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Chair

The Honourable Maxime Bernier

Standing Committee on National Defence

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•(1105)

[Translation]

The Chair (Hon. Maxime Bernier): Good morning everyone. I would like to call to order this 8th meeting of the Standing Committee on National Defence.

[English]

Pursuant to Standing Order 108(2) and the motion adopted on Thursday, March 16, 2010, we will do a brief study and receive a briefing on the rehiring of retired soldiers and staff by the department.

I am very pleased to have with us as witnesses today, from the Department of National Defence, Major General Walter Semianiw, chief of military personnel, and Gail Johnson,

[Translation]

Director General, Civilian Employment Strategies and Programs, Assistant Deputy Minister (Human Resources Civilian), and Colonel Kevin Moher, Director, Land Personnel Management, Army G1, Chief of the Land Staff.

I would like to welcome all our witnesses. Thank you very much for being with us today. You will have

[English]

about ten minutes. After that the members will be able to engage in conversation with you.

Thank you for being here. The floor is yours.

[Translation]

MGen Walter Semianiw (Chief of Military Personnel, Department of National Defence): Thank you, Mr. Chairman.

Ladies and gentlemen, it is a pleasure to appear before you today to discuss the rehiring of retired personnel by the Canadian Forces.

[English]

Before I begin, let me introduce the other key witnesses present here with me today. First, from the land staff is Colonel Kevin Moher. He is the officer responsible for management for the army of people. Also with me, from the assistant deputy minister, civilian human resources, is Gail Johnson, director general, civilian employment strategies and programs, who is responsible for civilian personnel employment within the Department of National Defence.

My own area of responsibility in the subject of interest today relates to the policy governing the personnel administration of the reserve component of the Canadian Forces in full- and part-time

positions. The rules governing the employment of Canadian Forces annuitants are included in this policy. We will begin with a brief overview of the policy to set the scene for the committee.

[Translation]

As you know, the Canadian Forces is a total force comprised of a regular component, made up of personnel who have agreed to serve on a continuing basis, and a reserve component, made up of personnel who have agreed to serve on other than a continuing basis. For a variety of reasons, it is sometimes necessary to employ personnel from one component in units of the other component. Afghanistan is an obvious example of this.

[English]

We have large numbers of reservists serving alongside their regular force counterparts in theatre today and expect to do so as long as we are deployed and have troops abroad.

In addition, because we are a volunteer service, movement between the components, the regular force and the reserve force, based on personal decision and personal circumstances, is allowed and relatively common; indeed, it has been going on since the 1950s. This leads to transfers between components whereby personnel from the reserves become members of the regular force and vice versa. It is not uncommon for military personnel to transfer to the reserve component on retirement from the regular component. This allows them to continue to serve and allows the Canadian Forces to benefit from their expertise.

This is, of course, not the only method available to the Canadian Forces to continue to avail itself of the knowledge and expertise invested in its retiring members during their careers with the regular force component. Depending on personal circumstances and long-term objectives, some choose to continue as public servants. Others make themselves available for temporary employment as employees of contracting firms used by the department and the Government of Canada via the PWGSC standing contracts.

[Translation]

Why do we need these people? Why do we not use personnel from the regular component?

[English]

As you know, the Canadian Forces is expanding its personnel establishment as directed in the Canada First defence strategy. Indeed, I am pleased to announce today that we did meet our targets for last year, not *grosso modo seulement*, not in overall general terms only, but it has been the best year in many years in recruiting our stress trades.

While we have been very successful in our recruiting efforts, it takes time to train and to develop new personnel to the point at which they can contribute effectively to military operations and to necessary administrative functions. As a result, we have a large number of personnel in the training pipeline who are unavailable for employment in positions calling for a trained, effective person. Right now, we have approximately 4,800 of these positions without qualified personnel in the regular force to fill them. It is these positions, as well as the mission in Afghanistan, that lead to the largest use of reservists on a full-time basis.

[Translation]

I should also point out that relatively few of these positions require a senior officer. The majority do not. For example, there are slightly over 3,000 corporals and an equal number of sergeants from the reserve component employed full-time with the regular component. This is a case of making use of expertise resident in the reserve component—across the entire rank structure—to satisfy a genuine military requirement.

[English]

Let me explain how we go about deciding to use a specific reservist in a specific position.

The first step is to attempt to fill the position with a member of the regular component. Only when it has been determined that this will not be possible do we consider using a reservist. The requirement is then announced, at first locally and then nationwide if required, to all units of the reserve component via an employment opportunity message. This message describes the job to be done, the rank and occupation of the person required, and any other applicable administrative details. There is a minimum period of 30 days within which any reservist who meets the stated requirements may apply for consideration.

• (1110)

[Translation]

Once the 30-day application period has closed, the unit requiring the services of the reservist will review all applications received, conduct interviews as required, and select the individual thus qualified to fill the position.

This is an open, transparent process that is similar to the hiring process used by the public service.

[English]

Recently, to enhance transparency and make the process more efficient, we have introduced a web-based application, which we'll be more than pleased to discuss during the question period. This is an in-house application accessible by all reservists, which replaces paper-based processes used in the past. In addition to making the process more efficient, it also allows for better quality control by higher headquarters, thereby ensuring transparency and fairness. At this time there are two pilots going on, with the new software being trialled in my organization at chief military personnel command, and within the army.

It's also important for you to understand that our current need for reservists will not continue forever. The people now in the training pipeline will become functional. In due course the position now

occupied by a reservist will be filled by someone from the regular component. So in time our need for reservists will decline. I doubt it will ever completely disappear, but I'm confident that it will be considerably smaller in the future. In the interim it will continue, and there will be periods from one to three years when we will need qualified personnel from the regular component to support and replace those positions that are vacant.

[Translation]

I would also like you to understand that not all the reservists now employed by the Canadian Forces are also annuitants. Of the 3,000 or so corporals, only 336 are annuitants. In fact, only one in four reservists currently employed on a full-time basis is an annuitant.

