people don't get them when they initially enter the workforce or when they enter the public service. They need to be groomed in that particular area. They need training and they need experience.

The concern I have is that when we see retirement and attrition take place, all of a sudden, there's going to be a void at the senior level in terms of senior positions. We can go to campuses and recruit people, but will they be qualified for senior positions? I doubt they will be, simply because they don't have the experience or the training.

How do we deal with the issue? It's specifically what I was concerned about.

Mr. Patrick Borbey: Yes. I guess making the public service an attractive career option not only for young people who are starting their career but for people in mid-career, as you know, is a challenge as well for a lot of reasons. We have to work on bringing people in from the outside.

Recently, for example, we ran a process by which we were looking to see if we could recruit or pre-qualify financial specialists at the senior executive level. We ran a process that was both internal and external. We were quite surprised that the majority of the candidates who qualified came from outside. For municipalities, provinces, and even the private sector, the public service can be an attractive choice. We can recruit at mid-career towards senior executives.

We also have put some good programs in place that we need to continue to nurture. We have the management trainee program, the career assignment program, and the accelerated executive development program. We have some programs, as I mentioned, for the financial community that are becoming more targeted to the needs of those communities. Again, by using those programs effectively, we will also be able to nurture the people who we need to find into senior executive positions.

[Translation]

La présidente: Mr. Roy, I am giving you only one minute, because we have already taken a great deal longer than expected.

[English]

Mr. Yvan Roy: You know how these things are done: you start at the top and you make this a priority for everyone in the organization. The clerk has done that, and he's actually asked the number two

person in PCO, Margaret Bloodworth, to lead a group of deputy ministers who are looking at recruitment, development—the very thing you're talking about—and leadership also. It is their duty to put together the kinds of programs that will filter through the organization in order to bring back that kind of talent upstream.

It's a challenge. About a month ago you may have seen the article in *The Economist*. It's a challenge throughout the world.

We are addressing this issue squarely by having the right people asking the right questions at the right time. From this will come, I would say, a number of programs to facilitate things, one of which is already in place. You may have seen this. It's called the Government of Canada fellows program, through which we're going to be able to exchange talent between the private sector and the federal government. People will come into our organization at fairly senior levels to understand how government operates, and we will see the great, bright ideas they have to offer us and will send some of our people to the private sector, where they will learn some of those skills and tricks, and bring them back. But this is only the start of something bigger to come.

Hon. Navdeep Bains: Perfect.

Thanks very much.

The Chair: Thank you very much.

Mr. Kramp.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thank you, Madam Chair.

And to our guests, welcome again.

One topic we've been discussing at great length in this committee has been accrual accounting, which has already been discussed at the public accounts committee and through various departments. Of course the government and the various departments have made progress. Particularly in appropriations, where the area is deficient, we're moving potentially towards making recommendations for that as well.

The government and PCO are aware there has been movement through the different parliaments to head more and more towards the adoption of an accrual accounting process. Knowing this will require bridge financing and some initial dollars, for everything from software to hardware to extensive training, particularly at the departmental level, have there been any plans or preparations by PCO to adapt to this reality?

Mr. Patrick Borbey: Yes, I think all of the government is working on this through the leadership of Charles-Antoine St-Jean, the Comptroller General of Canada. I participate in committees with him; I sit on his advisory committee, and we have spent a fair amount of time on accrual accounting, budgeting and these issues, as well as on moving to audited financial statements, of course.

PCO does not escape that. However, PCO is a small organization, and our capacity to be able to invest internally to be able to adapt to these changes is limited. So we're hoping we'll be able to benefit from the leaders, the big departments, that are going to be able to lead the way in this area and maybe make some efficiencies. For example, one of the things you need to do to move towards audited financial statements is to have very well documented processes for everything you do financially. This is time-consuming, and we would love to be able to benefit from others doing it and then adopt standard processes so we can then focus our limited resources in the right areas.

[Translation]

Thérèse, did you want to add anything?

