



House of Commons
CANADA

Standing Committee on Public Accounts

PACP • NUMBER 030 • 2nd SESSION • 39th PARLIAMENT

EVIDENCE

Thursday, May 1, 2008

—
Chair

The Honourable Shawn Murphy

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

Standing Committee on Public Accounts

Thursday, May 1, 2008

• (1105)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): I'd like to call this meeting to order. On behalf of the committee, I want to extend a warm welcome to our witnesses.

This meeting is broken down into two separate meetings, really. We're going to have a one-hour meeting with the new Parliamentary Budget Officer, Kevin Page. He's accompanied by Mr. William Young, the parliamentary librarian, and Mr. Sahir Khan, also with that particular office. I understand he is a new employee.

I have a few remarks by way of background, colleagues. The Parliamentary Budget Office was just established in the last several weeks. Authority for this position came from the federal Accountability Act. It's my belief that the impetus for the creation of this particular office came in part from some of the inconsistencies in federal forecasting that we've seen in the federal government. It's fair to say that over the past 10 years a lot of our revenue projections have been out by anywhere from \$10 million to \$15 million.

However, there were reports, particularly one by Mr. O'Neal, that confirmed some of the methodology used by the Department of Finance. In any event, Parliament does approve its budget and its spending allocations based upon certain assumptions delivered to Parliament by the Department of Finance, and if these assumptions do not prove to be correct, then of course the credibility of Parliament itself becomes eroded. On the other hand, it would be difficult to see a situation where we would replicate the Congressional Budget Office, as we see in the United States, or replicate the whole budgeting and forecasting apparatus that exists in the Department of Finance.

So the office has been established. Mr. Page is new on the job. I'm not so sure the job description has been totally defined. We're very pleased to have him with us for an hour. I understand both he and Mr. Young have opening statements, and I'm going to turn the floor over to them. Who will go first, gentlemen?

Mr. Young.

Mr. William R. Young (Parliamentary Librarian, Library of Parliament): Thank you, Mr. Chair and members of the public accounts committee. Good morning.

I welcome the opportunity to appear before you. As you mentioned, I'm here today with Kevin Page, Canada's first Parliamentary Budget Officer. As you're aware, Parliament legislated these new functions, creating an officer of the Library of Parliament, a position that would operate within the library's established mandate

of providing authoritative, reliable, non-partisan, and independent knowledge and information to parliamentarians. For me, and I think for you as parliamentarians, the creation of a Parliamentary Budget Officer constitutes a significant initiative to strengthen Parliament's ability to hold the executive to account.

[Translation]

As the oversight committee for the Public Accounts of Canada, I believe that you can play an important role in making the Parliamentary Budget Officer an effective instrument for Parliament, one that complements, not competes with the work and resources currently available to improve Parliamentarians' understanding of the fiscal position of the Government.

[English]

What is fundamentally important is that a Parliamentary Budget Officer adds value to your work. As such, I know we would benefit greatly from your insights as we begin implementing new services through this new office and officer.

[Translation]

In fact, I might suggest exploring a consultative approach as a vital part of the Library's efforts to shape these new functions to serve Parliamentarians effectively.

[English]

An ongoing informal dialogue with members will help us deal with the questions that will certainly arise as statutory provisions are interpreted and given life through the delivery of this new service. What are the specific needs and requirements of parliamentarians? How should priorities be set in the face of competing demands?

Who better to answer these questions than the clients of these services? I hope you agree.

Kevin Page, the individual who took on the challenge of being Canada's first Parliamentary Budget Officer, started work with us just after Easter. For those of you who may not have seen his curriculum vitae, copies are available.

Kevin is one of very few individuals with experience working on relevant fiscal forecasting, policy, and expenditure portfolios within all three economic agencies of the federal government. This broad perspective will be of tremendous value to parliamentarians, and certainly, if required, to this committee.

[Translation]

As you will see, Kevin is a "people person" with a good sense of humor and a great reputation.

[English]

His phone is already ringing with calls from skilled professionals from both inside and outside government who want to work with him. I think this is great news for Parliament. It's also a huge opportunity for us to build the library's research capacity and to add value to the services we already provide to parliamentarians.

Thank you, again, for your invitation.

The Chair: Thank you, Mr. Young.

I'm going to ask Mr. Page for his opening remarks.

But before I do that, on behalf of all members of the committee, I want to congratulate you on your appointment and wish you all the best in your new role. Perhaps, Mr. Page, if you don't mind, you could introduce Mr. Khan and also tell us what his particular responsibilities will be. I understand that he's relatively new to your office.

• (1110)

Mr. Kevin Page (Parliamentary Budget Officer, Library of Parliament): Mr. Chair and members of the committee, thank you for giving me the opportunity to speak to you today. I would also like to thank the parliamentary librarian, Mr. William Young, for all his efforts in implementing the position to increase the Library of Parliament's capacity to serve Parliament, and Mr. Allan Darling, who's not here today, a retired senior public servant who worked diligently with the parliamentary librarian to make this position a reality.

Mr. Chair, the office of the Parliamentary Budget Officer underwent a 33% increase in staffing this week with the hiring of one of two directors, the director of expenditure and revenue analysis, Mr. Sahir Khan. Mr. Khan has experience in the government with two central agencies: Treasury Board Secretariat and the Privy Council Office. But he also has a long résumé in the financial community, working in New York City, in consulting firms in the area of turnaround environments. So I welcome Mr. Sahir Khan, our first new director.

We will also have a 25% increase in our staff next week with the addition of another director, the director of economic and fiscal analysis, Mostafa Askari. Mr. Askari will start on Monday. He also has substantive experience in the government. He's working now at Health Canada, but he has worked at the Department of Finance as well. He has also worked at the International Monetary Fund and at the Conference Board of Canada. So he'll bring wide experience in the area of fiscal analysis, economic analysis, and forecasting.

[Translation]

In my opening remarks, I would like to take the opportunity to tell you how I approach the work of the Parliamentary Budget Officer. I have four messages. They are the same that were recently given to the Standing Joint Committee on the Library of Parliament and to the Standing Senate Committee on National Finance.

[English]

It is an honour and a privilege to serve Parliament. Thank you for giving me this opportunity. We also have an important and timely opportunity to move forward with the role of the Parliamentary

Budget Officer. The building process will take time. Today marks an early but important step in the consultation process.

I am honoured to be Canada's first Parliamentary Budget Officer and to be an independent officer within the Library of Parliament, an institution with a long and prestigious history in Canada that has a tradition of providing objective, non-partisan analysis and advice to Parliament.

[Translation]

It is important that members of the Joint Committee be comfortable with me as their Parliamentary Budget Officer. Trust must be accompanied by professional, unbiased and competent advice for me to be an effective servant of Parliament.

[English]

As the parliamentary librarian has noted, I have spent more than 25 years in the federal public service. Many of these years were spent in central agencies where I had the opportunity to work with others in the provision of advice related to economic, fiscal, and expenditure management issues. This is my first opportunity, however, to work as an independent officer of the Library of Parliament. I have lots to learn about how Parliament works, and I am looking forward to serving and working with you in this new capacity.

[Translation]

I believe we have an important and timely opportunity with the creation of this position of Parliamentary Budget Officer. The importance stems from Parliament's "power of the purse", which is a fundamental feature of democracy.

[English]

The genesis and momentum for the creation of the Parliamentary Budget Officer role reflect a number of important concerns expressed by parliamentarians over the past decade. The chair has noted some of these. First, there were concerns that the size of fiscal forecasting errors was hindering public and parliamentary debate on budgetary choices. Second, there were concerns that more was required to strengthen accountability and effective scrutiny by Parliament of government spending and future spending plans. Third, there were concerns that private members' bills needed to be costed early in the legislative process and better integrated in the budget-making process.

[Translation]

The mandate of the Parliamentary Budget Officer is outlined in the Accountability Act, and it is now part of the Parliament of Canada Act. It has three components.

[English]

The first is providing objective analysis to the Senate and the House of Commons about trends in the economy, the state of the nation's finances, and the estimates of the government. The second is providing related research, when requested, by a committee of the Senate or the House of Commons, including the House of Commons Standing Committee on Public Accounts. And the third is estimating the financial costs of proposals introduced by a member of either House other than a minister of the crown or by a committee.

The mandate includes one important provision that gives the power of the Parliamentary Budget Officer access at convenient times to any financial or economic data in the possession of the department, which is required for the performance of his or her mandate. This will stretch the budget of the officer and the analytical capacity of the supporting team. Mr. Khan is quite happy we have that provision.

• (1115)

[Translation]

I believe the creation of the position of Parliamentary Budget Officer comes at an opportune time.

First, the economic and fiscal situation of Canada is relatively strong as measured by many macroeconomic indicators. It can be argued that it is better to launch this role in a period of relative economic strength rather than weakness.

Second, we are in a Parliament with a minority government. Political scientists such as Professor Peter Russell have noted that this encourages debate about budgetary choices as well as negotiation and compromise on legislation.

[English]

Professor Russell will be speaking at the library's distinguished visitor series this Friday from 9 a.m. to 10:30 a.m.

As we look ahead, we can envisage many important and interesting debates. These include current debates about the impact of the weaker U.S. economy on Canada's economy and fiscal situation and the adjustment pressures in manufacturing related to a high dollar and high input prices. They also include important longer-term debates about raising the living standard in Canada; ensuring balanced income growth amongst Canadians; addressing the issues related to aging demographics; ensuring environmentally sustainable economic growth; and realigning fiscal resources to new priorities in a balanced budget framework.

As well, as we have seen in recent years, particularly by the work of this committee, there are always challenging initiatives that are launched by government departments and agencies with good intentions, which benefit from additional scrutiny by Parliament. In these types of cases, the Parliamentary Budget Officer should play a positive role in supporting Parliament through the provision of financial analysis based on best practices.

Building the capacity to support the mandate of the Parliamentary Budget Officer will take time. A number of months are required to build and integrate new analytical capacity within the Library of Parliament. That process has started. With the 2008 budget tabled and the 2008-09 estimates now before standing committees, the next key milestone in the normal budgetary cycle for the Parliamentary Budget Officer will be the 2008 economic and fiscal update in the autumn and the 2009 pre-budget consultations.

[Translation]

One can envisage a number of overlapping phases of development in the building process: first, a consultation phase with Parliamentarians on priorities and potential outcomes, as well as consultations with departments and agencies on the way we will exchange information;

[English]

secondly, there will be a team-building phase in which the office will be staffed within the Library of Parliament to serve parliamentarians; and thirdly, there will be an implementation phase in which products and services are provided to parliamentarians.

[Translation]

In the context of establishing the role of the Parliamentary Budget Officer, a number of concerns have been raised publicly, including concerns about the independence of the advice, the size of the budget for the position and whether or not the Officer will provide independent forecasts.

[English]

In this regard, I wish to note that the Parliamentary Budget Officer will maintain the tradition of the Library of Parliament in the provision of independent, non-partisan advice. I will utilize all the resources provided to it in the most effective manner possible, which includes leveraging current resources in the library, in federal departments and agencies through the provision of information, and to external stakeholders interested in serving Canadians. I will work with private sector forecasters and the Department of Finance to ensure that there's a satisfactory comprehension and oversight by parliamentarians on the economic and fiscal outlook, the related risks, and the implications for fiscal planning and budgetary choices.

[Translation]

As I close, I want to thank you for giving me this important opportunity to open the dialogue on the implementation of the role of Parliamentary Budget Officer.

• (1120)

[English]

It will be an honour and a privilege to support your efforts to ensure that the revenue and spending measures that are authorized by Parliament are fiscally sound, that they meet the needs of Canadians with available resources, and that they are implemented effectively and efficiently.

I am looking forward to hearing the views of honourable members on their expectations for the office and how it can best support their activities.

The Chair: Thank you very much, Mr. Page.

Colleagues, we're going to have one round of six minutes each. That's two Liberals, two Conservatives, one New Democrat, and one Bloc member.

We'll go to the first member of the Liberal Party, Mr. Wrzesnewskij, for six minutes.

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

Welcome, Mr. Page. I expect we'll be seeing you relatively often at this committee.

Mr. Page, you've arrived at a very interesting time, an exciting time in a lot of ways, and you perhaps have started planning ahead. What sort of capacity do you believe needs to be put into your office to be able to do your job properly in terms of economic forecasting and with regard to budget analysis, and then providing committees or parliamentarians with budgetary options on top of the costings of private members' bills?

It seems to be a pretty full plate, so you must be prioritizing some of those roles, and there will most likely in the near future be a wish list of the types of resources you would require to be able to do a good job of these very important analyses.

Mr. Kevin Page: Thank you for the question, sir.

In terms of the capacity we'll need and how we will go about putting this capacity in place, as I said, the first phase is the consultation phase. It's really important that we take full opportunity for these types of meetings and have opportunities to meet with you individually or in groups so that we can get a better sense of those priorities in order to best serve you. I think that's actually a very important step.

Second, we've already started, as I've noted, with the hiring of Mr. Khan, one of the directors for revenue and expenditure analysis, and another director, Mostafa Askari, to help us with the economic and fiscal analysis. I consider it a very key step within the first month to hire the management team.

These are both folks who have extensive backgrounds in government and in the private sector in dealing with the kinds of issues that have been highlighted in the mandate, as you noted, sir—economic and fiscal trends, costing and related issues, and additional support on scrutiny with respect to the estimates process. Over the next several months, in addition to the consultations, there will be some additional hiring; we will go out and try to build the teams under Mr. Khan and Mr. Askari so that we have that kind of capacity.

We're also looking at building relationships with government departments and private sector forecasters as well in order to carry out this mandate. That will be a big part of our momentum going through the summertime. We're hoping that by the fall we will be partially staffed up and will have built these relationships with our private sector colleagues and with departments, particularly in terms of establishing those protocols for the provision of information, so we'll be in a place to actually start providing information as we look towards the 2009 budget.

Beyond then, sir, I have a hard time in terms of what those additional steps would be, but again, come the fall, we'll have built sufficient capacity for us to hope to play a role in helping you with respect to the implementation of the mandate.

Mr. Borys Wrzesnewskij: In regard to economic forecasting, we've seen the difficulties in the past that the government has had in providing accuracy. When you take a look south of the border at the U.S. Congressional Budget Office, have they been able to better forecast future economic trends and conditions than the executive branch of government? Have they been closer to the mark, especially in this last period?