[English]

As mentioned earlier, I'm responsible for the policies that govern the personnel administration of the employment of reservists. This policy allows for augmentation of the regular force by reservists in two ways. The first allows for the temporary employment of reservists in administrative or instructional positions. The second allows for employment of reservists in regular force positions or in approved operations.

Embedded within the policy are also rules relating to the employment of reservists who are also Canadian Forces annuitants. These rules apply to both options just described. The Canadian Forces has two options available in which a reservist who is also a Canadian Forces annuitant can be employed on a full-time basis. Those rules and regulations are defined by the Treasury Board of Canada.

Option one limits the period of employment to a maximum of 330 days in any one period of 365 days.

[Translation]

The second option allows for the continuous, full-time employment of the reservist. In option one, the reservist continues to draw his or her annuity. In the second option, the reservist is required to contribute to the Canadian Forces pension fund after 365 days of employment, and the annuity ceases.

[English]

This, in a nutshell, is the policy relevant to today's discussion.

[Translation]

We are now available to respond to your questions and comments. Thank you.

[English]

The Chair: I will give the floor to Mr. Wilfert.

Hon. Bryon Wilfert (Richmond Hill, Lib.): Thank you, Mr. Chairman.

Thank you, General; it's good to see you again. Thank you to your colleagues attending today.

I remember when we did the quality of life study over ten years ago, there was some discussion on this. Obviously, Treasury Board guidelines are very clear. Relative to other departments, would you say yours is unusual in terms of the numbers of rehires, or is it in the middle?

MGen Walter Semianiw: I would have to go back and get the numbers and the facts for this committee. I don't know at this point in relation to perhaps the Department of Foreign Affairs how many former regular-force personnel are rehired. I'm prepared to provide that information to the committee when I get it.

We know this has been going on for a long time. I think we all would agree with that. The issue today is why is there such an additional demand? As I believe I've said in other committees, how many years does it take to make a 20-year corporal or private or sergeant? It takes 20 years, and that's the challenge. What do we do as we've increased the number of enrollees in the forces while we have that gap for that short term? At this point, as we've said, we've hired at all rank levels, privates, corporals, master corporals, in all three services—army, navy, air force—regular-force personnel to fill those, as well as reservists who are in full-time positions.

• (1115)

Hon. Bryon Wilfert: I noted in your comments that this is on a decline. You mentioned one in four, so it's not an alarming amount, but given our responsibilities in Afghanistan, currently I think 40% are reservists in Afghanistan.

MGen Walter Semianiw: It's about 20%, and from a force structural point of view that began a number of years ago, because reserves are an integral part of that structure. Exactly right, the numbers have come down. If you take a look at class B—and this becomes a complexity of the issue—those folks who are in the reserves on full-time service vice those who are in the reserves on part-time service has already dropped by about 1,500 personnel in the last six months. So the numbers are already starting to come down. If we take a look at historical data, it used to be in the area of 5,000; the number is coming down. I think we also have to remember that taking those people we just enrolled and getting to the point of being functional is going to take some time as well.

Hon. Bryon Wilfert: Obviously there are always accusations about double-dipping, and that I think was probably generally what the Treasury Board guidelines were looking at, at the time.

In terms of electronic bidding and this procedure involving a former public servant, could you elaborate briefly?

MGen Walter Semianiw: Is the question alluding to the new software we've put in place?

Hon. Bryon Wilfert: Yes.

MGen Walter Semianiw: Over the last year we looked at some of these issues at the heart of class B hiring, and one of them was how we could create a monster.ca for reservists. It was done more for the reserves, not for us. That was the idea that drove us this way. We wondered if we could have a site that any reserve soldier or anyone looking for reserve opportunity full-time could go to, to see all the jobs that are available, and that's what we worked toward.

It has existed within my organization since the first of January. I've got about 17,000 men and women in uniform under my command. Anyone who's looking for full-time reserve service in military personnel command goes to one site, so that was the first step. All the jobs are posted. They will also see everyone who's applied for the job. They will also see what all the requirements are for that position, so nothing is hidden, it's all very open—fitness,

training requirements for that position. This is the last piece that needs to come into play, which I know will be raised by this committee.

When the individual who hires those folks hires them, that individual knows this process has been open. Getting to the point of hiring, and that's the issue, I don't hire folks in class B; I let those in my command. If someone on this committee were to turn to me and ask why this person was hired, I'd tell you unless it's in my command I can't tell you why, but now I know, because I've got this centralized system. I can tell you that last month I had 70 class B full-time hires in my organization; I put that in place.

My next step is to control that. This is the exciting part. In many cases some of these folks might be better employed in the Canadian Forces somewhere else across the country, not where the job has been given. In the current construct, if you have money, from the lowest level to the highest, you can send out a three-year job bid and hire somebody. How do we ensure openness and transparency, centralized control, having the right people in the right place, and that it's done fairly? As I've said many times at committee before, just because you can doesn't mean you should, and I think you can apply that to everything in the world.

Hon. Bryon Wilfert: So that's an important instrument you now have, obviously, for all concerned.

In regard to rehiring, some comments have been made about limiting career opportunities for those already within the forces. Could you explain how you respond to that kind of issue?

• (1120)

MGen Walter Semianiw: If we're speaking from the vantage point of limiting a reservist's opportunities, it comes back to the comments made in the introductory remarks. All of the positions and posts are based on certain qualifications. Therein lies the challenge. The people with the best qualifications will be those who actually have those qualifications. When I take a look at the names in my new software, I can't tell you if someone is former regular force, reserve, or other. You just see a name. So it's a person who presents the best qualifications, which have to be confirmed. So it comes back to the best qualifications for those positions.

The Chair: Thank you for that.

Now we'll give the floor to Monsieur Bachand.

[*Translation*]

Mr. Claude Bachand (Saint-Jean, BQ): I would like to welcome MGen Semianiw, as well as Col Moher and Ms. Johnson.