[English]

But we will be there. We will follow the government's lead in that area. We won't necessarily be the first, because of our limited capacity, but we certainly will be there.

It is important, too, because it does require different skill sets among our specialists, like Thérèse's group, as well as with our managers. And a deputy minister has to be able to read a financial statement in a completely different way than they've been used to, so I think all of us are going to go through significant shifts to be able to adapt to this successfully.

• (1215)

Mr. Daryl Kramp: Yes, because going through this process is going to require two things: it's going to require an investment, but it's also going to require a decision. And the decision, of course, will involve people of the quality and capacity to be able to handle and do the job. That's why I think Mr. Bains' question regarding the availability of qualified, capable people....

Do you sense we have that depth within the overall structure of government right now, or do you sense that we need to be bringing in external assistance to be able to take us through a process like this? Have you had a chance to evaluate the actual complexities of the accrual process to see whether or not it would possibly be a very serious personnel problem?

Mr. Patrick Borbey: I think that Mr. St-Jean would be the best person to answer that question, but I can help. I can give you my view, which is that we will need to make some adjustments, both in terms of the financial specialists, in making sure they have the skills, the certifications, to be able to meet those new requirements, and the managers, who themselves are going to be signing and certifying that they live by their financial results, all the way up to the deputy minister. There's going to be some education required on both sides. On one side it's going to be very thorough, when we're talking about more CAs, more people with certifications in key jobs.

We're lucky here at PCO that Madame Roy has all of those certifications, so she can help guide us down that path, but there are

many others in the community that have not been certified. It's not that they're not skilled, but they haven't necessarily adapted to the private sector equivalents in terms of accreditation. So we're going to need to invest on both sides to get there.

Mr. Daryl Kramp: Thank you very much.

Totally changing tack here, on Air India we've spent a lot of money. I have a question. We've had investigations and investigations, and we've had preliminary inquiries, and now we're going to spend significant dollars again. What, in your impression, is going to be the major difference between the investigations that have taken place in the past, whether through CSIS, the RCMP, and/or under administrative investigation, and the investigation that's going to take place now?

Mr. Patrick Borbey: I'll let Mr. Roy talk.

Mr. Yvan Roy: Your asking us, to some extent, to prejudge what the commission is going to produce. I'm not going to go there.

I can tell you that there are a number of things in reference to the commission that, if Commissioner Major is able to deliver on, will be of assistance to this government and this bureaucracy now.

As a case in point, the government is asking Commissioner Major to help us with how, in a court of law, we transfer what is intelligence into evidence. I can tell you that when I was in the Department of Justice five or six years ago, we were very much concerned about this, and we did not know how to do this. We have now a former Supreme Court of Canada justice who is going to be spending some time trying to give us some elements as to how we're going to be able to come up with a scheme that is workable.

He will perhaps be able to tell us how we turn a mega-trial into something that is more manageable. If he's able to come up with things of that nature, it will be worth every penny that is being spent on this. On top of that, I think this provides a forum for people who feel they have not received the kind of attention that the government should have given them, and it provides that forum so that Canadian people as a whole will be able to come to some understanding of what ought to have been done in 1985 and before, and therefore what we should be doing in the future to prevent something like this from happening.

I said I was not going to answer questions of the nature of why we are doing this. I guess I have crossed that line a little bit, but I happen to think that the government is doing something that is going to be worthwhile.

• (1220)

Mr. Daryl Kramp: Fine. Would it be within the boundary of your assessment, then, to suggest that, at a bare minimum, this could be a template for how we might proceed in the future, so as to avoid duplication, so as to avoid inefficiencies, so as to provide results for the electorate?

Mr. Yvan Roy: I certainly agree wholeheartedly with that statement.

Mr. Daryl Kramp: Thank you very much.

The Chair: You have just about two seconds.

Mr. Daryl Kramp: Two seconds only? Actually, my next question is going to require more than that, so I'll wait, Madam Chair, till the next occasion.

Thank you.

The Chair: Thank you.