We've seen how widely off the mark our last budget forecasts with the executive branch here in Canada were. I believe they were

estimating 2.4% growth for this coming year; they've downgraded it this year to 1.7%, and it now appears that economists are saying 1.1%. Was the Congressional Budget Office better able to provide accurate information than executive branches? In other countries that have offices such as yours, does the level of accuracy tend to be more accurate than that provided by projections from the executive branches of government?

• (1125)

Mr. Kevin Page: Thank you for the question, sir.

First of all, I'll just comment about the reputation of the Congressional Budget Office: it is stellar. It is a highly used institution, perhaps even a model that we can aspire to, even though it exists within a very different system, a congressional system versus our Westminster system.

I don't have statistics today to tell you how the Congressional Budget Office has fared in terms of its projections one, two, or three years out relative to the executive, or in fact even relative to other forecasts that are provided in the United States. Having said that, I think one of the things we will seek to understand is how the Congressional Budget Office has built its capacity over time in producing those kinds of forecasts and maintaining that kind of independent, non-partisan approach.

In terms of other countries, I believe a paper was produced by the Library of Parliament that looked at what exists in other countries that is similar in nature to the Parliamentary Budget Officer role in Canada. Of those institutions, the Congressional Budget Office actually has the longest history, starting in the mid-1970s. You've actually seen quite a few countries start to build this type of capacity in recent years, particularly over the past decade or decade and a half. We've seen it in Korea, in Sweden, in the Philippines, and in the Netherlands. The U.K. has built a scrutiny office. Not all of them actually produce independent forecasts; some of them do, some of them don't. I apologize; I don't have an understanding of how their forecast records would compare with their executives' or with the private sector forecasts.

Underlying the provision of this advice, what we would hope to do in looking at forecasting information is provide a good sense of what's behind those forecasts in terms of assumptions—what the differing assumptions are, what the related risks are, and how they would impact budgetary choices.

The Chair: Thank you, Mr. Wrzesnewskij.

Thank you, Mr. Page.

Monsieur Lussier, six minutes.

[*Translation*]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Thank you, Mr. Chair.

Mr. Page, you have looked at the similar organization in the American Congress which has a staff of 230 and a budget of several billion dollars.

Do you intend to use the same ratio to set the number of your own staff in relation to the budget of Canada?

Mr. Kevin Page: Thank you for your question, Mr. Lussier.

It would be impossible for us to have a budget equal to that of the Congressional Budget Office.

[English]

We have a budget, a status quo budget of about \$2.7 million. I believe the budget of the Congressional Budget Office is upwards of \$50 million. We're looking at a staff in the neighbourhood of about 15, relatively balanced between the economic analysis and forecasting division—six, seven, eight—versus a similar kind of contribution under Mr. Khan for the expenditure and revenue analysis—six, seven, or eight.

[Translation]

Mr. Marcel Lussier: Do you have some flexibility in setting your budget? Are you independent? Will you have the same privilege as the Auditor General who sets her own budget?

[English]

Mr. Kevin Page: Our resources are part of the estimates of the Library of Parliament and will be established in that kind of context. The issue of resourcing came up at the two previous meetings. Concerns have been expressed, sir, as to whether or not there are sufficient resources. I think at this point, as we're just building and looking ahead at our budget this year and next year, our budget for this year is about \$1.8 million, rising to \$2.7 million next year. We'll work within those kinds of resources. There might be some small adjustments, and we'll work with the librarian in terms of establishing resources.

If it is felt down the road, sir, that if there aren't sufficient resources—and I think there are pressures coming from committees that we need additional resources—it could be dealt with in that context.

[Translation]

Mr. Marcel Lussier: You will be able to call on external resources, such as experts and specialists. How will you allocate your budget? Will you have a permanent staff or will you be able to call on temporary resources?

• (1130)

Mr. Kevin Page: That is an excellent question.

I will have to allocate my budget between permanent and temporary resources.

[English]

We'll be looking at that over the next few months. It's a similar question to the one raised previously by a member here, in terms of what our priorities will be. We'll be establishing a budget over the next few months. We will set aside a number of resources, several hundreds of thousands, so we can work with the private sector to deal with the issues that are brought to our attention. We also hope we can work in a collaborative way with some of our colleagues and academic institutions and get advice without using significant resources.

[Translation]

Mr. Marcel Lussier: Will your staff be required to have a security clearance?

Mr. Kevin Page: Yes.

It would be important that our level will be set at

[English]

top secret or secret. I could say that of the two directors we've hired already. Mr. Khan has a top secret clearance, and Mostafa Askari has also worked in the fiscal environment at the Department of Finance, which has similar security.

[Translation]

Mr. Marcel Lussier: Are the 15 additional staff already included in the staff of the Library? Will they have the same classifications?

[English]

Mr. Kevin Page: We will look at it.

[Translation]

I thank you for this question.

We would have to hire people able to provide the required services.

[English]

I was at the assistant deputy minister level in the public service. Mr. Khan was at a director general level. So our two directors will be at a director general level. We consider them relatively senior public servants and relatively senior even within the Library of Parliament.

Mr. Young may wish to add in terms of how those levels compare with other levels within the Library of Parliament.

[Translation]

Mr. William R. Young: First of all, I have to tell you that it is very difficult to hire economists who have the required qualifications for these positions. Also, the levels are somewhat higher than those of the other directors of the Library of Parliament but we are reviewing the classification of our directors as well as of the whole staff of the Library, like Alex and Lydia who are here today.

Mr. Marcel Lussier: Will you be using lateral transfers to try and get staff and specialists from the Office of the Auditor General or from the Bank of Canada? Would that be a possibility?

Mr. William R. Young: We will start by reviewing the talent that is already there at the Library of Parliament. About thirty economists work for the Library and are available.

Mr. Page has referred to making use of the people who are already in place. We have talked about launching a national campaign to find qualified people.

The Chair: Thank you, Mr. Lussier.

[English]

Mr. Williams, you have six minutes.

Mr. John Williams (Edmonton—St. Albert, CPC): Thank you, Mr. Chairman.

First I'd like to welcome Mr. Page to the Library of Parliament and to his new job in the budgetary role that he's going to be doing.

There are a couple of issues that I need to get clarified in my mind.

You mentioned that the first big one is going to be the fiscal update in the fall. Of course, there is the budget in the spring. These are the two major announcements by the Minister of Finance during the year. There may be others, but these are the two big ones that we expect.

When these documents are tabled in the House of Commons by the minister, how quickly do you expect to be offering your assessment on these numbers? Are you going to have access to the Department of Finance, to the numbers, so you can be concurrent, or are you going to have to take some time, like several weeks, to make your announcements?

Mr. Kevin Page: Thank you for the question, Mr. Williams, and for your expression of goodwill in terms of my having that opportunity to work with you.

In terms of looking ahead at those two sorts of milestones and the role the Parliamentary Budget Officer will play in regard to those milestones, we would like as much as possible to be anticipatory in terms of looking at numbers going in so that we would have an opportunity to brief you as to what are the issues around the economic trends, what they mean fiscally, and how they may impact the fiscal planning frameworks, particularly in terms of risk and what they may mean in the broad range of possible economic outcomes that exist right now. As we read the papers, today and yesterday, and releases from Statistics Canada about a weaker economy, particularly in the first quarter, we need to have an opportunity to brief you in advance of those fiscal planning milestones.

•(1135)

Mr. John Williams: Yes, but my question was more that you're going to be relying, I presume, on the Department of Finance for the bulk of your information. Am I correct on that?

Mr. Kevin Page: The Department of Finance, as you know, sir, actually in terms of forecasting and establishing a fiscal framework, takes an average of 20 private sector economic forecasts. We will have access to that information, so we'll be able to look at those ranges. The Department of Finance takes a numerical average. We'll be able to look at the lows and highs even around those averages and provide rules of thumb as to what it means for the fiscal situation. But we will have access to Department of Finance information in that context.

Mr. John Williams: What I'm trying to figure out here in my mind is where the confirmation of the department's numbers will be, because this is the whole rationale for having a Parliamentary Budget Office: independent confirmation that we have faith in departments' budgets. If they're just taking, across the board, an average of 20 independent private sector analyses and you use the same, you're going to arrive at the same number. So where is the independent verification?

Mr. Kevin Page: What we will try to do, sir, is to ensure that people understand the range of assumptions that are underlying those economic forecasts and what they mean in fiscal planning terms. I don't think anybody has, as you know, sir, a perfect crystal ball, whether you look at errors of private sector forecasts over the past 10 years or the Department of Finance. It's kind of a mixed bag in terms of there being some positives and negatives in terms of different economic and fiscal variables. Partly because of the way we've

managed the fiscal framework, there have been some significant surpluses.

Mr. John Williams: Yes, but we're not talking about retrospective analysis; we're talking about the prospective rationale.

A few years ago, we had a government that was bringing down four or five different projections in a year, which caused the motivation for the position to be created. Now that you're here filling this position, we are looking for credibility in the projections by the Department of Finance. Are you going to be doing that?

The question I'm concerned about is, given the stature of your position, if you ever were to disagree with the Department of Finance....

I think, for example, this week, Jeff Rubin from the CIBC brought that big "D" word—the deficit—back onto the table as a potential. If you were to say the same thing, I can imagine banner headlines across the nation saying, "The Parliamentary Budget Officer says we're back into deficits again". How would you handle this dichotomy or disagreement with the Department of Finance, or do you ever intend to disagree with them?

Mr. Kevin Page: I think, sir, there are probably even officials in the Department of Finance who disagree with other officials in the Department of Finance over forecasts.

Mr. John Williams: But they will not have the stature that you have as the Parliamentary Budget Officer and the podium from which you would speak.

Mr. Kevin Page: Sir, I think the credibility of the Parliamentary Budget Officer will come from our ability to provide comprehension of what is involved in those economic forecasts and how it implicates the fiscal framework. The more we bring anything to the table, in terms of a better understanding of the risk and the ranges that would meet your fiscal framework, the more it will add credibility.

I think, sir, as you say, if I were to put another number out—a budget balance kind of number versus the Department of Finance's—it would become a major issue right away. But if I put out the ranges that are out there, I think we're all better informed to understand, in that kind of planning context, what it would really mean from the standpoint of a planning purpose. I think the credibility comes from better comprehension, as opposed to, "Here is my number; this is the Department of Finance's number."

In terms of Mr. Rubin's comments about the possibility of a deficit, I think if you were to look at the range of private sector forecasts now and looked at the lower range in the economic forecast versus the higher range, taking the lower range on the economy, we probably could be looking at some small budgetary deficits; on the higher range, we would have obviously some budgetary surpluses.

Putting that kind of information out and showing what it means for fiscal planning is what we would like to do.

The Chair: Thank you, Mr. Williams.

Thank you, Mr. Page.

Mr. Marston, you have six minutes.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Thank you, Mr. Chair.

On behalf of our party, the NDP, I want to welcome you to this new and important position. We've waited for a while for a sense of accountability around budgets.

Mr. Young, in your remarks you referred to holding the government accountable. It strikes me that the delay in getting this office up and running and your position staffed up was regrettable, because we've had some budgetary cycles pass without the accountability you've talked about.

Not to be provocative, but there's an issue that is percolating around the House of Commons these days with regard to the government expecting parliamentary officers to vet communications plans and press releases through the PCO.

First of all, would you see that applying to you? Of course, that leads to a serious question. When you do produce a final report, will it be your report or would it be the Prime Minister's?

● (1140)

Mr. William R. Young: I think I should take this question.

Parliamentary institutions, including the Library of Parliament, are not subject to the same reporting relationships as government departments or agencies. We are the legislative branch of government; we work for and with you, and we're not subject to having to report in the same way as the departments and agencies of government. So, in effect, we are independent.

The issue with regard to the officers of Parliament, you'll have to raise with them. Their situation may be different from ours.

Nothing we do is vetted by government departments. I report, through the authority of the Parliament of Canada Act, to the Speakers of the House of Commons and the Senate. They are advised by a standing joint committee of both Houses on the Library of Parliament with regard to my operations. I'll be appearing before them in two weeks' time on my estimates.

Essentially, our policies reflect, we hope, the best practices that can be found or put in place, but they're applied through the parliamentary lens only to our operations.

Obviously, my appointment and those of the Clerk of the House and the Clerk of the Senate are Governor in Council appointments, and as such, the Privy Council Office has determined that we must be subject to the performance management program that applies to other Governor in Council appointments.

I will say, however, that the Parliamentary Budget Officer has one level of independence even higher than that, since his is a GCQ appointment, like those of members of quasi-judicial tribunals, and therefore his performance pay is built into his base salary, unlike those of either the Parliamentary Librarian or the Clerk of the House of the Clerk of the Senate.

I hope that answers your question.

Mr. Wayne Marston: It comes close enough.

Mr. Kevin Page: Sir, if I may speak to whether this would be my report or the Prime Minister's report, the Parliamentary Budget

Officer will be releasing reports, and they will be reports of the Parliamentary Budget Officer.

Mr. Wayne Marston: That's reassuring to hear.

Am I out of time, Mr. Chair?

The Chair: You have about three minutes left, Mr. Marston.

Mr. Wayne Marston: Mr. Williams raised the concern, too, about the podium position that you would have. In light of the other conversation we just went through regarding the suggestion—and I want to be clear, the suggestion—of the potential of government interference, I'm reassured to hear that you see this office as independent.

I'm not suggesting at this point that these things have happened, by any means, but I think we're guardians, particularly in this Parliament, of the independence of an office such as yours. I'm pleased to hear the sense you're projecting that you'll stand firm in that view.

I won't have any actual question.

The Chair: Thank you very much.

Monsieur Bélanger, you have six minutes.

[*Translation*]

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Thank you, Mr. Chair.

Mr. Page, can we take it for granted that yourself and your office will always be able to provide services to Parliamentarians in both official languages?

Mr. Kevin Page: Yes.

Hon. Mauril Bélanger: Is that what you are going to do?

Mr. Kevin Page: That is what I intend to do.

Hon. Mauril Bélanger: You are an officer of Parliament but not an agent of Parliament in the same sense as an Auditor General or an Elections Commissioner, for example. You are an officer but not an agent of Parliament.

● (1145)

Mr. William R. Young: I am an officer of the Library of Parliament.

Hon. Mauril Bélanger: So, you do not have the status of an agent of Parliament.