Major-General, I would like you to give us some figures. I have identified three different types of double-dipping. First, there are former civilian employees in receipt of a pension who work as contractors for the Department. I understand that you don't have these figures with you today, but could you forward them to the Clerk? That would be greatly appreciated.

Another category would be retired military personnel working as civilian contractors for the Department. That can also happen.

But the category I am most interested in is retired military personnel who become reservists. You just made a brief reference to that scenario. You have identified 77 of them. In that last category—retired military personnel that become reservists—one soldier has written the following comments, which I would like to read to you in English:

[English]

Here's the way it works. General X has a colonel he does not want to lose, for whatever reason, and there are lots. Colonel X is slated to move on by the career manager, but losing him will entail hardship for General X, so he converts the position to a class B reserve and tells Colonel X the job is his if he retires. Colonel X retires, stays at his old desk, but with his new pension he has added 85% of his old paycheque to his account and is spared another potential move. The life begins as a golden double dipper in Ottawa. It's funny how many of these class B positions are found in places like Ottawa and other headquarter cities.

The problem is that as more and more of these senior staff positions are being converted to reserve positions, the regular serving CF member's career is being penalized, because all of these positions are no longer available to him for career development. So the quality and experience of CF serving personnel will diminish over time. Once you take a hard CF establishment position out of the system, it becomes very difficult to get it back.

Class B positions were originally created to allow class A reservists with training and experience the opportunity to get full-time employment without joining the CF full-time. It fulfilled a need for the CF and the reservist, but the cost was only 85% of a regular member. Now the whole thing has been bastardized and is being used by retirees to collect their position and to stay in one place with a very nice salary.

If it continues, the CF will be paying more than what it would have if it had kept the position in the CF regular forces. Sure they get the position at 85% of the CF salary, but only after paying the pension of the CF retiree first. So now you are paying a pension plus 85% of the same personnel resource for the same amount of work and a whole lot less flexibility, because everyone knows you can't move a class B reservist.

[Translation]

I would be interested in hearing your reaction to the comments sent to me by this soldier.

MGen Walter Semianiw: Mr. Chairman, first of all, we will provide the information to the Committee.

[English]

We'll give you all of the details posed here, including the number of regular force people who have gone on to become civil servants. The first question posed was perhaps across government, and that's the other thing we will look at and get you data about.

If I could expand on the one point and make sure that we talk about establishment, this piece is now outside my experience, because the establishment of the Canadian Forces is...

• (1125)

[Translation]

It is the Vice-Chief of the Defence Staff who is responsible for modifying the Canadian Forces establishment.

[English]

It is the vice-chief who actually owns and manages the establishment, not me. I think I can provide you with an answer, but it's worth posing the question to him.

First, you cannot take, from my understanding and knowledge, a regular forces position and turn it into a class B position. The regular forces established position always stays regular forces established.

What you can do, as in this case, is establish a class B reserve job and then have the individual come and occupy the same job. *C'est possible*, it's possible to do exactly what was described, but the details are not.... That is the way we've done it. You can't change a regular forces position to a class B position. You can create a class B job tomorrow morning. If I wanted to, I could wake up tomorrow and say that I think I need this position, this position, and this position, if I have the money, as I've stated. I can send out, in an open, transparent process, three established positions for short-term, three-year contracts. That's all within the policy.

In short, can this happen? Yes, it can. But at the end of it all, as I said—I don't know this specific case—who is actually doing the hiring? I can tell you my perspective. Within my command, I had 70 positions last year that were class B. The names of those individuals are now openly on the web. I can't speak to that case. But to be fair, could that happen? Yes, it could.

[Translation]

Mr. Claude Bachand: Do you have any say? Is a general independent? Can he say he is satisfied with his colonel? A colonel's career path is such that he has to move around. If the general does not want that person to move because he or she is very useful to him and that person's work would help him win more stars, can he change that position into a class B reservist position? Can he ask that person to retire, at which point he will be receiving a full pension, as well as 85% of his salary?

MGen Walter Semianiw: First of all, Mr. Chairman, I would like to say this.

[English]

That happens at the lowest level, starting at the unit level. It is not just at the highest level. Majors, lieutenant-colonels, colonels, and generals at any rank level could do that. As long as they are in command of an organization, they can do that with the establishment they own. So yes, it is possible to actually do that.

Just to make sure that we have the right words here, that position in the regular forces will still be there. But he has taken the individual who has taken his retirement and has taken a class B job, and has filled that, which actually has happened. I can't speak to this case, but in every case I know of, it's done on the basis of loss of knowledge, and it's always for the short term—*un an, deux ans, trois ans*—and it's not full-time.

[Translation]

Mr. Chairman, could you just give me a moment, please.

[English]

I don't want to make this more complex, but this is where it gets more complex. I indulge the committee here.

I didn't mention this, but there are also two types of full-time reserve positions. There are established full-time reserve positions and there are those that are full-time, but only for one, two, or three years. If you look at the structure of the Canadian Forces, there are full-time established positions that will go from now to eternity, because they're in the Canadian Forces. In all of those cases, every one that I know of is a reservist and has been a reservist in those established positions. The case we're talking about here is a one-, two-, or three-year contract that's not forever or actually in the overall establishment as an established full-time position. But it is possible, exactly as was posed here.

[Translation]

The Chair: Fine, thank you. That information is helpful to members.

We now move to Mr. Harris, for seven minutes.

Mr. Harris, please.

[English]

Mr. Jack Harris (St. John's East, NDP): Thank you, Mr. Chair.

Thank you for coming today.

I was surprised to hear your presentation on what I guess I would call the junior ranks of reservists. I didn't understand that it was an issue or a problem. What you described in your presentation, for the most part, were regular forces people who were retiring or leaving the service for one reason or another who were then joining the reservists because they wanted to. They were then able to become class B reservists and serve in Afghanistan or wherever. I wouldn't see that as a particular problem for this committee or for the public, assuming that there was fairness in hiring—you weren't just hiring people who happened to be your buddies in the service—and that this wasn't being done to usurp the job opportunities for a corporal who is ready to be promoted to a sergeant but is not going to be promoted, because we have this reservist ready to come in.