Monsieur Bonin.

Mr. Raymond Bonin (Nickel Belt, Lib.): *Merci, madame la présidente.*

Messieurs Roy et Borbey, madame Roy, when you address the cross-departmental coordination, you speak of forming and maintaining deputy minister committees, and the writing here says, "Ensure a greater cross-departmental coordination and coherence..."—everybody wants that—"...in the execution of the Government's policy agenda".

Now, the policy part of it is what concerns me. Which committees will be maintained, and how will we know what policy they are developing? My understanding of these committees is that there are no records, and we don't have access to the work that they do. To be blunt, I'm concerned that they would be developing policy for government and for this country in secret.

Mr. Patrick Borbey: A number of committees fall under the umbrella of what's called a coordinating committee of deputy ministers. That's the overall committee chaired by the Clerk of the Privy Council, and then you have a series of committees that each have a specific function. I can talk a bit about that if you want and I'll try to do it as quickly as possible.

The Committee of Senior Officials, COSO, acts as the human resource committee for the senior executive cadre of the public service. Again, it's chaired by the Clerk of the Privy Council, and so a number of deputy ministers.... This is to focus on the deputy minister, associate deputy minister, and assistant deputy minister level of government.

The Treasury Board portfolio advisory committee brings together the members of the portfolio, so there's the agency we talked about earlier, PSHRMAC, the Treasury Board Secretariat itself, the school of the public service, and a number of deputies who advise on how they can contribute to the public service. For example, new learning strategies associated with the implementation of the Federal Accountability Act would be developed and advised on at that level.

A special committee has been created by the clerk and is chaired by Margaret Bloodworth, the associate clerk, and that's called the public service renewal committee. It will be focusing its attention on that challenge we talked about before, which is, how do we proceed with renewal? What are the specific strategies, programs, activities we can focus on there?

There's the Human Resource Management Advisory Committee, which focuses on all the human resource policies. For example, the new act, the Public Service Modernization Act, would have been their responsibility.

En suite, you then have three committees focused on specific policy areas: economic, prosperity, environment, and energy is one; social inclusion and justice; and global affairs, security and human

rights. They focus on more of the bread-and-butter policy and program in advising the government.

Mr. Raymond Bonin: When you say deputy ministers' committees that will strengthen decision-making and integration on both policy and management issues, are you saying it's to implement policy already established by law or are you talking about developing policy in these committees?

Mr. Patrick Borbey: It's more the latter, more development, but it doesn't exclude orderly implementation.

Mr. Raymond Bonin: Is it to put in motion policy decisions that have been decided by the House, or is it to discuss policy that would affect future decisions of the House?

• (1225)

Mr. Patrick Borbey: It's mostly to work in a coordinated way on developing the options and the policy recommendations the government will then look at from an executive perspective.

Mr. Raymond Bonin: Policy could be developed strictly by bureaucrats unknown to elected people, because these committees are not public committees and they don't share their records or information with me, the backbencher.

Mr. Patrick Borbey: One of the fundamental roles of the public service is to develop policies, proposals, and options and analyze them and make recommendations to the government of the day.

Mr. Raymond Bonin: As you develop it, I don't have access to it until you have developed it.

Mr. Patrick Borbey: You will have access to it at the point where the government decides it wants to put forward a proposal to Parliament. For example, a piece of legislation is tabled in the House.

Mr. Raymond Bonin: Then we fall back on the fact that a committee only recommends. I guess that's the answer. It's something to be concerned about for us.

[Translation]

The Chair: Mr. Roy, you wanted to say something.

[English]

Mr. Yvan Roy: I can try to add to the answer given by Mr. Borbey.

One of your colleagues on the other side was referring earlier to Bill C-2, and we were talking briefly about the role of the accounting officer, who happens to be the deputy minister. That bill, if passed, will create in legislation the requirements for the deputy minister to come before a parliamentary committee when called upon and to answer questions having to do with the very measures you're concerned about.