Mr. Kevin Page: Exactly, I am an officer of Parliament.

Hon. Mauril Bélanger: You do not have the independence of an agent of Parliament.

Mr. William R. Young: He has the independence of an officer of the Library of Parliament.

Hon. Mauril Bélanger: Yes, I understand but, with respect, Mr. Young, the Library of Parliament is not completely independent. As you said, the Library reports to the Speaker of the House and the Speaker of the Senate. The Speaker of the Senate is appointed by the government and, in a majority government situation, one can expect that the government would decide who would be the Speaker of the House.

I respect the independence of the Library of Parliament but that independence is not as complete or as assured as the independence of the Privacy Commissioner or the Elections Commissioner, for example. Do you agree with me?

Mr. Kevin Page: I have to provide independent and nonpartisan advice. In that context...

[*English*]

Hon. Mauril Bélanger: I expect that. You do report to someone. Do you report to Mr. Young?

Mr. Kevin Page: Sir, I report to the Speakers of the House and the Senate and to Mr. Young.

Hon. Mauril Bélanger: I have another question, which is based on a concern I have vis-à-vis agents, and I'll now extend it to officers. This is not directed to you personally, but I'd like to know whether you, for instance, intend this to be your last job. I gather you have a five-year mandate, which is renewable, I presume for another five years. Is that correct?

Mr. Kevin Page: That's correct. It's a five-year appointment.

Hon. Mauril Bélanger: This will put you at an age where you may or may not be wishing to retire. Is that correct?

Mr. Kevin Page: Sir, I'm in very good health.

Some hon. members: Oh, oh!

Mr. Kevin Page: My dad worked until he was 65, and I have uncles who worked well beyond that. Mr. Khan has a father who has worked well beyond—

Hon. Mauril Bélanger: I'll just share with colleagues the concern that I think as parliamentarians we ought to have vis-à-vis agents and officers. If we take them from the public service, which we seem to be doing more and more, and they expect to go back to work, then the independence can be somewhat attenuated, if you will, because of the desire to perhaps go back into the public service after. I just want to flag that as a concern that perhaps all parliamentarians ought to have vis-à-vis our officers and our agents.

I don't intend, sir, to cast any aspersions towards you on that. But it's a matter of principle that we ought to be aware of and concerned with.

Mr. Kevin Page: Sir, it's a valid concern, and it has been raised to me by some of my folks that it would probably be unlikely that in the context of this job the doors would be open for me to go back to the public service. Whether they are or are not, I think there will be lots of other opportunities for me, whether it be in an academic community or a private sector community, so I'm not concerned about that.

Hon. Mauril Bélanger: There are two questions on the work you will be doing. You mentioned one in the mandate, and there's one I have some difficulty with, and that's estimating the financial costs of proposals introduced by a member of either House. I would have thought, sir—and colleagues—that the initial work of estimating the cost associated with a private member's bill or motion would be to the government, and your role would have been to assess the government's evaluation or estimate of costs.

I would hope we would not, by creating the officer we have created whose chair you occupy, be doing the work of the government.

Mr. Kevin Page: You're right, sir, that we definitely operate within a Westminster system, which is very different from the Congressional system. We will not be producing budgets. The Parliamentary Budget Officer will not produce an alternative budget.

There are, from time to time, requests from members in the House and the Senate to look at costing-related issues. We've seen a number of these recently. A number of things are being costed. Preliminary costing is done within the Library of Parliament now.

There has been an issue raised as to whether we need to do more of this type of analysis, perhaps more collaborative work, either with departments or perhaps with people in the private sector community, to provide better estimates and financial costing estimates to highlight some of the related issues.

Hon. Mauril Bélanger: My concern is that a lot of the resources at your disposal, which are already limited, might be directed towards analyzing and estimating costs for private members' business, which I believe should be done initially by the government. Anyhow....

The last point is that I presume you'll insist that parliamentarians have the ability to compare apples to apples. So might I ask, sir, when you prepare your analysis of government budgeting, that you also look at the underlying definitions. When you have a change in government, obviously there may be a different orientation and different priorities, and therefore governments and their ministers might be tempted to redefine certain statistics so as to project conclusions that would better serve their intentions. I'm not saying that's necessarily a bad thing. That's why we have a democracy. But I would hope that when you provide analysis to parliamentarians you flag any change in definition that has led to a change in picture that has led to a change in the government resources being proposed. Will you undertake to do that, sir?

• (1150)

Mr. Kevin Page: I will undertake to do that, sir. It's a very good question. From time to time, governments will change, for example, their fiscal targets. They'll use different definitions of debt. They'll go from gross to net expenditures. It's a very good question, and we will compare apples to apples.

Hon. Mauril Bélanger: Thank you very much.

[*Translation*]

The Chair: Thank you, Mr. Bélanger.

[*English*]

Thank you very much, Mr. Page.

The last questioner is Mr. Sweet. You have six minutes, Mr. Sweet.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): In fact, a significant part of your mandate is to make sure there is consistency in reporting so there is continuous quality, right?

Mr. Kevin Page: The Auditor General provides significant work in making sure we have clean public accounts. If she has concerns, observations are often raised in that kind of context.

We will be working within those public accounts. But, sir, yes, in terms of looking at standards, in terms of practices, and in terms of financial reporting, we definitely consider that to be part of our work.

Mr. David Sweet: Okay. I just wanted to pick up on the momentum of Mr. Bélanger's questioning. So now I will thank Mr. Young, Mr. Page, and Mr. Khan for coming.

There is no question that if I had the credentials you have, just with the capacity-building you did between 1977 and 1987, I wouldn't be concerned about getting a job after this either.

I want to ask whether you are going to have any limitations on how often you can make a report public. Right now, the Auditor General has a limitation of four times a year. Would there be any limitation at all?

Mr. Kevin Page: I'm not aware of any limitations, per se. We think regular reporting should be part of our job. We will have discussions within our team. This goes back to the very first question that was put, sir, in terms of our priorities over the next number of months and consulting the user about the best way to provide that kind of regular reporting. But at this point in time, I do not see any limitations. And of course the economic news changes quite rapidly.

Mr. David Sweet: Right now, what I see with your office, from all the questioning and from what I've seen in written text and so on, is that oversight, forecasting, and parliamentary capacity is the main crux of the mandate of your office. And really, to a degree, Mr. Young, is that an expansion of...? You have 30 economists there right now. Maybe there wasn't the oversight, but was the forecasting and parliamentary capacity already there, to a degree?

Mr. William R. Young: The forecasting is new. The library has not really had any capacity previously to do any fiscal forecasting. The other elements of this mandate have been, to some extent, covered off by the parliamentary research branch, including the economists. I mean, you have two of them here who worked on some of the elements that are included in this mandate.

My concern has always been that the Parliamentary Budget Officer add additional value to the work that has been conducted. From my perspective, it's going to add a strategic capacity to the library's ability to serve Parliament and parliamentarians that may not have been there before.

Mr. David Sweet: Thank you. I hope you didn't think I was trying to short-sell the position; I was trying to clarify for people who read the blues later, etc.

One of the issues that has been around for a long time is moving the federal public service to full accrual accounting. We've had some meetings over the past summer and into the spring in terms of trying to get some commitments from Treasury Board about moving that way. The Auditor General was reluctant to give us some recommendations after the Treasury Board made their presentation to us. I understand that, because the nature of her office is audit.

Is that something your office could look at? When the government comes with a proposal about changing to full accrual accounting,

could you make some recommendations, based on what you see, about any changes that would have to be made?

•(1155)

Mr. Kevin Page: Sir, we would be happy to be put in that position to make recommendations. We would be making recommendations based on what are the best practices in other countries, in other public sectors, and in the private sector as well.

On the issue of accrual accounting, we've made some progress already in terms of moving the public accounts to an accrual basis and our budgets to an accrual basis. The next step, which you're alluding to, is to look at issues around accrual estimates. Again, in the context of best practices, there are countries—the U.K., Australia, New Zealand—who are providing accrual estimates right now.

To come back to your question, yes, we would be happy to provide recommendations based on best practices.

Mr. David Sweet: Very good.

I was also glad to hear you mention that no one has a crystal ball, because I think one thing you can add—please correct me if I'm wrong—is a higher level of scrutiny and of course an objective level of forecasting outside of government.

Really, your budget officer is going to be subject to every changing fluctuation in the economy that any other person with substantial credentials is going to find themselves in as well, particularly with the radical softening we see. Everybody knew it was going to soften, but the credit situation really put that into a warp factor of about five.

Your forecasting is going to be subject to all the same limitations as the twenty institutions the federal government now looks at currently, right?

Mr. Kevin Page: That's correct, sir.

Mr. David Sweet: I have a last question. You mentioned the phases—the capacity-building phase, the implementation phase, the service phase. I'm not suggesting that I'm going to hold you to an exact month and time of day, but do you have any idea of when your office will be at full capacity?

Mr. Kevin Page: We had a 33% increase in manpower this week. We'll have a 25% increase on Monday. We hope to be something like 60% to 75% staffed up by the early fall.

We realize we have an opportunity in the months of May and June because we have some availability of you folks—we'd like to take advantage of that—but we don't think the consultation phase will ever end. As part of our planning processes, we'll look at setting up a review plan as well in terms of coming back in a year, or two or three years, on whether or not we are meeting your priorities.

In terms of services and products, sir, we are looking towards the fall.

The Chair: Thank you very much, Mr. Sweet.

Monsieur Laforest, une petite question.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Thank you, Mr. Chairman.

A very short question. During the consultations held before your appointment, we had asked if the position would be filled by a bilingual person. We had also asked if the senior assistants would also be bilingual.

Mr. Khan, can you tell us if you are bilingual and what will be your main responsibilities?

Mr. Sahir Khan (Director of Expenditure, Revenue Analysis, Library of Parliament): Thank you for your question, Mr. Laforest. I started in a French immersion program at the age of six. I can work in French. My main responsibility will be to provide analysis and advice on government expenditures, on major projects and on the budget, and to establish a link with the economic situation in order to know how this could influence budget planning and Parliamentarians' choices.

Mr. Jean-Yves Laforest: I am very happy to hear that. Thank you very much.

[English]

The Chair: Thank you.

I have one quick question before we break.

Mr. Page, I take it a lot of your work, or some of it, will be on the estimates. Do you envisage your role and the role of your office also linking the estimates with the expenditure and the performance, that whole area? I think it's very important.

Mr. Kevin Page: As you noted, sir, one of the three pillars of our mandate is to provide support in the form of additional scrutiny on issues concerning the estimates. I think making sure that our reports on plans and priorities and our departmental performance reports... that's a better linkage. I think governments in Canada and other countries have struggled with performance reporting. We have a lot of progress to make. We'll be putting pressure on departments in order to improve their performance reporting.

The Chair: Thank you very much.

Before we suspend, Mr. Page or Mr. Young, I'm going to give the floor to you if you have any closing or final remarks you want to address to the committee.

• (1200)

Mr. Kevin Page: Thank you for today. Again, it's an honour to be here and to serve you. I'm looking forward to it. It's exciting for me. It's an exciting part of my career, and I'm looking forward to the opportunity.

Thank you very much.

The Chair: A lot of witnesses don't consider it an honour, but it's good that you're thinking that.

Mr. Page and Mr. Khan, on behalf of everyone here on the committee, I want to first, again, congratulate you on your appointments. I want to thank you both and Mr. Young very much for being here today. We wish you all the best, and we're certainly looking forward to working with you and your office in the months and years to come.

Thank you very much.

Colleagues, we're going to suspend for two minutes to get set up with the interim Commissioner of the Environment and Sustainable Development.

• _____ (Pause) _____

•

• (1205)

The Chair: I would like to call the meeting to order.

I want to welcome everyone here.

[Translation]

Welcome.

[English]

Colleagues, this meeting deals with chapter 10, "Management Tools and Government Commitments—Greening of Government Operations", of the March 2008 Report of the Auditor General of Canada.

We're very pleased to have with us today, from the Office of the Auditor General of Canada, Ron Thompson, interim Commissioner of the Environment and Sustainable Development. He is accompanied by Paul Morse, principal, sustainable development strategies, audits and studies; and Mr. David Willey, director, sustainable development strategies, audits, and studies.

We also have with us, from the Department of Public Works and Government Services, Daphne Meredith, associate deputy minister.

From the Department of the Environment, we have Ian Shugart, associate deputy minister. And from the Treasury Board Secretariat, we have Daniel Jean, associate secretary, and Michael Presley, executive director, regulatory affairs division.

On behalf of all committee members, I want to extend to everyone a very warm welcome.

I understand you have opening comments, Mr. Thompson, so I'm going to turn the floor over to you.

Mr. Ron Thompson (Interim Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada): Thank you very much, Mr. Chairman.

I must say I'm delighted to be here to discuss chapter 10 of our 2008 status report, tabled in Parliament on March 6.

As you mentioned, joining me at the table is Paul Morse, principal responsible for this chapter, and David Willey, lead director of this work.

As the committee knows, status reports from the Office of the Auditor General of Canada show what the departments and agencies have done to address issues the office has raised in some of its past reports. In determining whether progress on an issue is satisfactory or unsatisfactory, the office takes into account the complexity of the issue and the amount of time that has passed since the original audit.

[*Translation*]

This is the first time that a Status Report has been tabled in Parliament by a Commissioner of the Environment and Sustainable Development. It deals with the government's management of environment and sustainable development issues.

Of the fourteen chapters in our Status Report, five show satisfactory progress. However, progress in nine areas is unsatisfactory—largely because the government did not follow through on commitments it made when responding to past environment and sustainable development audits.

The first three chapters deal with chemicals management, and we were pleased to report satisfactory progress. Chapters 4 through 7 focus on ecosystems, and we have rated progress as unsatisfactory. Chapters 8, 9 and 10 relate to management tools and, once again, we have rated progress as unsatisfactory. Chapters 11 to 14 look at actions taken in response to environmental petitions; for two of these audits we have reported satisfactory progress and for the other two, unsatisfactory progress.

● (1210)

[*English*]

I would like to now turn to chapter 10, which I understand the committee is particularly interested in. This chapter looks at selected aspects of how the government has gone about greening its operations. Our audit revealed that as Canada's largest employer, purchaser, and landowner, the government has a long way to go before it can claim to be a leader in this area. Although progress has been made in greening the government's new commodity management approach to procurement, guidance for departments to use in preparing their sustainable development strategies is weak.