How do you prevent the second thing from happening?

• (1130)

MGen Walter Semianiw: The way to prevent the second thing from happening is by doing what we're doing right now with the pilot in place, which is, to begin with, ensuring that reservists and anybody else coming for job employment have to come to a particular position or to one spot, that being the one site.

The next step, once we roll this out—right now it's with the army, and across the Canadian Forces the navy will be next—will be to ensure that you actually apply and provide fair and ample opportunity for reservists, and that's the competing first principle: how, on the one hand, can you ensure that you have the person with the best knowledge and skills on the job, and at the same time ensure that you allow continued progression and opportunities for reservists? Therein lies part of that dichotomy, because part of the dichotomy is that in many cases someone who's done this on a full-time basis is bringing more experience, more skills, and more knowledge to the table. Therein lies the key.

Mr. Jack Harris: If I may interrupt, I understand that opportunities for reservists are useful, but if I'm a corporal and I see some reservist brought into the sergeant position and I'm

not being given an opportunity for a promotion, then I'm not very happy about that—

MGen Walter Semianiw: Agreed.

Mr. Jack Harris: —so what I want to ask you is this: are the existing CF members given a priority?

Maybe you will always find an experienced sergeant to put in there and then be able to say that you got the best person for the job. That seems to me to be unfair, however, if I'm a corporal looking to progress within the regular forces. I have signed up for the duration and I'm ready to take on new challenges. I feel that I'm being overlooked because this bank of reservists out there, who perhaps are already receiving pensions, are moving into my career path.

How do you avoid that? If I have a beef about what happened, is there an opportunity or an ability to object to it or grieve it or have it adjudicated in some way?

MGen Walter Semianiw: To answer the last part of the question, yes, at any point in time you have the opportunity to grieve on a particular position if you believe you were not treated fairly.

To answer the first part of the question, which I think becomes the heart of this discussion, currently there is no policy in place that says you will pick this person over that person. It doesn't exist. There is no policy that says you will have this person or that person. It is now based purely on the skills that you bring to the position, and that's it, so when they look at the skills that are required for this position, I would hope the person who is chosen will have the name that's connected to the person with the skills.

I come back to my comment: therein lies the challenge for a reservist, who perhaps has not had the same opportunities as someone who has served full time in either the reserves or the regular forces. I can only assume that is being done, but there is no national policy that says you will prefer anyone over anybody else. That doesn't exist. I own that policy; it doesn't exist.

What is needed is the next step, which you touched on. That's to take a look at it to ensure that not only is the process now transparent, but also that the actual hiring process itself becomes transparent, if that's clear. We've now put it open that here are the skills and here are the people applying for it; now what happens in that selection process? That I can't tell you across the CF, because I don't hire these people.

Mr. Jack Harris: Well, I will put it to you, and you can comment if you wish, that the system of bringing former CF members who are now reservists back in has to interfere with the advancement of junior ranks within the regular forces. I don't know how you avoid that. From what you're telling me, you don't avoid it. If you have somebody who's ready to move in there right now, you'll do that rather than put somebody up and promote him.

MGen Walter Semianiw: Agreed, but I would say that's not being done, because if you take a look—and I do own this part of the career process—every year we hold merit boards for each rank level. Merit boards are established and then people are promoted. That hasn't changed. Now we're just talking about positions in the regular force.

Most of the positions that we're talking about here have been created, as mentioned in the comments up front, because of the current high demand for individuals, given Afghanistan and the need to expand the Canadian Forces in the longer term, even though we've recruited people up front.

If you take a look at the establishment of the Canadian Forces, it is going to be relooked at. We need a new establishment for the Canadian Forces for regular force, full-time reserves, and part-time reserves. That's what needs to be built, and that's what they're beginning to work on right now to ensure that everyone gets a chance, which I believe they do right now in the reserve force, to continue with their career progression.

However, the challenge becomes this: there are reservists, when you look into it, who are not in permanent reserve positions and who have to re-compete every three years for a job. Therein lies the challenge.

• (1135)

Mr. Jack Harris: Can I interrupt you there? I do have one more question, and I suspect I'm running out of time.

The bigger question, I think, for the public is the one Mr. Bachand touched on. Perhaps I can ask you to provide some information on that to the committee.

I want to know, first of all, how many new class B positions have been created at NDHQ in the last five years, what the ranks are and when they were created. This is for temporary positions, I guess, one-, two-, or three-year positions.

Secondly, how many people do you have above the rank of, say, major who go from retirement to a contractor position or a consultant position or whatever, and how many of them have happened in the last five years?

MGen Walter Semianiw: *Monsieur le président*, we can provide all that data to the committee.

The Chair: Thank you very much. We appreciate that.

I will give the floor to Mr. Hawn.

Mr. Laurie Hawn (Edmonton Centre, CPC): Thank you, Mr. Chair.

Thank you to the witnesses for coming.

I'd like to keep exploring that part a little bit, and you touched on it, General Semianiw, when you talked about merit boards and career managers and so on. There is a role here that we really haven't talked about too much, and that is the role of career managers, the role of merit boards, the role of upward mobility by means of promotion, which is based on merit and not just qualifications.

Could you comment a little bit on the role of the career manager and on the oversight of the chain of command within the career management organization that ensures, to whatever extent, that it is fair and that the right people are advanced?

MGen Walter Semianiw: Every year, when we hold our merit boards—which are words to mean that a group of individuals at the appropriate rank level come into a room and look at the files for every occupation in the Canadian Forces.... That's infantry, armoured, and artillery at every rank level. We have hundreds of

these. They run annually, from September until the end of November. They then produce a merit list. That is the list that is used to promote people every year in the Canadian military in the regular force.