If you wish to go back to the text itself, I would refer you to page 187 of the bill as passed by the House. That would become section 16.4 of the Financial Administration Act once passed. There is a legal obligation as opposed to being the practice. As I was answering the question I was indicating that in practice deputy ministers appear before committees and explain what they have been doing with the resources they have. It's going to be in legislation, and once a parliamentary committee wishes to see a deputy minister he or she will appear and will answer those questions for you.

Mr. Raymond Bonin: At the same time as these committees are developing policy, our committees are also developing policies. The difference is that one is doing it in camera, and we, the elected people, do it publicly.

Is it not a concern to anyone that policy developed in camera—really, in secret—when it comes to a head, is fully debated by that sector and has more chance of being implemented than policy developed in a committee in public meetings that invite the public to react from the beginning of discussion, if they don't agree with the way our committee is going?

Mr. Yvan Roy: Madam Chairperson, may I try to make two points with respect to Mr. Bonin's question?

The Chair: Yes, please do.

Mr. Yvan Roy: The first point is that the policies developed by the bureaucracy are done on behalf of the government—that is, the executive branch of government—and these policies cannot be in contradiction with the laws that have been passed by Parliament. They have to be in accordance with them.

Point number two is that through the minister—and in the case of those I'm talking about here, as per what will become section 16.4 of the Financial Administration Act—there continues to be accountability, i.e. an obligation to answer questions.

If there is disagreement on the part of parliamentarians about what has been done, you have the means to remedy these things.

Mr. Raymond Bonin: After it's done.

Mr. Yvan Roy: After it's done, but that's the accountability principle at play in those circumstances.

Mr. Raymond Bonin: Okay, thank you.

[*Translation*]

The Chair: Thank you.

Ms. Thibault.

Ms. Louise Thibault: Thank you, Madam Chair.

I would like a clarification. On page 30 of the Supplementary Estimates, Part III, Reports on Plans and Priorities, in the section regarding decreases, we see "\$2.5 million decrease related to the sunset of funds for the operations of the Action Plan for Official Languages".

I would like to know what this refers to, because in an area such as official languages, a great deal can be done with \$2.5 million. Does this decrease target minority groups or whatever it may be?

Mr. Patrick Borbey: These are special credits that had been granted for a one-year period, and which were to be used to conduct polls or studies by Statistics Canada. This was set up as a one-time investment. So, this is represented as a decrease, since these funds are no longer required but it is not a decrease in activities.

• (1230)

Ms. Louise Thibault: You are no longer conducting those polls or studies.

Mr. Patrick Borbey: The expected time period for this activity was one year. So this was part of last year's budget. The project is now completed, and the votes are no longer required.

Ms. Louise Thibault: Thank you very much.

My next question may be more for Mr. Roy but anyone at the table may respond.

Mr. Roy, I understand quite well that you are talking about the future and I greatly appreciate the fact that you're doing so with enthusiasm and energy. Earlier, we addressed the issue of demographic data which indicated that we need to be prepared because public servants will be hitting the magic age for retirement and will be leaving the public service.

I want to refer to the same document on your plans and priorities, this time on page 12. I want to read it:

Supporting the renewal of the public service to improve approaches to recruitment, development of management. Focus on leadership, including team work, mentoring, training, development and celebrating excellence...

Sir, things were also done in the past, quite major exercises within the public service whereby managers looked at everything. They took part in it. I remember *La Relève* task force under Mr. Peter Harrison, among others. But the way this is expressed here—and I don't think it's intentional—may lead someone to believe that this is a new initiative.

Amounts will be allocated to this, (*inaudible*). I would like to know how you intend, you and your partners in the departments, organizations and agencies, to use past experience. Over the years, there has been endless reference to best practices; this is the vocabulary being used. Surely this is somewhere, surely this was useful, surely there were some successes, and so forth.

How will you amalgamate all this, instill this so-called new momentum, since you are tying this to Bill C-2, the Federal Accountability Act. I am not criticizing the bill but even without it, things were done in the past. Some things worked well and some things need improvement. But how will you take that into consideration? That is my question.