These strategies are tabled in Parliament every three years by federal departments. They are intended to inform Parliament about the significant social, economic, and environmental impacts associated with the department's policies and programs and how each department plans to address them. The latest strategies were tabled in December of 2006 and the next round is due in December of 2009.

In conducting this audit, we examined guidance for building energy, vehicle fleet emissions, and green procurement, which were the priority areas agreed to by officials for the 2006 sustainable development strategies. We found that guidance was timid at best. Targets were not specific or mandatory, were open to interpretation, and reiterated previous objectives. Not surprisingly, the government is not in a position to know what progress is being made in greening its overall operations.

We point out that other countries have adopted quite a different approach. For example, in the United Kingdom and also in the United States, top-down direction on greening is given to government departments from the highest levels. We recommended that Public Works and Government Services Canada, PWGSC, in consultation with the Treasury Board of Canada Secretariat, Environment Canada, and others clarify leadership and responsibility for a number of things: for providing simple direction and guidance to departments on greening their operations; for establishing meaningful and aggressive government-wide targets; and for

developing a government-wide strategy for monitoring and reporting results. PWGSC agreed with our recommendation.

[*Translation*]

Mr. Chairman, this hearing is particularly timely given that guidance for the December 2009 round of sustainable development strategies will likely need to be finalized over the next few months. The Committee may wish to ask departmental officials about the progress they are making in clarifying leadership and responsibility issues; strengthening guidance for building energy, vehicle fleet emissions and green procurement; and expanding guidance to cover other areas, such as waste management.

PWGSC officials have provided us with an early draft of the Department's detailed action plan to implement our recommendations. We have provided comments to the Department on this draft and made a number of suggestions to strengthen it. Although we have not conducted an audit or a full review of the draft plan, I am pleased to say, Mr. Chairman, that our suggestions have been incorporated into the Department's final version.

[*English*]

I am hopeful that the interests of parliamentarians through committees such as this one, Mr. Chairman, will encourage the government to strengthen its management of environment and sustainable development issues and become a recognized model of how Canadian firms and individuals can and should green their operations and their day-to-day activities.

That concludes our opening statement. We would be very pleased to answer any questions the committee may have a bit later.

Thank you, Mr. Chairman.

● (1215)

The Chair: Thank you very much, Mr. Thompson.

Before we go to Ms. Meredith, I want to point out to members that normally in a meeting like this we would expect to have the deputy minister or the accounting officer of each of the departments. This meeting was scheduled on relatively short notice. Unfortunately, the accounting officers for Public Works and Government Services Canada and Environment Canada are out of Ottawa. They're unable to attend. But instead of rescheduling the meeting, the steering committee decided to have the meeting with the full understanding that the associate deputy would be here, ready and able to answer any relevant questions. I just wanted to point that out.

Also, I want to point out that we have one additional witness whom I didn't identify in my opening remarks. Ellen Burack, the director general of the greening of government operations, is here with us now. Welcome to the committee.

Ms. Meredith, associate deputy minister of Public Works and Government Services Canada, I understand you have some opening comments.

Ms. Daphne Meredith (Associate Deputy Minister, Public Works and Government Services Canada): Mr. Chairman and members of the committee, thank you for this opportunity to appear before you to discuss the March 2008 report of the Commissioner of the Environment and Sustainable Development on greening government operations.

The audit addressed two separate but related aspects of greening operations: the guidance that was provided to departments for preparing their 2007 to 2009 sustainable development strategies; and greening commodity management.

Public Works and Government Services Canada agrees with the commissioner's recommendations. We have developed a detailed action plan, which has been reviewed by the commissioner. I am happy to table this plan with the committee today.

In the case of greening procurement, the commissioner found that satisfactory progress is being made. Members will know that a green procurement policy was issued in April 2006.

We have already developed government-wide standing offers for purchasing 30 categories of goods and services, and 30 more are expected to be ready this year. Once these are in place, green standing offers will exist for commodities representing over \$4 billion.

As it relates to the provision of central direction and guidance on greening to other government departments, the commissioner recommended that roles and responsibilities of departments be clearly defined. In our response, we undertook to clarify roles and responsibilities by April 2008. I am happy to report that this first step has been completed.

Even before we were made aware of the commissioner's recommendation, PWGSC had begun discussions with Treasury Board Secretariat, Environment Canada, and Natural Resources Canada to clarify the roles and responsibilities of these four key partners and all departments around greening government operations. It was generally agreed that to make further progress, new approaches would be required and that all four departments had a role in providing direction government-wide.

As a result of these discussions, it has now been agreed that Public Works will assume the lead for greening government operations. This will involve developing overall policy direction and guidance, facilitating information sharing, setting reporting standards, and reporting on progress.

Treasury Board Secretariat, Environment Canada, and Natural Resources Canada also have essential roles to play in providing guidance and advice in their respective areas of expertise, such as government-wide reporting and levers for directing and guiding action in the case of the Treasury Board Secretariat; priority-setting, use of the regulatory toolbox, technical expertise, and appropriate integration with sustainable development strategies in the case of Environment Canada; and expertise in greenhouse gas emissions reporting and on energy, water, and natural resources issues in the case of Natural Resources Canada.

PWGSC will be responsible for effective leadership of this horizontal endeavour, while we and our three key partners will be

responsible for creating a solid framework. But it is all departments and agencies across the government that must be held accountable for, and recognized for their progress in, changing the environmental footprint of federal operations.

While I recognize that more needs to be done, we have made significant progress in recent years, particularly with respect to green procurement, green buildings, and greening the fleet.

I am prepared and would be happy indeed to take your questions on the commissioner's report.

• (1220)

The Chair: Thank you very much, Ms. Meredith.

We're now going to go to Mr. Ian Shugart, associate deputy minister with the Department of the Environment.

Mr. Ian Shugart (Associate Deputy Minister, Department of the Environment): Thank you very much, Mr. Chairman.

As my colleague from Public Works and Government Services has just said, the Department of the Environment and other departments are engaged with them in clarifying the roles and responsibilities having to do with greening government operations. We're committed, for our part, to working with PWGSC under their leadership.

Perhaps it would be useful to the committee if I briefly outlined the four specific roles that Environment Canada has in regard to greening government operations.

First of all, we provide advice to Public Works and Government Services on priority areas for action. Greening government is, of course, about putting into effect what the government is talking about in policy terms. There should be a relationship between the government's environmental priorities and the actions it takes as a corporate citizen. Environment Canada, therefore, will advise Public Works and Government Services on making the choices that square well with environmental priorities.

Secondly, we are engaged with them in providing technical support. In the example of greening commodity management, which is another topic within chapter 10, Environment Canada was one of the sponsors for the April 2006 federal policy on green procurement. As part of our role in sponsoring this policy, we provided technical expertise on environmental issues to those who procure the goods and services on behalf of the Government of Canada. This expertise is provided to the office of greening government operations in PWGSC as one element in their work to issue procurement instruments for the goods and services purchased most frequently.

Third, as you know, we are the coordinating lead for the sustainable development strategies. In that role Environment Canada works with Public Works to ensure that greening government operations is appropriately integrated into the sustainable development process.

Fourth, and finally, Environment Canada can use its regulatory power when that is appropriate, when the circumstances call for it, to further the greening of government operations. For example, the Canadian Environmental Protection Act gives the government the authority to issue regulations concerning government operations on federal and aboriginal lands. One such regulation pertains to storage tank systems for petroleum products and allied petroleum products. In fact, a new proposed regulation being worked on now will have a broader scope of application, and it will provide a more comprehensive framework to effectively prevent pollution from storage tank systems of federal government operations. I offer that as one example.

We look forward, of course, to working with PWGSC in their leadership role through these functional roles that we have as we move forward on greening government operations.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Shugart.

Mr. Jean.

Mr. Daniel Jean (Associate Secretary, Senior Associate Secretary's Office, Treasury Board Secretariat): Thank you, Mr. Chairman and committee members, for the opportunity to be here today.

Treasury Board Secretariat is a supporter of green government operations and has committed to building on the efforts to date and ongoing improvements. The Treasury Board Secretariat is pleased to work with Public Works and Environment Canada on greening government operations. Public Works has a great deal of operational expertise in these areas and has influence over much of the federal government's real estate holdings and procurement. Therefore, Public Works is well placed to lead efforts in this regard.

• (1225)

[Translation]

The role that will be played by the Treasury Board Secretariat relating to the greening of government operations will complete and support those efforts. As a central agency, we will support the leadership of Public Works Canada by cooperating with them and with other departments to establish government-wide targets.

We will help Public Works Canada to issue guidance or guidelines as required to make those targets compulsory within the whole of government. The Treasury Board Secretariat will also see to it that the departments provide appropriate reports on their success relating to those of targets in the context of their Reports on Plans and Priorities and their Departmental Performance Reports, and this information will be shared with Public Works Canada.

[English]

In partnership with Public Works, Environment Canada, and Natural Resources Canada, we can provide strong leadership on this file. We have worked hard to establish and refine clear roles for each other and to effectively communicate those to departments in order to ensure that progress is made on this important aspect of sustainable development.

Let me highlight from Treasury Board Secretariat's perspective some of the progress made with respect to generating a greener federal government.

TBS, Environment Canada, and Public Works have collaborated to further strengthen reporting requirements across government. We now require greening government operations reporting through both the RPP and through reporting on implementing the policy on green procurement.

[Translation]

Furthermore, the 2008-2009 Report on Plans and Priorities requires that departments submit information on how they plan to take account of environmental issues and to include them in their decision-making process, whether it be for purchasing, for their objectives relating to green purchases or for related benefits.

At the same time, Treasury Board Secretariat will focus its efforts to further simplify government operations according to the promise made by the government to reduce bureaucratic hassles which too often stifle progress.

[English]

In keeping with this approach, we will work with public Works, Environment Canada, and Natural Resources Canada to green existing policies and directives before we create new ones. This will ensure that we're not adding to the web of rules.

In conclusion, we recognize that greening government operations can progress more rapidly, and additional effort is needed to achieve this. Treasury Board Secretariat, Public Works, and Environment Canada will continue to act on our path forward for greening government operations.

This now concludes my remarks. I will be pleased to respond to any questions.

The Chair: *Merci beaucoup, monsieur Jean.*

I'm going to start the first round. The first round will be seven minutes, led off by Mr. McGuinty.

Mr. David McGuinty (Ottawa South, Lib.): Thank you very much, Mr. Chair.

Thank you very much, ladies and gentlemen, for being here today.

I'd like to go back to 10,000 feet for Canadians who might be following this very complicated field of green procurement and what it might mean.

Can I just get an understanding, first of all, of how much money the federal government spends every year?

Ms. Daphne Meredith: On procurement, sir?

Mr. David McGuinty: Yes, and please define what you mean by "procurement".

Ms. Daphne Meredith: It spends about \$20 billion on goods and services in total.

Mr. David McGuinty: About \$20 billion on buying goods and services.

Mr. Thompson, I think I heard you say the federal government is the largest employer in the country, the largest landlord in the country, and the largest single consumer of goods and services in the country. Is that right?

Mr. Ron Thompson: That's correct, sir.

Mr. David McGuinty: When our government set up the green procurement strategy for the country, I understood it to be based on the concept that we were going to reorient the ship of state so that when we buy those goods and services of \$20 billion a year, and probably more....

I'm not sure how we arrived at \$20 billion from a global budget of, what, \$220 billion for the federal government, roughly? Does anybody know? Can anybody tell me what the global budget of the Government of Canada is today—just out of curiosity?

Mr. John Williams: Mr. Chairman, on a point of order, if the member doesn't know, I think it is actually around \$220 billion. A lot of that, of course, is salaries; a lot of that is rent, commitments, and so on. But I think what the associate deputy minister is saying is that the actual commitments every year are about \$20 billion.

I'd be pleased to provide further information to the member if he wants it.

Mr. David McGuinty: Thank you very much.

Does your \$20 billion, for example, include the costs of operating all the government's buildings across the country?

Ms. Daphne Meredith: That's a good question. It would include many purchases related to maintaining buildings.

• (1230)

Mr. David McGuinty: Leasing real estate?

Ms. Daphne Meredith: I think that number would not include leasing real estate, sir.

We have some numbers here—thanks, Ellen.

The way we break it down, real property would be included. It's actually more like \$21.5 billion, the total number I'm working from, and from that there are real property expenditures.

Mr. David McGuinty: Okay. Give or take a couple of billion, there's around \$22 billion a year in government procurement of goods and services. Right?

The thinking was, in our previous government, that the physician would heal himself or herself. The federal government would show the way forward for other orders of government, other Canadians, private sector actors, businesses, and so on, and would begin by tightening up how it bought goods and services in the marketplace.

Therefore, if I understand this historically, the thinking was that we would provide a major demand pull in Canadian society to change the way in which we did things, that we would drive up energy efficiency standards; we would look to lead construction standards; we would do a full examination of who we were buying goods and services from, and, for example, even what their green performance or sustainable development performance was. Was that the general thinking when we set up the system years ago?

Ms. Daphne Meredith: The general thinking was that for a certain amount of the money we spend on goods and services, there

could be a lot to be gained by using our volume to influence the market and the choices available, yes—not for, I would say, the \$21.5 billion, but to figure out, through analysis, where we could make an impact with our buying.

Mr. David McGuinty: Right, and thereby reorient the ship of state two degrees at a time, say, and set us on a different trajectory that would be considered to be more sustainable than less sustainable going forward. That's my understanding.

Ms. Daphne Meredith: That's right.

Mr. David McGuinty: Okay.

Let's take a look at the text here; chapter 10, I believe it is. What pops up again and again in Mr. Thompson's reports, and through the commissioner's office now for several years, is that it's always difficult to understand just who's in charge of what. I understand and I sympathize with the notion of horizontal management, and that it's three or four departments coming together. PWGSC, I just heard, is playing a more prominent role now in leading this charge.

I want to table, for the interest of colleagues and for those who are here as witnesses, Bill C-474, Mr. Godfrey's bill. It's the opposition bill that is going to call upon Canada to create a new sustainable development act. Flowing from that would be a new office at PCO, and perhaps even a new cabinet committee where the buck would stop, where somebody would be accountable and responsible for driving this change that clearly isn't being driven through the 28 mandatory departmental sustainable development strategies.