In the merit system, producing that list is actually done electronically, to give you a little bit of detail. Files are scored based on a number of factors—on leadership, on education, on official language requirements, and on backgrounds. People are allocated scores, the scores come out, and the people with the highest scores obviously are higher on the list. But at the end of it all, a merit board produces a list that goes from one to the number of people within a trade or occupation across the Canadian Forces.

At the end of November, we take a look at who is leaving the Canadian Forces, who is retiring. Then we contact those on the list and say, for instance, “In all likelihood, you could be promoted this year, because we have three people leaving, and you're numbers one, two, and three on the list.”

It's very open, very transparent, and happens every year in the Canadian Forces. It's probably done nowhere across any government in this detail to ensure that the right people are promoted with the right skills and qualifications for future positions.

We then also ask the chain of command, those who are in charge of the units, to write.... Every year you get a PER, a piece of paper that describes how you did over the last year in a number of areas. As well, the chain of command comments on your future potential.

So when you take a look at career progression, it's based on two components: one is your performance and one is your potential. They come together to produce that list, from which we determine who is promoted.

On the class B side—that's the regular force—the overall career management for class B is still held within the army, the navy, the air force. I don't control that, as the chief of military personnel.

I personally believe...and the Chief of the Defence Staff and I have talked about this. We'd like to move to a more centralized approach on the career management of reservists so that it moves out of the army, navy, air force and is held centrally by the chief of military personnel. I can then apply, as noted in those questions, those same processes and approaches that we have for the regular force today.

• (1140)

Mr. Laurie Hawn: Thank you, General.

On the issue of the X brothers—General X and Colonel X—is one of the challenges here with respect to...? I just want to re-emphasize that you cannot change established positions.

MGen Walter Semianiw: No, you can't.

Mr. Laurie Hawn: You can fill them with people who aren't necessarily regular force.

Is one of the challenges here, especially at the staff levels in a place like NDHQ, just the operational tempo and the fact that the operators are out there operating and it's difficult to fill some of those staff positions in the headquarters?

MGen Walter Semianiw: Agreed. As mentioned, Afghanistan is one of the reasons. The other one is the transformation expanding the forces. But the operational tempo at the highest level...

Remember, as parliamentarians, you not only demand for me to talk to this issue; you demand for me to have effective oversight of my organization. That requires people. If you expect me to go out and visit to ensure that people are doing what they're expected to do, you need to have people organize that.

That doesn't speak to the overall broader issue, but it speaks to the fact that the operational tempo right now is very high. It has led to more full-time reservists. The number has come down about 1,500 already in the last six months. It's coming down even further as we bring the operational tempo down.

Mr. Laurie Hawn: People use the word "double-dipping" like it's a bad thing. Is double-dipping not simply somebody who has fulfilled a contract, has earned a pension, and now is being employed because of their unique qualifications and experience?

MGen Walter Semianiw: Agreed. And that was my same view when I saw the words "double-dipping" first used in the press.

First, it is allowed. It follows the Treasury Board regulations. I've looked at the issue in detail, because someone did ask me whether I could turn to someone and say, "You cannot get your pension as long as you have this job". I cannot, because drawing your pension is a right you have as part of the superannuation, the annuity program. Whether or not you re-hire the person is a different issue, but saying you can't draw your pension is a challenge in the current construct.

Mr. Laurie Hawn: Finally, you talk about the current hiring process with the new software models and so on, and the aim of it is, as you said, to be fair.

MGen Walter Semianiw: Yes.

Mr. Laurie Hawn: You said it can be dispersed around the country. What level of review is on that process to ensure that it's fair?

MGen Walter Semianiw: The next step in my organization, which is what we're hoping to roll across the Canadian Forces, is that if I hire somebody as class B, the next level up will have to review and approve that. But again, as we provide additional oversight, it means I need to hire somebody else to do that piece, to have another individual confirm that person has the best qualifications for that particular position.

Mr. Laurie Hawn: You'd probably be biased in this, but in terms of the overall system, is it fair?

It can always be looked at for improvements and we're always trying to improve systems.

MGen Walter Semianiw: Agreed, as in anything.

Right now, with the new software, we're taking it one step further to be more open and more transparent. If you were to see it—and I've actually looked at it in detail—it lists everyone vying for that position. That's open for everyone to see. It lists all of the qualifications. That's open for everyone to see. Perhaps that may not have been as open as it was. Now it is.

Mr. Laurie Hawn: Thank you.

The Chair: Thank you very much.

Now I will give the floor to Mr. Martin.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): *Merci beaucoup, monsieur le président.*

General Semianiw, Colonel Moher, and Ms. Johnson, thank you very much for being here.

I have a couple of questions, General. One is on the reserve targets that the forces have. As you mentioned in your comments, the reserve numbers are going to go down as the regular force replaces them. Do you have a sense of what the regular force targets will be and what the reserve targets will be?

MGen Walter Semianiw: Yes.

You've got to come back to the Canada First defence strategy. The Canada First defence strategy has laid out the targets for the regular force and the reserve force. Within that discussion you then have to look at the issue of what they're speaking to. In most cases in the reserve force, it's part-time reservists, not class B reservists.

The expansion as laid out by the government is to increase the reserve force to a higher number, 3,000; that is, expanding part-time reservists across Canada in the armouries. This expansion is still on track and is not affected in any way by this discussion.

On the reserve side, class B reservist, it's very simple. As I mentioned, we had about 4,000 to 5,000 historically. As the operational tempo goes down, as more people come through the training pipeline and are ready to assume those responsibilities and duties, the number of personnel who are on full-time class B employment will come down. That's the challenge.

I throw this out as an example of something that's worth the committee taking a look at. That is, if somebody decided to leave unannounced tomorrow morning from my organization—a colonel who has been in the organization for 25 years has decided to leave and is gone—how do I fill that, to be clear?