M. Yvan Roy: Mr. Borbey is dying to answer that.

Mr. Patrick Borbey: Improvements are really the result of continuous work, initiatives for example such as the one you mentioned called the *La Relève* task force. Yes, many good things came out of programs in order to train the next generation; I talked a little bit about this earlier. The Accelerated Executive Development Program is another one of them. Between 200 and 300 executives, including myself, took this program and benefited from internships at other departments and worked in other capacities. Added to this is the whole aspect of learning. We call this learning bags: six or seven executives meet, talk about a problem in a safe environment, so to speak.

We also do more coaching and mentoring than we did 15 or 20 years ago. *La Relève* task force gave us this; other reforms were undertaken in the past. We all realized, too, that the human resources management framework in the public service had to be modernized. It's thanks to exercises such as *La Relève* that we realized that we didn't have the tools needed. So, new legislation was adopted giving managers greater flexibility and greater capacity to face challenges. I think that what we want to do is to build on our past successes and, as you said on best practices, and there are many. We invented the learning bags for this program; a method that is now used at all levels within the public service. Even assistant deputy ministers meet from time to time to engage in this kind of exercise.

What we want to do is benefit from past successes and face new challenges.

Ms. Louise Thibault: And such improvements continue—I understand that some activities cost nothing: for example, when a small circle of five or six people meet for lunch or an evening, it doesn't cost taxpayers anything—have you determined the cost of this? There will be some costs, that's expected.

Mr. Patrick Borbey: I don't have any details about this. Perhaps the public service Human Resources Management Agency of Canada would have answers. As you say, there are costs associated with training.

• (1235)

Ms. Louise Thibault: Under your plan, the plan of the Privy Council and its partners, you're confident that you can fill any anticipated void at any given time. When you say that we no longer have enough qualified resources, I think it's fair to add that we no longer have enough qualified, bilingual resources representatives of all groups in our society, meaning minorities, the handicapped, men, women, the Aboriginals and so on.

Ultimately, you're confident in saying that there is no shortfall, that you have succeeded in eliminating what could have been a shortfall.

Mr. Patrick Borbey: There are no guarantees, but we can certainly say that time will allow us to meet this challenge. However, we are no more scared of this challenge than of any other. Canadian society as a whole must face such a challenge. I recently took part in work in this area along with my international counterparts, and I noted that we are all facing similar challenges.

Ms. Louise Thibault: I agree with you when you say that this is a challenge facing society as a whole. However, with the thousands of employees that make up the public service and with Treasury Board as a mega employer, past shortages were anticipated quite some time ago. So, steps should have been taken a long time ago to ensure there would be no such shortage. Taxpayers expect nothing less from any business of this size.

The Chair: Thank you, Ms. Thibault.

[*English*]

Mr. Albrecht, please.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Thank you, Madam Chair.

I want to follow up for a few minutes on this idea of cross-departmental coordination. I think I see it slightly differently from

my colleague across the way. One of the criticisms that I feel, and that I've been guilty of making myself, is that there are so many individual ministries that are almost like silos doing their own thing, but there's not enough cross-departmental cooperation. I want you to confirm for me whether my thinking is correct on this because, for me, it would seem a great advantage to have those departmental deputy ministers discussing, at an early stage, the implementation or the production of some new policy matters that will eventually come up. Obviously one department may take the lead on an issue, but for example, in the area of bioproducts, that issue could affect agriculture, it could affect health, it could affect transportation or the environment. So for me, this idea of cross-departmental deputy ministerial committees is a good one.

I would like you to help me understand if that's the kind of negotiation or discussion that goes on in those committee meetings, as opposed to actually developing a hard and fast policy that will be implemented tomorrow.