If that kind of centralized authority resided in PCO, where they steer and don't row, would that help all of you achieve your green procurement objectives through the federal government? Could you help me understand this?

Ms. Daphne Meredith: I would say we have significant scope to make progress with the tools we have now. I'm quite happy to talk to the commissioner's report. We recognized his comment that we hadn't made satisfactory progress in some areas, and I think we are convinced that we can make more progress in those areas as it is.

Mr. David McGuinty: Well, let me understand this chronologically. We developed as a former government three priority areas: building energy, vehicle fleet emissions, and green procurement. Then the deputy ministers' policy committee on sustainable development issued a report in March 2006, given up to the new government. Then in April they jointly issued the greening government operations guidance documents—nothing mandatory, just guidance documents.

Mr. Thompson, this April 2006 guidance document said that all departments and agencies were expected to commit to targets. How many of the 28 sustainable development strategies actually had green procurement targets?

Mr. Ron Thompson: Thank you, Mr. Chairman, Mr. McGuinty.

We looked at all 28 sustainable development strategies. Seven of the 28 departments we looked at had addressed all of the guidance.

In terms of specific targets that could be rolled up, that one could hold a department to account for, very few, if any, had targets at that level of specificity. That's the problem; there was no clear expectation set at the beginning of the exercise against which departments could be held to account.

• (1235)

Mr. David McGuinty: Thank you very much.

The Chair: Thank you very much, Mr. McGuinty. Thank you, Mr. Thompson.

We're going to now move to Mr. Lussier, *sept minutes*.

[Translation]

Mr. Marcel Lussier: Thank you, Mr. Chair.

Welcome to everyone.

At paragraph 10.28 of your report, Mr. Thompson, you refer to 11 departments and agencies that are responsible for about 95% of greenhouse gas emissions. The Leading by Example federal initiative set up in 2001 was abruptly cancelled in 2007 even though interesting results had been achieved, such as a 24% reduction—very close to the 31% target.

I would like to know who cancelled that program and why.

[English]

Mr. Ron Thompson: Mr. Chairman, sir, I don't know, and I'm not really prepared to answer that. I wonder if I might invite one of our colleagues from the government to respond to you.

Mr. Ian Shugart: I can answer that.

The federal house in order program was originally established for a period of time with set funding, and it was one of the sunsetted programs, if I can use that common terminology. It was a decision by the government of the day to follow through on the sunset schedule for that program.

[Translation]

Mr. Marcel Lussier: Has it been replaced by another program?

[English]

Mr. Ian Shugart: There is no program that has specifically been given that kind of title or program objective, but the policy objectives my colleague has spoken of, in terms of procurement and so on, continue through the normal funding of the government departments involved.

[Translation]

Mr. Marcel Lussier: A very specific target—31%—had to be reached by 2010. What new targets have been given to departments?

[English]

Mr. Ian Shugart: Well, I think, Mr. Chairman, that goes to the heart of the issue that government departments have before them, which has been outlined in the commissioner's report. As my colleague from Public Works has said, that is precisely what we need to be grappling with in terms of the measures that are appropriate, and where the targets and regulatory action should be, and so on. As a general matter, I would say that is precisely the issue we have before us in responding to the commissioner.

[Translation]

Mr. Marcel Lussier: At page 3 of your document, Ms. Meredith, you state that Natural Resources Canada will offer its expertise relating to greenhouse gas emissions reporting. Is there in the strategic plan of Natural Resources Canada a target aimed at reducing greenhouse gases in Canada through policies, subsidies or incentives? Is emissions reporting the only requirement for the Department or is it also required to have a reduction strategy?

[English]

Ms. Daphne Meredith: NRCan, or that department, is the repository of a lot of expertise in the area of energy efficiency and greenhouse gas emissions. They are our best experts in the federal government in that area. We rely in large part on their expertise to advise us on what can be achieved across federal departments, what's realistic and what are good ambitious goals to be achieved in different areas, and whether the technology exists to make good progress, and if so, at what rate. That's their role. It's largely as a technical adviser to us, as leaders, to help departments be ambitious in their own plans and in setting their own targets.

My colleague, Mr. Shugart, mentioned that establishing those targets is important. I think he referred to the 31% target that was set out. Actually, in our guidance in 2006, we didn't move away from that target for GHG emission reductions in federal buildings. In fact, it was the target we endorsed at that time to build on the progress, as you mentioned, that we achieved through to 2004, reaching a 24% reduction since 1990.

• (1240)

[Translation]

Mr. Marcel Lussier: At page 4 of your document, Mr. Thompson, you state that OGGO was set up in 2005. From what I understand, its annual budget is now 10 million dollars and its role is to make recommendations without however imposing any type of constraints.

Do you believe that this 10 million dollars is money well spent, considering that very often those recommendations are ignored by departments?

[English]

Mr. Ron Thompson: Mr. Chairman, to Mr. Lussier's question, whether it should be \$10 million or some other amount, I don't know, but I can assure you that I'm glad there is an organization created within PWGSC like this—these are my words, not the department's words, I guess, but a centre of excellence to begin developing the thought as to what good green government targets and policies might be. Without having an organization like OGGO in place, one would have to set about trying to figure out how to do that.

So the organization is in place; it is funded. The next step is for that organization—working with others in the government, of course—to develop clear and aggressive targets, working with other departments in a way of ensuring that departments understand that they are expected to meet those targets.

The Chair: *Merci beaucoup, monsieur Lussier.*

Mr. Sweet, you have seven minutes.

Mr. David Sweet: Thank you, Mr. Chair.

I just want to read from the text of this report, at page 6, paragraph 10.9, where Mr. Thompson writes:

The focus of this follow-up audit was to assess the progress selected departments have made in responding to the underlying issues derived from certain recommendations, observations, and commitments made in prior years with respect to certain aspects of greening government operations. The selected issues were derived primarily from our 2005 audit of green procurement while taking into account related points we have raised over the past 10 years.

I think that's what the real concern is here now in the committee, that there have been so many years go by, so many missed opportunities, and now we arrive at a situation. I know that I, for one, am going to look for real signs that change is going to happen now, because obviously there have been numerous times in the past where people have had good intentions but they've gone really nowhere.

I just want to refer to one other thing before I ask you a question. On page 9, in paragraph 10.22, the greening officials, the OGGO officials, stated at the Standing Committee on Government Operations:

As a result, we noted that of 28 mandatory departmental sustainable development strategies tabled for 2007, seven had included all the government-wide greening....

They had made it very clear that they had no capability of forcing any department to actually fulfill its obligations.

First of all, so we can understand how we arrived here, why was the guidance on greening provided by PWGSC so non-specific, and what's going to change from today's date, based on the fact that you've agreed with the recommendation, so that we have some confidence that there's going to be significant development in the path forward?

• (1245)

Ms. Daphne Meredith: Thank you for the question, Mr. Chair.

We have the guidance that we issued in 2006, prior to the departments and agencies developing their sustainable development strategies. It was somewhat specific in the case of their treatment of buildings and treatment of fleets.

In regard to buildings, I'd just mention the fact that we were asking them to reduce their GHG emissions from buildings by 31% relative to 1990 levels. In the case of fleets, we were asking for, I believe, a 15% reduction in GHG emissions.

Excuse me, I'm going to ask Ms. Burack for clarification on the actual target there.

Ms. Ellen Burack (Director General, Office of Greening Government Operations, Department of Public Works and Government Services and the Canada Lands Company Limited): It was a 15% improvement in energy efficiency of fleets.

Ms. Daphne Meredith: Those were two quite definite targets.

We did not have definite targets in the case of greening procurement. It was more aspirational towards departments to green their purchases of goods and services, working on it with PWGSC as we were working with suppliers to determine what could be available in the market and what was realistic for departments to buy. We were not specific in that regard.

That did not mean departments were not establishing specific targets of their own. One can imagine, for example, our situation as leaders in this area. Do we, through our guidance, start specifying for individual departments what they should be doing and what levels they should be setting? We feel it's a careful balance in exercising the leadership role that we have to achieve without interfering with their accountabilities to achieve their programs.

While greening is something we're aspiring to do, it's a continuous improvement endeavour. It's still exploratory, we're still pioneering in the area, and I think we'd be cautious about being too hard and fast in dictating targets to departments. We'd rather work with them. We'd rather share what's been done in other jurisdictions or elsewhere in government and work with them so that they can determine what's appropriate for them, as opposed to having us dictate it.

Mr. David Sweet: Benchmarking with other jurisdictions was one of the questions I was going to ask, but I don't want to ask it right now.

My concern is that you did mention two specific targets. I'm not going to read it, because I've already read enough into the record, but on page 13, number 10.37, one of the things in the audit is that this loose relationship with the departments has meant that people have used different baselines. They have different targets, their measurements are different, and there's no congruity, so there's no way for Parliament to have an accurate oversight and have some level of scrutiny about this.

Who's going to be the ultimate authority to make sure the departments act, and are we going to have some increased transparency in the sense that departments will clearly identify their targets and their measurements and their progress in their regular DPRs?

Ms. Daphne Meredith: I couldn't agree with the member more. We need to provide that transparency to Parliament.

We need to, first of all, ensure that there is progress and that it is reported in a meaningful and understandable way. The challenge is considerable in this area. There are problems of measurement, as the member pointed out. There's a difference in baseline data that we have to deal with across 28 departments and agencies. There are differences in location. How do you compare, for example, energy use in Quebec, where it's likely to come predominantly from hydro, versus energy use in Ontario, where it comes from nuclear or coal-based facilities?

It's quite difficult to achieve. We realize we should try to do better; in the meantime, without perhaps having a totally uniform base, we're trying to find ways of giving parliamentarians meaningful information on progress that's being made.

In our own case, for example, in PWGSC, it can be measured in part by our progress on super-energy-efficient buildings that we're developing.

• (1250)

The Chair: Thank you very much, Mr. Sweet.

Thank you, Ms. Meredith.

I'm just going to remind members that we'd like to see the questions and answers brief, to the point, relevant, and succinct. Then we can move along a little more quickly.

Mr. Comartin is next. You have seven minutes.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Thank you, Mr. Chair.

Thank you, officials, for being here.

Mr. Thompson, could I start with you? As you set out in chapter 10, this analysis has been going on for 10 years, and obviously results are less than satisfactory. Understanding how the Auditor General's office works, are you planning a further audit review in the next year or two to go over the same material and see if in fact we are making any significant progress?

Mr. Ron Thompson: Mr. Chairman, through you to Mr. Comartin, we have done a status report, as you know. We do that from time to time.

In terms of looking at progress on this file, I don't have any particular audits on the books right now that would address that—it's a little early to do that, I suspect—but we would be monitoring and watching very closely activities that are under way in the coming year as the government puts the guidance together for the next round of sustainable development strategies. If we find the guidance perhaps not quite what we think it should be, we will probably have a comment at that time, probably through comments on the sustainable development strategy process that we report on every year.

Mr. Joe Comartin: Ms. Burack, when did you become the director?

Mrs. Ellen Burack: I became the director general of the Office of Greening Government Operations in August 2007.

Mr. Joe Comartin: How many staff do you have in your directorate?

Mrs. Ellen Burack: When I began we had fewer than 10 staff, and now we have just over 20 staff.

Mr. Joe Comartin: What is your status within the public service? Are you an assistant or associate department head? What level are you at?

Mrs. Ellen Burack: I am a director general.

Mr. Joe Comartin: To whom do you report?

Mrs. Ellen Burack: I report to the assistant deputy minister of policy in our department.

Mr. Joe Comartin: Ms. Meredith, do I understand, concerning the agreement that has been reached with the four departments, that the rest of the departments in the Government of Canada have also signed on?

Ms. Daphne Meredith: Yes, they have signed on to our leadership. That was one of our commitments in our management response to the audit, and we got their approval just last month.

Mr. Joe Comartin: Is this signing on formal? Is there an actual document that every department head has put their signature to?

Ms. Daphne Meredith: No, they have not signed a document. We tabled a deck laying out our respective responsibilities, including theirs, and it met with their satisfaction.

Mr. Joe Comartin: Then how will you monitor their compliance? Will it be Ms. Burack's office that will be doing it, or will there be other mechanisms to see whether compliance is occurring?

Ms. Daphne Meredith: What that achieved was that they acknowledge our leadership, the role of Public Works. They can expect, therefore, that we will be after them to engage on their strategies and their plans, their targets. They would acknowledge, of course, Treasury Board and Environment Canada and NRCan in their supporting leadership roles as well.

It gives us greater leverage than I feel we had before to be proactive in engaging them and setting some expectations with them in partnership with them.

Mr. Joe Comartin: I'm not sure that answered my question. I was looking for something more formal in the way of follow-up to make sure they are complying.

Ms. Daphne Meredith: This is the beginning of an engagement strategy that would result in their sustainable development strategies for the period 2009 to 2012. The way we see it, we have a window of perhaps 18 months to work with those deputy ministers. It was a group of deputy ministers that acknowledged our leadership.

We have plans for re-meeting in May to discuss targets, to discuss measurement issues, to discuss progress on the last plan, and how different departments dealt with the last plan, and what we consider to be best practices there, and to lever off that kind of conversation to be aspirational for the future and to start working with them on their plans for the next period, 2009 to 2012.

•(1255)

Mr. Joe Comartin: There are no penalties here if there is non-compliance. If, say, we come back in 18 months and find out that Transport is not cooperating, there are no penalties. Isn't that right? It is still all voluntary.

Ms. Daphne Meredith: It's voluntary. It's something for which, in terms of compliance, we would hope, with proper reporting of both their commitments and their progress in meeting their commitments, there is some accountability on their part.

The model is one whereby we're providing leadership through calling the meetings, through making suggestions, through lending our technical expertise, but at the end of the day it is those departments that are going to be reducing their environmental footprint. They are making the commitments, and they're going to be accountable to parliamentarians for their progress in that regard.

Mr. Joe Comartin: I just don't see where the line of accountability runs. On past practice, I don't have any confidence, and I'm not getting it from what we're hearing today.

Ms. Daphne Meredith: The clear line would be for us to be accountable in our leadership role in supporting departments. At the end of the day, they're accountable for greening their operations.

That being said, the way the government is constructed is that, in our case, Public Works is responsible for a fair chunk of the operations of government, just because of the office buildings we own and run. So a lot of the greening activities actually take place through the activity of Public Works.