First, I would go to the merit list that we've talked about before, and I'd look at that person on the merit list and say that person is promoted. In some cases, if you have gone too far down the list, you have to ask, how far down do you go? Are we ensuring that individuals have the time behind them, and the experience and the credibility to move into those positions? That's why you might fill that position with someone who may have been around—regular force, one, two, or three years at every rank level, corporal, master corporal, sergeant. I have a sergeant who works for me who was regular force. He is on a three-year contract; he's filling a gap. His contract expires shortly and that's it. It was to fill the gap as someone is moving along who'll be able to fill it as we expand the Canadian Forces.

• (1145)

Hon. Keith Martin: General Semianiw, we know there was a gap in terms of the crucial aspect in terms of the CPOs, the sergeants, and the master corporals. Can you give the committee a sense of where the CF is right now with respect to closing that gap of that crucial skill set?

MGen Walter Semianiw: Remember, when you speak to the issue of the gap with the baby boomers, it's across all rank levels. Baby boomers are not just parliamentarians or senior people in the Canadian Forces. It's different here, but in the Canadian Forces it covers the entire swath of the Canadian Forces. It is a bubble that we have in the Canadian Forces that is moving this way. We're about a third of the way through that challenge. That also has—coming back to the question posed here—been the second point that has exacerbated the problem.

The first is the operational tempo, the second is the baby boomer piece, and the third was retention. I've been here to talk about retention—retention is down to 7.2%. So as you have all these three factors working against you, how do you ensure that you have trained and qualified personnel in the Canadian Forces at all rank levels? So we're about a third of the way through the baby boomer kind of bubble. How we're doing it is by recruiting people up front.

The second question becomes the answer to what we're discussing here: it's by hiring people on class B positions while we wait for people to kind of move ahead to fill up the ranks.

Hon. Keith Martin: I have two quick questions.

Assume I'm 30 years younger than I am and I knock on the door of the recruiting office. One of the challenges that is being expressed to me in my area is that when somebody applies, they do the initial work, but the period of time between approaching the recruiting office and the time they actually get to do something is quite long. As a result, we lose a lot of qualified people when other employers pick them up, because we're all competing for a declining population of potential workers.

MGen Walter Semianiw: Yes. That's a fair question.

There are two issues. One, I know you actually qualify in this group, because I've looked at your bio.

Some hon. members: Oh, oh!

MGen Walter Semianiw: You could still enroll: we take people up to 52. We actually have recruits at the recruit school in Saint-Jean who Monsieur Bachand has met who are 50, 51, and 52. They change the dynamic of the recruiting system dramatically.

So you're right, we have people coming through, and that in itself is presenting its own challenges. What you really want as a target audience is 18 to 25, because at the end of it, when you're out there and you're humping a rucksack, it's a young person's game in many cases. It gets tougher when you get as old as I am. I've still got to do it. I did my PT test two weeks ago.

But I come back to the second issue, which is really fundamental to this discussion, and that is the training pipeline. What you speak to is what we call those on the basic training list. That number has expanded over the last number of years because we recruited so many people.

On the one hand, I've had great recruiting success. We recruited this year some 7,700 and some figures, *grosso modo*. The last time we had to do that successfully from a Canadian Forces perspective was the Korean War. So it's great kudos to the men and women in uniform who've recruited everybody, but then it's that training pipeline. So what are we doing?

As one of the honourable members will tell you, one of the things the air force has done is cut back the training required to train a pilot, because what was required was four years. It speaks to your issue. How do you keep someone motivated who came in wanting to fly for four years to cut that back? That's then challenged with the issue of safety, due diligence, with ensuring that people are trained effectively.

What we are doing—if I can give you some examples to kind of cut that down—is we partnered a year and a half ago with five community colleges across the country to start doing some of our training. We do not have enough people to do the training, which is why we've hired people on class B from the regular forces to come back and do the training for two or three years in many cases.

You'll find them in Saint-Jean, across the country in Wainwright, at any training establishment, because our training capacity is limited. That's where the question is. How are we going to ensure that we reduce the amount of time to an increasing number of folks coming in? We've partnered with five community colleges, and we're expanding the program so they do the training—geomatics training, cooks training—so we push people out.

We have spoken to a number of those in charge at community colleges, extremely happy with the program from our perspective and from theirs. It has actually assisted in the dress and deportment at the community colleges, because we have all of our men and women in uniform go to college in this program dressed in uniform. They actually move around like military soldiers, sailors, airmen, and airwomen. So it's actually added to that program as well.

But it is a critical challenge right now. That number is high, and how do you reduce the training pipeline without sacrificing the standards and the quality? You can always be more efficient, but when you touch effectiveness becomes the real challenge.

• (1150)

The Chair: Merci, General. Thank you very much.

Before giving the floor to Mr. Boughen, I just want to wish a happy birthday to Mr. Martin today on behalf of the committee.

Some hon. members: Hear, hear!

Hon. Keith Martin: Thank you. *Merci beaucoup, monsieur le président.*

Mr. Laurie Hawn: Now you're too old.

Hon. Keith Martin: No, actually, General Semianiw gave me some hope.

The Chair: Mr. Boughen, you have the floor.

Mr. Ray Boughen (Palliser, CPC): Thank you, Mr. Chair.

I certainly welcome our witnesses this afternoon. Thank you for sharing part of your day with us.

When I read your comments as you were speaking, General, I was struck by the fact that it seemed you were itemizing need at the corporal level a couple of times in the document. You didn't address needs at the officer level. Could you share with us if maybe there are some needs there and how you're handling those requirements?

MGen Walter Semianiw: The reason I emphasized that particular area is because it's an area I think has gone unnoticed. I think part of the issue is raising the question as to whether this is something happening only at the top. The message is that it's happening right across, and it's probably like a pyramid when you take a look at the numbers. We can, as we said, provide that data and that information to the committee.

It happens at every rank level, at the officer level all the way down to lieutenant, captain, and major. Why? Because you have those three competing factors: retention; a baby boomer bus going through; high operational tempo and then at the same time needing to train folks. We need more and more folks at every level. The trainers are our corporals, master-corporals, sergeants, warrants, petty officers first and second class, and chief petty officers. At all rank levels it occurs and actually has occurred.