Mr. Patrick Borbey: Well, I'm not a member of the committee, so I can't tell you from my own experience, but certainly I think it is a mix of all. Those committees need to look into the future, to look at the needs not just for today or tomorrow but for 10 years, 15 years, into the future of the country. They also need to look at today and the immediate issues that are confronted, whether it's BSE or some of these other crises. A pandemic is a good example. How are we all going to work together to deal with a pandemic crisis? The only way you can do it, I think, is to bring in all the experts, the people who have the individual expertise who can contribute to a whole-of-government solution. Some of it is probably short term, but hopefully a lot of it is also prospective into the future.

Yvan, I don't know if you've had experience working with the committees. You may be able to add to that.

Mr. Yvan Roy: I've been in the area of policy development for 15 years. Do you know that it is more complicated today than it was 15 years ago? If I thought I had all the answers to those questions, I would be kidding myself.

The idea here is a very simple one. Let's bring together those who may have an impact on these things and let's come up with something reasonable and see if, once tested, we have come up with the right thing. We're accountable for those policies that are put together.

What the clerk is trying to do, even at the most senior level, is to have that kind of expertise present. When you're talking about the environment, you're not only talking about a department, you're also talking about the whole of the government. When you are talking about transport, it's not only about transport. It's exactly the example that you were giving me.

That's all the government is trying to do, and the clerk is trying to implement something like this at the most senior levels. I think it's worthwhile. We were producing good results.

•(1240)

Mr. Harold Albrecht: I'd just like to go on record as saying, on behalf of this committee, or at least for me, that I think from a political perspective as well as at an executive level, it is important for Canadians to know that this kind of dialogue happens, because too often I receive the criticism that this department isn't.... To me, it's encouraging to hear your presentation. Thank you.

The Chair: Okay, we will go to Mr. Bains.

Hon. Navdeep Bains: I'm not sure if this has been discussed, and I don't believe it has: public service neutrality. We talk about Bill C-2, the increased accountability of deputy ministers and the impact it would have on the public service and on their ability to make decisions, and specifically the neutrality. Ministers are obviously partisan. They represent government. They have a political affiliation and they make policy and they're held accountable in a different light, and the buck stops with them. With Bill C-2 and the proposed changes to the Accountability Act and the increased accountability for deputy ministers, does that impact, in your opinion, the neutrality and their ability to function in that fashion?

Mr. Yvan Roy: I have looked into Bill C-2 quite carefully. I'm not one of the architects of Bill C-2, but in my job I've had to be careful with it and to analyze this carefully. I can only give you what my view is of the matter around this. In my view, the neutrality of the public service is not, in any way, shape, or form, jeopardized by this piece of legislation.

I will go back to first principles. The public service is there to serve the government of the day with respect to the policies that this government wants to put forward, but never, ever in a partisan way. What we're doing is providing options, providing advice on those options, providing different variations on themes, but it is always the government that makes those decisions. That is the reason the policy development on that side of the operation remains something that takes place between the bureaucracy and the government of the day.

What Bill C-2 is saying is that we are going to get the deputy ministers, who are not political actors, to go before parliamentary committees and explain how they manage the resources that have been given to them. That, to my way of thinking, sir, has nothing to do with politics. It has a lot to do with good management, and there is, therefore, nothing partisan that would, in any way, shape, or form, infringe on the neutrality, so to speak, of the public service.

That is what this piece of legislation is doing. Let's face it, it is putting into legislation what has been the practice for the past 100 years, and it's good that it's now in legislation. Once called upon, deputy ministers will appear before committees and will explain how they manage the resources, not the advice they have given to ministers because that falls into a different category, and rightly so, in my humble estimation. With respect to the resources, we'll come to tell you how they have been spent.

Hon. Navdeep Bains: Thank you very much. I appreciate that.

The Chair: Mr. Warkentin.

Mr. Chris Warkentin (Peace River, CPC): I'm good.

[Translation]

The Chair: Ms. Thibault.

Ms. Louise Thibault: No, it's okay. Thank you.

[English]

Ms. Olivia Chow: In the estimates there's a transfer of \$6 million to Treasury Board Secretariat and \$3 million to HRSDC. Can you describe the restructuring? For example, in HRSDC, what policy research initiative has been transferred?