We're accountable for that, but we're not accountable, for example, for progress made by the Department of National Defence—another large property owner, but just not in the case of office accommodation. We can help them to determine good and ambitious targets, but at the end of the day, they are their targets.

The Chair: Mr. Jean.

Mr. Daniel Jean: Let me add that through the RPP and the DPR there are also opportunities, the more we define some targets and the more we give more specific guidance. There are opportunities for these to be tabled in Parliament every year through the RPP and the DPR.

The Chair: Thank you, Mr. Comartin.

Thank you, Ms. Meredith and Monsieur Jean.

Mr. Wrzesnewskyj, you have seven minutes.

Mr. Borys Wrzesnewskyj: Thanks, Chair.

Commissioner Thompson, the public setting of targets seems to create an impression of the government's being quite proactive, but we have this shocking number that 21 out of 28 departments have not met the targets. It's a shockingly low, failing grade of 25%.

You've identified in your report that there seem to be two fundamental issues here. One is that targets get set, but then the wording allows them to be ignored. They're non-specific; they're open to interpretation. I do not want to assume that there's premeditated intent in this process—that you set targets, but then the substance of the wording is such that it allows those targets to slide by.

Where exactly would you lay the fault in the very timid wording that's been attached to what should be quite firm targets?

Mr. Ron Thompson: Mr. Chairman, first, I don't know that it's fair for us to adduce from the report that 21 out of 28 haven't met their targets. I think that's maybe stretching things a bit. But it's maybe not the most important issue either.

In terms of targets, we find it difficult to have a situation develop where 28 government departments and agencies are able to essentially set their own targets, their own yardsticks, and measure success or failure against that standard. I don't think personally that's the way this should be run.

I think one needs to get a sense, for the government overall, of what the government is trying to achieve in the way of greening its operations, and to then back those initiatives up into individual departments and agencies and say, you're responsible for helping us do this and here are your targets, which we are expecting you to achieve. They're not something the departments have necessarily created only by themselves; they're a set of targets that would have been developed by the government for the government as a whole.

Then you'd have the government report back in total how it's doing in meeting its targets and would have individual departments

and agencies who are responsible for contributing to that meeting of targets held accountable, perhaps through their DPRs, for how well they've done in helping the government as a whole move forward.

These are the kinds of targets, sir, that we're talking about. The government, as we've heard today, is not there yet.

• (1300)

Mr. Borys Wrzesnewskyj: Perhaps the government doesn't have premeditated intent in using wording that allows the targets to be missed, but we have this example of the greenhouse gas emission target, which was clearly set and was supposed to be achieved by 2010.

Mr. Shugart, you have said that this specific and very clear target sunsetted; yet documentation we have clearly states that the government wound it up, killed it.

Was there a sunset clause attached to this target? Our understanding was that it was to be met by 2010. Or did the government just decide to wind it up and not replace it with a new set of targets?

Mr. Ian Shugart: Mr. Chairman, what I think I said—certainly my intention—was in reference to Mr. Lussier's question about the specific program, the federal house in order program. That's what I was referring to. In fact, I think there would not have been any formal decision to change or terminate that target. I think my comment was that the purposes, the policy direction, would have remained the same.

I would agree entirely that the—

Mr. Borys Wrzesnewskyj: So did the government wind it up, or was it sunsetted, as you previously stated?

Mr. Ian Shugart: The program, as I understand it, was given five-year funding, which was due, in terms of parliamentary appropriations, to sunset. That is what happened, as I understand it, to the program.

Mr. Borys Wrzesnewskyj: So funding wasn't provided past a certain point in time and it was wound up.

Mr. Ian Shugart: For that particular program, that's right.

Mr. Borys Wrzesnewskyj: Okay.

Commissioner, the other part of the problem here.... The first one was that the wording was so non-specific, but the other aspect you zeroed in on was the horizontal approach.

You referenced the U.K. model. They have a similar Westminster structure to ours and they have quite a different approach. It's a top-down approach, a directive clearly from the Prime Minister's office. It shows clear intent, seriousness of intent, and if targets aren't met, people—ministers, I understand—are called on the rug.

Yet what's being proposed here is a horizontal approach, which we've seen hasn't functioned well in the past here. Perhaps it will be fixed somewhat, but we have a clear example of an approach that is working.

Would you like to comment on this, and on why we would not use a success as an example of how to go about achieving targets?

Mr. Ron Thompson: Mr. Chairman, we haven't audited the U.K. experience. We've certainly looked at it, and what we see, at least on the surface, is quite appealing. Here is the chart, for example, that comes out of that exercise, which shows which departments are doing well and which are doing poorly against the various top-down targets that have been set for greening.

It's an approach. I'm not so sure our colleagues within the government are ruling it out, looking ahead. Perhaps they would be best equipped to speak to that, but it's one of the issues I understood them to say they were taking a look at, the approaches that are being taken in other jurisdictions such as the U.S. and the U.K.

• (1305)

Mr. Borys Wrzesnewskij: Ms. Meredith, do you have any comments?

Ms. Daphne Meredith: Well, of course, we are interested in what other jurisdictions are doing and we're open to taking on good suggestions. I think we have, in fact, and Ellen has spent some time in conversation with counterparts in the U.K.

Their system is outlined briefly in the commissioner's report. It's based in part on reporting on progress, in the same way that ours is based on reporting on progress, but perhaps a bit differently. It's done on an annual basis, and ours is right now annual in terms of our DPRs, but done every three years in terms of sustainable development strategies. So there are certain common elements.

I think there are also certain common challenges. That was the nature of our discussion with the U.K., that even with the top-down approach there are problems of compliance. They're struggling with those in the same way we're struggling with ours.

The Chair: Thank you, Mr. Wrzesnewskij and Ms. Meredith.

Mr. Borys Wrzesnewskij: Just as a quick point of order, could we have the chart that was referenced tabled with our committee?

The Chair: Mr. Thompson, is it available in both official languages?

Mr. Ron Thompson: Mr. Chairman, this one from the U.K. is only in English, I'm afraid.

The Chair: We'll get it translated.

Mr. Lake, you have seven minutes.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): My first question would be for Ms. Meredith. I'm looking at paragraph 10.2 of the report. It says:

The government stated in its 1995 *A Guide to Green Government* that it wanted to play a leadership role in turning sustainable development thinking into action.

It goes on, a little later in the report, to talk about one of the five objectives being "greening government operations". That was in 1995. Then later it says:

After a number of other initiatives, the government created the Office of Greening Government Operations (OGGO) in April 2005

—ten years later.

I'm wondering whether you can explain to me why it would have taken ten years to get to that point. What actual progress was made in the interim?

Ms. Daphne Meredith: Between 1995 and 2005, departments were doing their sustainable development strategies. They were doing them independently, I suppose, perhaps more independently than is productive. There was certainly a will to green operations and to green other aspects of their activity.

My only suggestion is that over time it was recognized that perhaps it would be helpful to have a focal point, an office that was expert in these areas and that could help departments craft meaningful strategies and deal with measurement and other issues in a more constructive way. For that reason, our department, because it was a nucleus of expertise, internally reallocated resources to provide that focal point.

We're learning as we're going. I would have to say we're trying to find the right mechanisms to make a difference.

Mr. Mike Lake: Going back to the 1995 *Guide to Green Government*, one of the included objectives being the greening of government operations, obviously if that was an objective there must have been some measurement criteria that we could measure against—targets set, and all of that.

Can you speak to what the targets were and how the government of the day measured up over the next ten years in reaching out and meeting those targets?

Ms. Daphne Meredith: I'm not prepared today to talk chapter and verse about the progress made by individual departments during that period. My focus, Mr. Chair, is really on the commissioner's more recent report and responding to his comments there.

I would be happy to help in follow-up to answer that question.

Mr. Mike Lake: Perhaps when Mr. McGuinty gets his next time, he can use it to explain what happened during those ten years. It would be rather interesting to hear.

Mr. Thompson says in his opening statement, in paragraph 12, and Mr. Wrzesnewskij alluded to it:

We point out that other countries have adopted quite a different approach. For example, in the United Kingdom and the United States, top-down direction on greening is given to government departments from the highest levels.

You spoke a little bit to the approaches taken by the U.K. and the U.S., and I was going to ask you about that, but I want to ask a bit about this top-down direction.

Is the top-down approach always better? For example, I think about a directive that would say everyone has to buy a specific type of environmentally friendly paper. Are there situations on the ground where a policy like that might actually hurt the environment, maybe because of shipping requirements that might incur higher emissions to get the paper to where it's needed?

• (1310)

Ms. Daphne Meredith: I think that is the essence of the issue as we see it and why we think there are some drawbacks to having a one-size-fits-all, top-down-driven approach: that you're in danger of being insensitive to individual circumstances.

We know that departments have different circumstances. For example, Correctional Services Canada has a very old set of buildings to deal with. To expect them to meet the same energy efficiency standards or GHG emission targets as others would be unrealistic, given their building stock right now. Others may have a different configuration of buildings or fleets. That will all make a difference to what they can achieve in the short term rather than the long term.

So there is a danger in dictating the same for everyone, for sure.

Mr. Mike Lake: Okay.

This again has been talked about a little bit, but in paragraph 10.36 of the report, the last sentence says:

We found that seven of these organizations had included all of the government-wide targets and the others had partially included them.

But it doesn't really give much feedback on what "partially" means. To what extent have the other governments included them?

Ms. Daphne Meredith: Do you mean the other government departments? In the case of ours—

Mr. Mike Lake: It talks about the 28 departmental sustainable development strategies. It talks about seven having included all of the government-wide targets, but the others—I guess it would be 21—only partially included them.

Ms. Daphne Meredith: That would mean they might adopt a building target we had or the fleet target, but not the greening of procurement target, so they would be fine in some ways and not in others.

If I speak to my own department as an example, we put as a target in that guidance that a department should have 100% of their procurement people trained in green procurement, and that was part of the guidance going out to all departments.

In our case, we have over 1,700 procurement officers, and there is a lot of rotation within that staff. So we actually set our target slightly lower than 100%, and we felt we had realistic and practical reasons for doing so.

Mr. Mike Lake: This is my last question, because I'm running to the end of my time.

Of course, in every statement from the Auditor General's office, and from this office as well, there's a sentence saying, "The committee may wish to ask...". I'm going to "wish to ask" departmental officials about the progress they're making in clarifying leadership and responsibility issues. If we can talk a little about the progress, that would be good to finish.

Ms. Daphne Meredith: Thank you for the question.

We feel we've crossed a hurdle by just having acknowledgement of our leadership among departments. That wasn't the case during the commissioner's review. That's one important bridge crossed.

That then gives us the leverage to be more assertive in calling meetings, in challenging departments to adopt best practices that we see elsewhere in government, and to aspire to do better, I suppose.

I must say, it's not a huge stretch. I know, having worked in many departments, that there is general enthusiasm within departments, especially among younger employees, to green their operation.

So it's tapping into the enthusiasm with them, using our expertise to get the targets or the goals set at the right level.

The Chair: Before we go to the second round, I have a few questions myself.

I've been at this end of table listening to every question. As has been indicated, this has been going on, I guess, for 13 years since the first strategy was implemented by government. Since then, we've had a lot of studies and reports. About every second year the environment and sustainable development commissioner goes in and does an audit, and recommendations are agreed to, and audits are usually not satisfactory.

Another office was opened up in 2005. Every year there have been more commitments and undertakings. But it doesn't seem that anything at all ever gets done in the whole thing. This is 13 years later, and we're here now; another audit comes in, and it's unsatisfactory, and the recommendations are agreed to.

I know it's a horizontal issue and it goes across departments, but there seems to be a total vacuum in leadership. I'm trying to point to some individual in government to say that this person or that office or organization is responsible. To me, it's just a big conceptual mess out there. I'm not following at all as to who is responsible.

I don't have a warm, fuzzy feeling that if we come back in April 2010 we're going to be one step further ahead, because I don't see the person identifying himself or herself as being in charge of this file on a pan-government basis and saying it's going to get done. I don't hear that out there.

Mr. Thompson, my question is to you. You've been on this for a while; you've done your audit. Is there anyone out there in government who really cares about this particular issue, in your opinion?

● (1315)

Mr. Ron Thompson: Thank you for that question.

A direct answer is yes, I think a lot of people do care quite a bit about this issue. I think the colleagues here at the table care very deeply about trying to have the government green its operations. Today, having them here to discuss what they're doing in getting ready for the next round of SDSs and the interest of this committee on that issue is all good stuff, and very encouraging to me.

But I couldn't agree more with you that no one seems yet to be driving this, and I think somebody has to be driving it. It needn't necessarily be just one office, but somebody has to drive the greening of government operations, make it happen, and be accountable for it happening. I haven't seen that emerge yet in the discussion this morning or this afternoon and in what we've been auditing to date.

The Chair: Leadership shared is leadership shirked. I am still looking for that answer.

I'm going to ask a broad question to anyone at that end of the table. Do any of you know of any person or organization in government prepared to take a leadership role on this issue and prepared to come back before this committee 24 months down the road to say that the recommendations set out in this report have been completed and the government has either accomplished or is very well on its way to greening its operations?

Does anyone have an answer to that question? It has to be a very specific answer. I don't want five minutes about having aspirational goals or "we're pioneering an issue". I'd like a very succinct answer to that very clear question.

Ms. Daphne Meredith: I think the answer is that departments report annually on their performance, and they report on the achievement of their sustainable development strategies as well. That is an accountable system.

The Chair: That wasn't my question at all. Who is providing the leadership? Who is responsible and is going to provide the leadership on this particular issue?

Ms. Daphne Meredith: We are; Public Works is.

The Chair: And who at Public Works is going to be prepared to come back here in two years' time—because this has been going on for 13 years—and deal with the issues that haven't been dealt with in 13 years and all the commitments and agreements that have been made and never fulfilled?

Ms. Daphne Meredith: We'd be very happy to report on our leadership on this issue.

Mr. Chair, with respect, I'd have to say that it's not an area where we haven't made progress. We've made enormous progress. A 26% reduction in GHG emissions in our federal buildings over 14 years, I would argue, is significant progress. I would also argue that in terms of fleets we've made huge progress, and we're recognized internationally as leaders in the area of green procurement. So we have a lot to be proud of, and I wouldn't want that message to be lost.