Mr. Ray Boughen: Thank you.

Thanks, Chair. I'm sharing with Mr. Hiebert.

The Chair: You wish to share your time.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Thank you, Mr. Chair.

To follow up on Mr. Bachand's scenario, you talked about the fact that it's certainly possible and in fact is legal. We're looking at this from a policy perspective, and I just want to get your impression in regard to the creation of these class B positions as to what percentage you think is legitimate using the resources that are needed for those positions, or do you think it's possible or even likely that some people are gaming the system for their own benefit? If so, would you give us an estimate as to how many you think that might be?

MGen Walter Semianiw: Thank you very much.

To answer your last question, I don't know anyone who's gaming the system. I'll tell you that to start with. I think if you're gaming the system you're not only being unfair to yourself and the Canadian Forces, but also to that position, because you haven't hired the best person for the job and that actually is having a detrimental effect on the Canadian Forces. If it is happening, I have not met anybody who is actually doing it, nor have seen myself someone who's gaming it.

In my organization I have some strict controls to ensure that the person who actually runs the software and runs the program works right next door to me and speaks to me on a daily basis. When things do come up, as I mentioned, there's actually oversight. So as for people gaming it, I can't tell you, but I would say if people are doing that it's to the detriment of a number of folks there.

It comes back to when we talk about the issue of what this is all about. If you take this up to 66,000 feet and look at the larger issue, it's the need towards more of a centralized approach. That's not for us, but it's for reservists so that they have one place to go in the navy, army, or air force if they want to look for a job. That's the first thing we're working on. Second, it's to ensure that the process is transparent and open like it should be. Third, the last piece, is that the selection process is open and transparent, and that's what we're moving towards.

•(1155)

Mr. Russ Hiebert: The only other question I would have would be, how far along are we towards the goals set out in the Canada First defence strategy in terms of recruiting? I know you said that last year's numbers were above target, but I know that the overall targets were ambitious.

MGen Walter Semianiw: Yes, on that issue, I got myself in a little bit of hot water here with the Canadian Forces because I exceeded my targets by 1,000. It's good news on the one hand, but I have to slow it down a little bit. We have had so many Canadians come to the door at all ages saying that they wanted to join the forces. So my target last year was to expand by 1,000, and I expanded by 2,000.

It is a success, but I have to take a look at that, because it does come back to it having to be managed. It does come back to the question raised on the other side of the floor here of whether you have the training capacity to meet that need. That's the issue, because if I don't I'll have people standing around saying this isn't what they signed up for, and they're going to leave. That's what we work against. We want to get people into the forces and get them in training because they want to serve. That's what they want to do. I've talked to men in Borden who are waiting for training: "I came to serve. I want to serve. How can I serve this nation?" That's what we have to get done as quickly as possible.

Mr. Russ Hiebert: I guess my question is how many more people you need to hire over the next couple of years to achieve that overall target.

MGen Walter Semianiw: On the regular force side, I need to hire another 2,000 to achieve the government's direction policy as part of the Canada First defence strategy. Remember, I could do that tomorrow morning. As probably many members of the committee are not aware, we have 30,000 folks who actually apply. We only take 7,000. It's not 7,000 for 7,000; there are 30,000 who actually apply.

There is a standard. They have to do a number of tests. It's an issue of ensuring that we have Canada's best. That is our aim. We could achieve the aim, but we want to ensure we have the best. Right now we're 2,000 shy of the target because we've had such great success. It's strong advertising and a streamlined recruiting process that gets people in.

I've said here before that I had a challenge at the end-of-training process in Saint-Jean. My challenge is that I have people showing up saying, "I didn't sign up to come in the military in 20 days. I saw somewhere that I'd get a call in six months." We have sped this up so efficiently that we get people in very quickly.

The Chair: Thank you very much.

I'll give the floor to Monsieur Paillé.

[Translation]

Mr. Pascal-Pierre Paillé (Louis-Hébert, BQ): Thank you, Mr. Chairman.

I, too, would like to welcome our witnesses to the Committee.

You said earlier that, in your opinion, there was not necessarily any abuse. I am not accusing anyone, but given the context, I have good reason to doubt that. There are fewer and fewer candidates and there will be more and more baby-boomers retiring.

Under the circumstances, is demand not higher than usual? Could some people not be abusing the process?

[English]

MGen Walter Semianiw: I think as in everything....

• (1200)

[Translation]

Is that possible? Yes, in life, anything is possible. Yes.

[English]

Everything is possible. Could someone...? I personally don't know anyone who has gamed in the system as laid out in the question.

Everyone in the Canadian Forces is very aware that the number of class B employment opportunities is going down. The question I would ask the committee to ponder is why anyone would get out of the Canadian Forces early to take a class B job, knowing that class B employment is coming down? It has already dropped by 1,000 or 1,500 in the last six months. That's part of the challenge to begin with.

So is it possible, given that it's a decentralized selection process? Yes, it is. Everything is possible. I would hope that no one is gaming the system. But is it possible? Yes, it is possible, as in anything and everything.

[Translation]

Mr. Pascal-Pierre Paillé: You said that colonels and generals operate independently in terms of recruitment or managing positions. You also said in your opening statement that you could create a position, if your budget allows.

Are colonels and generals also free to manage their own budget? You will understand in a moment why I ask that question.

[English]

MGen Walter Semianiw: *Oui. Une bonne question.*

To add another complexity to this whole issue is that anyone who owns a budget has the authority to actually establish a class B position. Why? Because they have the money to do it.

Clearly they're going to have to show the person they work for that there is a need for the position. Those people who work for me have to show that we need a class B position and then they have to come to the table with the money.

That's part of the issue. It's not just left to those at the top, the generals and the colonels, but everyone who controls a budget. And in most cases, it goes all the way down. There are captains who command units.