Mr. Patrick Borbey: The organization that was transferred is called the policy research initiative.

•(1245)

Ms. Olivia Chow: What does it do?

Mr. Patrick Borbey: It was created a number of years ago to provide a space where public servants can talk about public policy trends, look at the future, bring people from other levels of government and other countries together to have discussions on things like, let's say, aging of the population, equality, diversity—big social trends, as well as some economic, even issues of water management. That then produced conferences, reports. There's a quarterly publication that's produced by the organization.

It was felt that PCO needed to be there at the beginning of the initiative a few years ago because we felt we had lost some of our capacity in terms of policy development, especially the longer-term prospective policy development. We nurtured it for a number of years and then we felt that it was no longer really a core responsibility for PCO. We've now asked the HRSD department to take it over. We've also created a board of deputy ministers to be the advisers in terms of guiding the organization into its future.

So that describes it. There were about 35 or 40 employees involved in that transfer.

The transfer to the Treasury Board Secretariat relates to the government regulations secretariat. Basically, a few years ago the responsibility for approving regulatory changes was transferred from PCO, from a committee that was called Special Committee of Council, of ministers, to the Treasury Board. This basically just allows it to catch up to the new reality, which is that the Treasury Board is where those decisions are made; therefore, the secretariat supporting that should be there.

There's also a group of communications advisers or coordinators that are present in every region, and we felt again that this fit better with the Treasury Board Secretariat than with PCO. Having a network of regional offices for a very small and focused central agency is not part of our core mandate, so again we transferred that responsibility. There are about 35 employees involved there across the country.

Then there was also a smart regulation initiative that had been going on for a number of years, and we provided a secretariat for that. Again, we felt it was the same argument as before, that the responsibility for regulation is Treasury Board; therefore, that small secretariat and the work associated with it should go with Treasury Board.

Ms. Olivia Chow: What about aboriginal affairs? That secretariat also has been moved?

Mr. Patrick Borbey: Yes.

Ms. Olivia Chow: Perhaps you can describe it, and then I can question why.

Mr. Patrick Borbey: There was a special secretariat created a couple of years ago by the previous government to ensure, again, coordination of an aboriginal agenda. There are dozens of departments and agencies that contribute to the government's aboriginal agenda, INAC being the biggest one, but there are many others. So it was felt there was a need for some coordination work at the PCO.

It culminated in all of the work that went into the Kelowna agreement, and after that it was felt that it was mostly implementation issues. We were also diluting, again, the responsibility and accountability. We've asked INAC—Indian and Northern Affairs Canada—to play that lead role using committees, whichever way they can, to bring all the other departments together. So again, there were 15 or 16 employees, I believe, who were involved in that transfer and who are now employees of the Indian and northern affairs department.

Ms. Olivia Chow: What would water management have to do with HRSDC, for example? Wouldn't the policy framework, whether it's aging or environmental or economic, be the foundation from which a lot of decisions of many different departments would follow? Therefore, wouldn't it make more sense in the aboriginal situation...? Again it does cross a lot of departments, and we just spent a bit of time talking about cross-department coordination and trying to execute a government's policy agenda.

With respect to the transfer of those areas I've mentioned, and there are a few more that I can talk about, wouldn't that in fact decentralize it in a way that it no longer would have the coordination that you're seeking, especially on the policy front, such as socio-economic trends and water management? That absolutely connects with many different departments. Why would it be in HRSDC, or why would it be aboriginal affairs that goes completely into Indian Affairs? It does connect with other departments. For example, it connects with HRSDC in their spending on children's services, for example, especially aboriginal young people and children. It connects with their budget and their implementation of their policies. Wouldn't having this pulled out from the PCO impact on other departments, so that in fact there would be even more silos rather than a clear coordination?