The Chair: Ms. Meredith, I've read the report. It's very, very negative, and I will say that if it's your department that over the last 13 years has been providing the leadership, they really have not provided the leadership I would expect as a Canadian taxpayer from my government on this particular issue.

Anyway, I've probably used up enough time. We're going to go to the second round.

Mr. McGuinty, for five minutes it's back to you.

• (1320)

Mr. David McGuinty: Thank you very much, Mr. Chair.

Mr. Shugart, very quickly—in 30 seconds or less—I want to get this clear. In 2002 our government created the federal house in order initiative. In 2007, you said, it was sunsetted, because effectively it was a five-year funding envelope and it sunsetted.

I understand that the federal house in order initiative called upon departments to agree to collectively reduce emissions from their buildings and vehicles by 31% from 1990 levels by 2010. I recall it because I think I had a hand in a previous life in crafting that standard. By 2002 the departments had reduced their emissions by 24%.

Along comes March 2007, and the government winds up or kills it—whatever—along with a whole series of other programs, such as the commercial buildings retrofit program, for example, which was meeting with huge success in the commercial sector.

Just very quickly, do you have any evidence you could table with us here today that was presented to the government side to justify winding up this program? Was it based on evidence?

Mr. Ian Shugart: With respect to the data, my understanding is that the last year for which we had data on the reductions was 2005...2003-04 was the last year of the data. I do not know today what further progress has been made en route to that target.

With respect to the decisions about programming by government, those of course were decisions made by ministers in terms of the overall fiscal plan and programming.

Mr. David McGuinty: In closing on this small issue, were you asked or did you present to the minister or to cabinet evidence to rationalize why those programs, or one, at least, or two—and I can give you a list of 10 otherwise, but the house in order initiative was working well—or any evidence to substantiate the decision taken by the government not to continue funding it?

Mr. Ian Shugart: Mr. Chairman, officials would have advised ministers, whether on Treasury Board or on other cabinet committees, about the evidence available. And as normally happens, ministers would have made those decisions. Much of that, I'm assuming, Mr. Chair, would be cabinet confidences.

Mr. David McGuinty: So there are no documents or evidence you can share with Canadians or table with this committee so that we can get a better understanding of the evidentiary process the government would have followed to make a rational decision?

Mr. Ian Shugart: I would have to verify the nature of the documentation and whether it is in the public domain or not.

Mr. David McGuinty: This is to all the witnesses.

In 1992 Brian Mulroney went to Rio and did the right thing. He signed on to the Agenda 21, he signed on to an earth declaration, he signed on to and ratified the United Nations Framework Convention on Climate Change, and he signed on to the international forestry convention.

One of the things this compelled this country to do, under Mr. Mulroney—and he did the right thing—was to make a decision that sustainable development, of which green procurement is a subset, would land in the Prime Minister's office. That's why we created the National Round Table on the Environment and the Economy, which used to report to the Prime Minister but now functionally reports to the Minister of the Environment, under the new government.

Mr. Godfrey's bill, if I can come back to this and get a reaction from you, is now calling upon the country to make a shift. We would create a cabinet committee on sustainable development. It would have to devise a national sustainable development strategy—not departmental, not 28 of them, but a national SD strategy.

It would have within it targets: for the short term, one to three years; for the medium term, five to ten years; for the long term, twenty-five years. It would have a firm implementation strategy for meeting each target, which would include, for example, caps on emissions, economic instruments to be used, penalties to be paid, an ecosystem-based management approach, and so on and so forth.

And it actually goes further, because it would then require that the Clerk of the Privy Council, who signs the performance contracts and negotiates them confidentially with each deputy minister, would now hold the deputy minister accountable for performance on sustainable development, including green procurement.

So for those of us who golf—and I don't, but I've driven by golf courses and heard people yelling at the golf ball to sit down on the green—we want this to sit down on the green. It needs to be centred somewhere, so that the situation isn't “everybody's job is nobody's job”.

Could you give us an understanding, if this were actually put at PCO—with an under-secretary of cabinet, for example, responsible for steering, not rowing—would that not help us overcome some of these horizontal challenges we have and these siloed changes we have?

•(1325)

The Chair: David, that's it.

Do you have a point of order, Mr. Williams?

Mr. John Williams: If his time is up, that's okay. I just thought that was more a political question than a question to the bureaucracy, and therefore I would ask you to rule it out of order.

The Chair: It was a long question, Mr. Williams. It's not out of order.

I'll ask the witness to answer the question.

Mr. Ian Shugart: Mr. Chairman, I will answer the part of the question that I can within my limits, if I may.

There are two points I could make.

In the report of the commissioner with respect to sustainable development strategies, the recommendation is made for a comprehensive report by October of this year on the issue of the coordination of SD strategies, including the issues of what I might call organization and governance. The Department of the Environment is doing that, and we are on track. We are doing the analysis, we're working with the other departments, and we will complete that report in the time recommended.

The issues of coordination and governance and how targets are set—the benchmarks that are used and so on—are included in that report as per the recommendation of the commissioner. So from the point of view of some of the analysis as officials, we are engaged in that right now.

As my second point, I would say a little more generally that the issues of target-setting and accountability reflected in the bill being studied now really do go to the heart of what we've been answering questions about this afternoon. And of course it will ultimately be the prerogative, in the case of the bill, of Parliament, and in terms of

organization of the government, by our conventions, of the Prime Minister.

There are certain things that, even before that, we are moving on. Under any scenario, I think there will have to be a connection made between the real work of departments, the geographic circumstances, the nature of their business, the trade-offs that are always inherent in making infrastructure investments as opposed to program investments, and so on. We will have to work those out.

At the back end, the reporting to Parliament, we recognize that the objective analysis that would hold all of us to account, regardless of what the specific targets are and how they are derived, is something that, through the continuous improvement in the departmental performance reports, is a vehicle we recognize right now we have to make better use of.

I fully recognize, speaking to the member through you, Chair, that I have not answered the question fully. We are limited in how far we can go in answering that question.

The Chair: Just before we go to Mr. Fitzpatrick, I want to clarify a matter.

There was a question asked about federal house in order initiative. You are going to provide materials to the committee through the clerk. Of course, we're not expecting any cabinet memos or cabinet confidences or advice to cabinet ministers, but if you have any material on the cancellation of that program, you will provide that to the clerk.

Mr. Ian Shugart: I will verify the veracity of my answer, Chairman, and we will examine whether there are documents that could be shared with the committee, as you say.

The Chair: And you'll get back to the clerk.

Mr. Fitzpatrick.

Mr. Brian Fitzpatrick (Prince Albert, CPC): Thank you, Chair.

Philosophically, I guess, I'm not a person who believes in ordering and commanding results. That's an approach that government attempts to do quite often, and quite often it leads to a lot of talk and not a whole lot of action. We could even look at the Kyoto treaty itself as evidence of that. We sign on to something, we say we're going to reduce something by 20%, and we find out we're 35% or 40% over. We're all scratching our heads wondering where the plan was and why nothing got done. We feel that if we make a decree or a declaration, everything should automatically happen.

I think most successful leaders and successful organizations today would be highly critical of that approach. Take Dr. Deming and the people who founded the whole total quality management system and the concepts of continuous improvement. They would say that's not an approach that works. You can't decree targets. You have to manage a system and get those results. It takes things like good systems, good management, teamwork, commitment to a process to get on with things, and so on.

Really, what I'm concerned about today is whether in our departments we have actually... I know that we had ten years during which we had lots of talk and no action.

Madam Meredith, are we making real and concrete progress in reducing our environmental footprint and the waste and mismanagement that goes on in the departments?

• (1330)

Ms. Daphne Meredith: Mr. Chair, I think we really are making progress. I mentioned some of it earlier. I can cite other examples just from my own department. We're helped by what's happening out there in industry and how different organizations are taking advantage of new technology.

One thing we have signed onto in our department is the BOMA Go Green Plus initiative, which is a way of measuring how buildings perform, how they're operating, what kind of lighting they're using, whether they're efficient enough in all of their operations. We've commissioned one of these BOMA Go Green Plus assessments for all of our 367 crown-owned office buildings of Public Works—

Mr. Brian Fitzpatrick: If I walked into a department as, let's say, an expert on management, I would consciously look for and would really want to see—you can come up with all the measurements you want and targets and everything else—a living, breathing culture that's committed to good environmental stewardship. I would want to see a department consciously trying to do that. We could have a whole bunch of government people ordering and micromanaging the whole process, but I'd be a lot happier to know, if I walked into a department, that this kind of living, breathing culture was alive there.

If I went into any one of the government departments, would I find that kind of living culture—right from the deputy minister down to the front-line people?

Ms. Daphne Meredith: I think you'd find it increasingly so.

In our department, as an example, we committed to reducing the number of printers by 50% over the three-year period 2006 to 2009. For the printers we do purchase, we make sure they're green and are meeting an Energy Star standard. The printers, after they finish their useful life, go back—

Mr. Brian Fitzpatrick: Thank you very much.

I have one other comment. The last thing I'd want to see in this town would be another government department created to try to monitor everybody else. We have something like 400,000 people in this town already engaged in government. Surely to God, nobody could justify and argue that it would be improving the environmental footprint in the country to create another government bureaucracy, with cars, buildings, airplanes flying people around the country, and so on. I would have a whole lot of difficulty trying to figure out how that would move the yardsticks in the right direction. There are enough people already.

Do you feel, Madam Meredith, that there are enough resources in your department to provide the leadership and to get this job done, or do we need another government department?

Ms. Daphne Meredith: I think we've already made progress, and I think we have what we need to make more.

Mr. Brian Fitzpatrick: Thank you very much.

The Chair: Thank you, Mr. Fitzpatrick.

Monsieur Laforest.

[*Translation*]

Mr. Jean-Yves Laforest: Thank you, Mr. Chairman.

Welcome to everybody.

Ms. Meredith, you probably know that 95% of the power produced in Quebec is hydroelectric power, a cleaner form of power than that power produced with coal, for example.

Is the fact that there are fewer greenhouse gas emissions from the power produced in Quebec taken into account when a decision is made about locating a department? We know that there are offers from Quebec as well as Ontario. Considering GHG reduction targets, I believe that this should be taken into account.

• (1335)

[*English*]

Ms. Daphne Meredith: That's an interesting idea. We incorporate green concepts when we're making building decisions. I'd say we're more aggressive on it when we're doing new building construction and we have a commitment to honour LEED's gold standard. So we do incorporate green into our consideration for buildings. I'm not aware of green being used as a criterion for the location of buildings per se. We're moving it forward on other fronts, not on that one—to date.

[*Translation*]

Mr. Jean-Yves Laforest: I understand your feeling that this should be taken into account but, if I may say so, all opportunities should be taken into account when one tries to reach those targets. This one would be rather easy for the federal government. Interior heating requires a lot of electricity and there are fewer greenhouse gas emissions with the power produced in Quebec.

Mr. Daniel Jean: I would like to add something, Mr. Laforest.

Sometimes, we have to move to a new building. For example, some Treasury Board staff was moved from Esplanade Laurier to a building on Nepean street. Esplanade Laurier is an older building and we took that opportunity to start a pilot project aimed at seeing if it would be possible to use the new building in a much more ecological manner, whether it be for water consumption, the type of energy used, parking spaces for bicycles, etc.

In answer to the question asked earlier about the steps taken by departments, I would like to say that there are many. For example, at Esplanade Laurier, Treasury Board will soon start sending to composting all the paper towels used in the bathrooms.

Mr. Jean-Yves Laforest: I thank you for this additional piece of information.

My next question is more specifically for Mr. Thompson or Ms. Meredith.

In their strategic plans, do departments take account of the environmental contribution of the suppliers in their sustainable development strategies? Let me give you an example. If we talk about integrated management of a green energy program, it seems to me that Economic Development Canada, when they give subsidies, should favor less polluting companies. I am referring to Economic Development Canada but this principle could be applied on a government-wide basis to all departments.

The chairman was asking who was managing this. If we want the process to be truly integrated, someone has to take responsibility and it has to apply everywhere, even to the kind of support provided by our government to companies through subsidies or even tax benefits. Is that already included?

[English]

Ms. Daphne Meredith: I think I'll leave to Mr. Shugart the question of departments' broader sustainable development strategies. Our area of focus is on greening operations per se, and I think we're tipping into another area when we're thinking about companies that might get grants or contributions from the federal government. I would defer to Ian on that.

• (1340)

[Translation]

Mr. Ian Shugart: Mr. Chairman, I have no knowledge of any such policy being included in the sustainable development strategies. However, it is an interesting idea.

[English]

On the side of broader government environmental policy, I think it would not relate to the operations of departments to decide what kind of support to extend through the tax system or....

[Translation]

This is not part of my responsibilities in terms of Environment Canada. As for the purchasing of goods and services, I am not sure at all but I believe we could investigate to see if part of the responsibility belongs to the suppliers of goods and services to the government.

[English]

The Chair: *Merci beaucoup, Monsieur Laforest.*

Mr. Lake, you have five minutes.

Mr. Mike Lake: I want to bring the focus back, if I could, to action. I noticed that when Mr. McGuinty spoke, or went on his rant there, he did talk about the success of Mr. Mulroney, but then he didn't go further to answer my question about what happened *after* Mulroney, in the period between 1995 and 2005.

Now, I would note that in the House, some time ago, he did speak a little bit about it. He stood up to talk about the Liberal environmental record, and talked not about action but about "platforms for action". He talked about regulations not implemented but "nearly released"—

The Chair: Are there any questions here?

Mr. Mike Lake: Yes, I'm coming to them. I'm just setting them up, if I could.

Mr. McGuinty did say that after 13 years they were "set to start operations" on the environment.

I guess my question regarding action, and my concern here, is that the report definitely suggests that there was a problem with either action or at least the ability to explain what you've done and to measure action.

I want to look ahead three years from now, and I want you to assume that you're sitting here again three years from now, Ms.

Meredith. What progress will you have made at that point, based on the changes you're making now? What changes will you have made to the way you operate and hold departments accountable that will allow you to give us measurables in terms of the action that has actually been accomplished at that point?

Ms. Daphne Meredith: I appreciate the question. I think it's a little premature for me to tell you exactly how we're going to be reporting, because really what we're doing is preparing for the 2009 to 2012 sustainable development strategies. We will be working with departments over the next year and a half or so to make sure they're ready for those. I'll be in a much better position later, in a year to 18 months from now, to tell you how, because that's precisely what we're going to be doing with them—figuring out what are going to be the measures, what are going to be the commitments, how much they may vary by department depending on their individual circumstances, and developing that platform as best we can.

Mr. Mike Lake: Do you have any action plans or anything done since the report that you might be able to table with us in order to show some progress since the report was done in the first place? Do you have anything you could give us to show some progress in the interim?

Ms. Daphne Meredith: As I mentioned, we have done an action plan that's more detailed than our management response to the audit. We're happy to table that today.

Mr. Mike Lake: That's what you talked about.

The Chair: Yes. It's going to be tabled.

Mr. Mike Lake: Okay.

Ms. Daphne Meredith: As part of that, one concrete thing I should mention is that in terms of our green procurement, working through these commodity strategies for some 61 goods and services that departments can then buy from us, that will be complete by December 2008. That will cover what the government normally spends—some \$4.5 billion to \$5 billion—on goods and services.

• (1345)

Mr. Mike Lake: Thank you.

The Chair: Thank you, Mr. Lake.

Mr. Comartin, you have five minutes.

Mr. Joe Comartin: Ms. Meredith, you indicated earlier that when you met with the other heads of department, you presented a deck. Could you provide that to the committee, just for future reference?

Ms. Daphne Meredith: I don't believe there's any reason why I can't. I can commit to that, yes.

The Chair: Ms. Meredith, if you could provide that to the clerk—within a week, let's say—he will circulate it to members of the committee.

Mr. Joe Comartin: Thank you, Mr. Chair.

Mr. Thompson, Ms. Meredith indicated that it's understandable that there would be different criteria. She used Corrections Canada as one of the departments because of the age of their buildings.

Would you agree that there is a need for that flexibility? I'm going to assume that you agree that there should be some flexibility, so I'm going to couple that with another question: how flexible? And how do we assess it?

Mr. Ron Thompson: Mr. Chairman, through you to Mr. Comartin, certainly I agree with Ms. Meredith that there's a need for flexibility from time to time, but there's a great difference between having some flexibility to respond to particular circumstances of departments and having what I'd call a "rubber yardstick" to measure their progress.

If there is a need for flexibility, I think that should be taken into account in setting a realistic and aggressive target for greening in a particular area, with the department being held to account for achieving that target.

Mr. Joe Comartin: And we're nowhere near that at this point.

Mr. Ron Thompson: We're not there yet, in my opinion, Mr. Comartin, but I think we could be relatively soon, hopefully.

Mr. Joe Comartin: Are we talking the same 18-month period that Ms. Meredith referred to?

Mr. Ron Thompson: Mr. Chairman, through you to Mr. Comartin, I am very hopeful, frankly, that the government officials here, working over the next 18 months, will put in place a system that we think will work; that will have a clear driver, somebody who will make the greening of government operations happen; that will have clear expectations, realistic right enough but also clear, both for the government overall and for individual government departments to contribute to; that will have an accounting back, with an accountability process put in place to report back on whether or not the government overall and individual departments are meeting their objectives and expectations; and that will have some reasonable reporting to members of Parliament, and through Parliament to Canadians, on how progress is being made on the greening of government operations.

Mr. Joe Comartin: Let me just pursue the reporting part, because it's a concern that I have. Mr. Jean or Ms. Meredith may want to comment on this as well.

This not an aspersion on the public service, but we can juggle the figures. Is there anything being proposed so that when those reports come back there is some kind of double-checking—other than by your department, the commissioner's office—or a spot check perhaps, that in fact the reporting is accurate as being presented to Parliament?

Mr. Daniel Jean: Certainly what we would like to do through both the RPP and the DPR, as we work on sustainable strategies with Environment or we work on greening government operations with Public Works, is to make sure that the commitments made by the departments, how they're going to measure success, and what they've actually achieved are put in a transparent fashion. That's the whole principle behind the RPP and the DPR.

These documents are public. They're transparent. They're tabled with Parliament. The commissioner—

Mr. Joe Comartin: Mr. Jean, how do we know—how can we feel confident—that in fact the reporting is...? Fine, it's transparent and it's given to us, but how do we know that there's somebody looking

over their shoulder to say, yes, it is in fact accurate, as opposed to being a puffed-up report?

Mr. Daniel Jean: If the reporting were not accurate, I think the commissioner would make a point of putting that out in his report.

Mr. Joe Comartin: Mr. Thompson, do you have the ability to do that, though?

Mr. Ron Thompson: Mr. Chairman, through you to Mr. Comartin, yes, we could go in and have a look at not so much the RPPs but the DPRs, where performance would be reported. But I think another layer of audit is internal audit within government departments and agencies. I would hope that internal audit would take some responsibility for the integrity of the information shown annually in the DPRs.

But yes, in direct answer to your question, we could go in and look at some of that.

• (1350)

Mr. Joe Comartin: Mr. Shugart.

Mr. Ian Shugart: Mr. Chairman, if it would be helpful to the committee, I would add that the nature of the measures will vary across the operation. For example, on the renewal of the government fleet, I think there is relatively little we could do, even if we wanted to, to fudge the numbers. We would be reporting to the Treasury Board, as the commissioner has indicated, through internal audit and then through whatever external audits occur to provide the data about what the expenditures have been in fleet renewal and what the compliance has been with the standard across government for fuel efficiency, for example.

In other areas, I suspect we're going to have to provide considerable guidance from environment from other places about what are appropriate measures. In some cases, environmental measurement is a work in progress, and it would be more difficult. So I think there will in fact be a range of integrity of what the measures are, or objectivity in the measures, depending on what area we're talking about.

The Chair: Thank you, Mr. Comartin.

Mr. Wrzesnewskyj, five minutes.

Mr. Borys Wrzesnewskyj: Thank you, Chair.

Mr. Shugart, it seems the federal house in order initiative for greenhouse gas emissions was tracking to be a rare success story among government green initiatives. At the end of March 2007, the government wound it up. You've stated that was a ministerial decision.

Which minister would it have been who made that decision?

Mr. Ian Shugart: That decision really was no different from any other government program where every year the government's estimates—

Mr. Borys Wrzesnewskyj: Sure, but which minister made the decision to wind up this initiative?

Mr. Ian Shugart: My colleague reminds me that it was an NRCan program.

Mr. Borys Wrzesnewskyj: So who was the minister?

Mr. Ian Shugart: Well, the Minister of Natural Resources Canada is Mr. Lunn, but those decisions—

Mr. Borys Wrzesnewskij: Thank you.

And who would have been the minister who signed off on this new initiative of a horizontal bureaucratic approach at setting our new targets?

Ms. Daphne Meredith: I'm sorry, I'm stuck on the federal house in order program—

Mr. Borys Wrzesnewskij: No, no, I'm asking about—

Ms. Daphne Meredith: —and I would make the point that it was a sunsetted program, so the decision was, to begin with, that it would be for five years. I just wanted to clarify that, based on Mr. Shugart's previous testimony.

In terms of the approach we're taking now, with the leadership that we are providing now, that's very much an initiative, in terms of funding, for the Office of Greening Government Operations. That's something we have done at Public Works with our minister's concurrence. Our leadership, as I mentioned, was acknowledged at the deputy minister level.

Mr. Borys Wrzesnewskij: Thank you.

I'm going to pass this on to Mr. McGuinty.

Mr. David McGuinty: Thanks, Mr. Chair.

On the insistence of my colleagues from the Conservatives to answer the question about what happened in ten years, this is the government public accounts committee—

Mr. John Williams: On a point of order, this is a parliamentary public accounts committee, not a government public accounts committee.

The Chair: You can say “government”; it's the House of Commons Standing Committee on Public Accounts.

Mr. John Williams: Well, let's just get the terminology.

Mr. David McGuinty: Thanks, Mr. Williams. Great.

Mr. John Williams: You're welcome.

The Chair: Okay, one speaker. Mr. McGuinty has the floor.

Mr. David McGuinty: Absolutely. We were busy cleaning up the financial mess left by the last Conservative government and delivered up a \$13 billion surplus to this government—before it so acutely and so competently squandered it.

To the witnesses, I'd like to pose a theoretical question. If there were a new PCO-driven implementation strategy that set caps on emissions by sector and region and that instructed departments on which economic instruments to use preferably, based on evidence—not ideology but evidence—and if there were real penalties for non-compliance, if there were an ecosystem-based management approach designed for the departments and full-cost accounting with timelines for meeting each target, and if there were a clear indication of which person was responsible for implementing the strategy, can you tell me, would that not help Canadians achieve their green procurement objectives?

I don't understand how the environment department can take the lead on this, Mr. Shugart. I think what we're doing here is setting up the environment department to become the “enviro-cop”. Frankly, I don't know if the environment department, as a science-based department, has the suasion—moral suasion or any other instrument or power at its disposal—to convince other much larger departments, central agencies, and others to actually achieve these targets.

•(1355)

Mr. Ian Shugart: Mr. Chairman, I'll do my best.

I indicated at the beginning the four roles that Environment Canada plays with respect to greening government operations. Our role for sustainable development strategies is somewhat comparable to my colleague's department's role in procurement and greening government operations.

All I can say directly to the question, as Mr. McGuinty has asked it, is that as public servants we will comply with whatever regime of governance is established. The report for sustainable development strategies that we're undertaking now will, on the recommendation of the commissioner, address those issues.

Mr. David McGuinty: But would this help?

Mr. Ian Shugart: I can't answer that directly; it's theoretical. It's not my prerogative to put in place any particular system.

What I would say is that the level of target setting, the measurement of targets, the analysis of how best to achieve them, and the measurement on performance are the elements that we have to come to grips with, as the commissioner has laid out, under whatever system of governance we are assigned as a department.

The Chair: Thank you, Mr. McGuinty. Thank you, Mr. Shugart.

Mr. Lake, you have the last slot.

Mr. Mike Lake: I'm going to resist the urge to respond to Mr. McGuinty. Instead I'll move to Ms. Meredith.

You looked like you wanted to maybe say something with regard to what Mr. Shugart said in response to Mr. Wrzesnewskij's first comment, or you kind of alluded to the fact that you might have something to add there.

Ms. Daphne Meredith: I was supporting his latter point about progress in these areas. It is a changing world, with changing technologies, so expertise is going to be critical toward making progress. That's the kind of supportive leadership that I think we're ready to play for departments.

Mr. Mike Lake: The last point is just to give you one final opportunity to close things off. I'll go back again to Mr. Thompson's opening statement about what we may wish to ask you about in terms of the progress you're making. He talked about the progress in strengthening guidance for building energy, vehicle fleet emissions and green procurement, and expanding guidance to cover other areas such as waste management.

So just to wrap things up, I'll give you the chance to give a final word on what he was asking us, I guess, to ask you.

Ms. Daphne Meredith: I'd like to go back to his point on progress. I think we've made progress. Is it ever enough? No, it's not ever enough. But I think we're positioned to deal with the departments and to engage them really constructively over the next year to 18 months, as I mentioned.

I think we've made good progress in some of the greening of our buildings. In LEED gold, we're leaders. Parks Canada, for example, has a platinum building on Vancouver Island. There are only ten in the world. So you find initiative being taken. We can take stock of that. We can talk to other departments about potential in their buildings to do the same thing.

At Public Works we're committed to an LEED gold standard. That's a very high standard. Actually, just the other day the Jean Canfield building was opened in Charlottetown. I think that gets to the culture point you're talking about, that these buildings, built to that kind of high standard of environmental stewardship, can be an inspiration not only to others in government but also to the employees who work there and the community itself.

So there's never enough progress, perhaps, but there is progress there. We'll look at what has been made, we'll take account of best practices, we'll feed it into the next round of advice to departments and the guidance we give them, and I think we'll end up with a good, solid set of sustainable development strategies for 2009 to 2012.

• (1400)

Mr. Mike Lake: Mr. Thompson, would it be safe to say that you're encouraged—I don't want to put words in your mouth, so I'll let you wrap up—by at least the direction that we seem to be moving in?

Mr. Ron Thompson: Mr. Chairman, through you to Mr. Lake, yes, I am, actually. I think this hearing has been a very good hearing to shine a spotlight on a very important issue for this government. The other witnesses at the table certainly are working in an area that is important, and seem to be making progress. Mind you, the devil is in the details, so we'll have to see.

If I may, Mr. Chairman, I would just add two or three concluding thoughts. I do think we're poised to make a quantum leap forward. I think there's a very great need to have a driver for this greening of government operation. The chairman mentioned that earlier, and I certainly agree. When you think of that, PWGSC, in testimony today, indicated that they've been given the leadership role; if TBS, a very powerful central agency, can join them, that's a pretty potent driver. So we'll see whether that works out.

Clear expectations, I think, are needed, both for the government overall and for individual departments and agencies. As I understand it, there are expectations being developed now. There's a perfect

opportunity to communicate those throughout government through the next round of special examinations guidance. So that's a good sign.

Lastly, we really have to know whether these expectations are being met. There must be some kind of public reporting. We've heard today that there is every indication, I think, to do the public reporting, hopefully in a more aggressive and more open way, through the departmental performance reports.

So a lot can be done with existing structures and existing people. I'm just very hopeful that with the support of this committee, that quantum leap will be made.

The Chair: Thank you, Mr. Lake. Thank you, Mr. Thompson.

That concludes our time, colleagues. I have a couple of things I want to comment on.

First of all, I do want to say, Ms. Meredith, that the Charlottetown building you mentioned really is a state-of-the-art environmental building, which is a credit to your department. I've had the tour, and other people have been in. It's something that I'm sure your department is extremely proud of.

Before I say anything else, I want to thank you, Mr. Thompson, for all your service in this job. I understand a new commissioner has been appointed. He takes his place sometime soon, I think.

Mr. Ron Thompson: Monday morning.

The Chair: Monday morning! So this will be your last appearance before a parliamentary committee, I assume, in this capacity. On behalf of the House of Commons and this committee, we want to thank you for your service over the last period of time.

Mr. Williams.

Mr. John Williams: Mr. Thompson is actually retiring, I believe, from the public service after a long and distinguished career. Prior to his position as interim commissioner for the environment, he was an assistant auditor general. I worked with him for many years, since I came down here in 1993.

I want to wish Mr. Thompson a long and happy retirement.

Mr. Ron Thompson: Thank you very much, sir.

Voices: Hear, hear!

The Chair: That concludes our time.

Again, thank you very much for being here today. I think it was a very productive meeting.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.