• (1250)

Mr. Patrick Borbey: Having it at PCO does not necessarily automatically mean that we get better policy research. What counts is that you have the right program with the right governance and the involvement of the right people around that governance. As I mentioned before, there's a board of deputy ministers that now helps guide the policy research initiative such that it is investing its resources in the right kinds of research areas. They don't have to be necessarily only linked to the HRSD mandate.

[Translation]

The Chair: Mr. Roy.

[English]

Mr. Yvan Roy: If I may, I would like, Madam Chairperson, to put this on the record. I would not want to leave the impression or convey some perception that a group is taken out of PCO because it is not sufficiently important, or that these people were not doing anything useful. It's quite the contrary.

The logic that presided over that reorganization, it seems to me, is fairly simple. The clerk asked what primary role is PCO supposed to be playing. The role is one, as we say, of challenging. Well, you cannot challenge something that you have produced yourself, because by definition you will think that it's the best thing in the world. So what he was trying to do was to bring those organizations that were helpful and were doing good work in PCO to the place he thought they would be clearly—what I will call for the sake of the discussion—at home.

When we're talking about social trends, HRSDC is where they should be, and they're supposed to work in collaboration with other departments in a horizontal fashion. There is no need for these people to be in PCO in those circumstances, because we cannot challenge what they're doing. PCO in its current incarnation is then in a position, with respect to that group that you're talking about or the secretariat that was dealing with aboriginal issues, to play its true role, which is to challenge their policies for the purpose of making sure we have the best product possible.

That is the logic that presided over this whole transfer. It was no more and no less. They are good people who are doing good work that is valuable for Canadians, but their home is elsewhere. Perhaps when they were brought into PCO earlier, there was a good reason for it. But looking at the circumstances of the environment as we saw it, we thought that it would be better for them to go back to where they're supposed to be and for us in PCO to play our traditional role, which is to coordinate, be coherent, and challenge. That's the reason these changes were made. It was not with a view to cutting positions or anything of the sort, but rather to make this a little closer to what the PCO role ought to be.

The Chair: Thank you very much.

Are there any other questions that you wish to ask of our invited guests?

Mr. Merasty.

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): On the point she just made concerning challenging and coordinating, I can understand the arguments given there; however, you have Health, HRSDC, Justice, Industry Canada, Indian Affairs, and so on all doing the work, as you mentioned, in their own areas. What kind of challenging, then, is being done by PCO to ensure that they are performing the right type of policy discussion? They're so overlapping in nature; could you expand a bit on how some of that challenging is occurring?

Mr. Yvan Roy: I'll give you an example that is close to my heart. I was at Justice for 20-some years. I'm now someone who is not a Justice lawyer but is rather working in PCO. My job as counsel to the clerk is to challenge the views that Justice brings to the table, just to see whether they are what we think they ought to be.

This goes back to how lawyers operate, frankly. We like to have a debate, because out of the debate comes, we think, the best solution. That's the challenge function at its best—ask questions. What do you mean by that? Have you covered that angle? Are we in agreement with this? Once everybody is in agreement, we happen to think it has to be something that is pretty good.

Is it perfect? Never. But at least we have satisfied ourselves that we have elevated the debate to the level of having the kind of discussion that produces good, sound policy, which we then bring before Parliament in the hope that you will agree with us.

•(1255)

The Chair: Thank you very much. Is that it?

I want to thank our guests. It's been some time—and I don't know whether it's happened before—since PCO officials have appeared before a House of Commons committee. It may have happened, but I know it doesn't happen very often. I thank you for coming. We appreciate your visit.

Mr. Yvan Roy: We'll come back. We enjoyed it.

The Chair: You enjoyed it? Maybe the next time you won't enjoy it so much. You never know.

I want to remind the committee that there is a meeting with a delegation from Indonesia tomorrow at the Wellington Building, from one to two o'clock. If as many of you who can were to come, it would be appreciated.

We will be sending out a notice for next Thursday's meeting. We will be dealing with the draft report on accrual accounting. We will also be looking at the estimates and voting on them.

Thank you very much. The meeting is adjourned.

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