[Translation]

There are unit commanders, captains, majors, lieutenant-colonels.

[English]

Anyone who has money, and that's a current construct, has the authority to establish a class B position. Then they have to go through the process, which is an open process, to select the needs for that position.

As I said, that was the issue for me within my command. People were being hired across the country within the organization without a centralized view or a prioritization, which is why we put the software in place. Everyone now has to come to one spot. I know exactly what class B positions are being put out there, and all the call orders.

[Translation]

Mr. Pascal-Pierre Paillé: It will be clear to you why I ask that. I will fit two questions into one.

For example, if a colonel has a budget in a specific area, can he carry it over from one year to the next?

Why do I ask you that? Because, in some departments, if there is a surplus in the annual budget, no more than 5% can be carried over to the following or to subsequent years.

Is it possible that, in some cases, colonels or generals with a surplus are creating class B positions in order not to lose their budget capacity—in other words, to ensure that their budget envelope will be fully spent, something that is regularly seen elsewhere?

[English]

MGen Walter Semianiw: The answer is that you cannot have a surplus and use the surplus to hire class B people.

[Translation]

Mr. Pascal-Pierre Paillé: Why?

[English]

MGen Walter Semianiw: Remember, it comes back to the length of the contract.

[Translation]

Contracts can be one year, two years or three years in length.

[English]

In many cases, the time is driven in part by how much money you have.

[Translation]

If you have enough money for three years, then in that case, you may want a three-year contract.

[English]

If you do a three-year contract, you are committing to the fact that you're going to have that money in your budget.

[Translation]

That is the challenge.

[English]

If you look at how priorities change—and that's what we're starting to see right now, the priorities are changing across the Canadian Forces—people who are in class B are being let go, which is why they're beginning to raise a number of questions: “What happened here? What happened to my job?” Well, there is no more job.

So across my organization, as I change my priorities, the policy guideline I put out is that all contracts will be respected until the end of the contract. At the end of the contract, we'll sit down and take a look at the need and see whether we will continue it.

[Translation]

Did I answer your question?

• (1205)

Mr. Pascal-Pierre Paillé: Thank you.

The Chair: We move now to Mr. Martin.

Hon. Keith Martin: Thank you very much, Mr. Chairman.

[English]

I'm sharing my time with my colleague Mr. Wilfert.

General Semianiw, I have a couple of quick questions. Getting back to shortening your recruitment process, I know there were a couple of things that were challenges to us. One was the medical checkup process.

When I used to do medical checkups for pilots, we had a special checkup for them. So I thought maybe a way to shorten this would be to have the potential recruit get the kind of checkup that the Canadian Forces wants, done by the person's own family physician, because that family physician would know that individual much better than somebody in the forces.

MGen Walter Semianiw: Agreed.

Hon. Keith Martin: My second question is on the security checks.

The security check that potential RCMP officers go through lasts, I believe, just a few days. One suggestion to shorten the Canadian Forces' security check was that maybe a preliminary check would be sufficient to get that person through the initial recruitment process, before they get a C7 in their hands, and while that person is getting their hands dirty and into the process, the more substantive check could happen in parallel.

MGen Walter Semianiw: Thanks for that great question.

We actually had three pilots ongoing. The first was a medical pilot, with a trial in B.C. We wanted to reduce the number of medical doctors and physicians needed in the recruiting system. We ran a pilot, and it was successful. We paid a number of doctors in the Vancouver area to conduct the medicals for us.

I would only challenge the idea or notion that you can have your own doctor do it. We want to make sure a third independent party has a chance to look at you, versus your family doctor, to ensure that it's open, honest, and transparent.

We've done the pilot. We're looking at rolling the pilot across the country, where we have civilian doctors who have had some form of training from us and know exactly what they're looking for to speed up the process. That piece is actually done.

The second one was on the issue of fitness, which you didn't touch on. We removed fitness testing from the Canadian Forces recruiting system. I don't know if you were aware of that. We reduced fitness testing. We instead established a fitness company at Saint-Jean. You now arrive at Saint-Jean and do your fitness test on day one. If you pass, you continue with the training. If you don't pass, we make you become fit. We took an old drill hall at Saint-Jean and put in physical fitness training equipment. We have physical trainers.

Last year, because of that approach, we selected 550 Canadians who would otherwise not have been selected. We made them fit. Originally, the idea was that it would take 90 days. Most now leave after 30 days. It has been another way to speed up the process and bring in more people.

The third is the security piece. We are actually partnered with BackCheck. BackCheck does some of that security piece for us. It's a Canadian company. We looked at that. I personally looked at it in the early days to ensure it was a Canadian company. It does some security screening for us. As you mentioned, it can't do everything to ensure that those who have a C7 rifle or ammunition are people who can use it responsibly, but it has helped to speed up the system.

We've done the three pilots. The fitness one has now been training for one year. We're continuing, as you've seen. We've only had one individual join the Canadian Forces to be part of the fitness company and then quit right after. It has been a huge success in the end. It's the same for the BackCheck security work, which has sped up the process to 48 hours. Many companies use BackCheck. The last one is the medical pilot, which we're going to roll out across the country.

The Chair: Thank you.

Yes, you have a minute.

Hon. Bryon Wilfert: Thank you, Mr. Chair. You're becoming very liberal.

Mr. Hawn says that double-dipping isn't necessarily a bad thing. I would say many politicians could be accused of double-dipping. It's logical, obviously. If you were in one profession and you then retire, you take up another profession. I don't have a difficulty with that.

I think the Treasury Board Secretariat was very clear that contracts with former employees receiving government pensions may prompt accusations that public funds are being abused or influence is inappropriately exerted when the contract is awarded, particularly if those involved occupied more senior positions or took early retirement.

There's obviously a public perception. Part of our job and indeed your job is to explain why these people are coming on board and to respond accordingly. It's not an epidemic. As you indicated, it's now one in four, and it's continuing to go down, but I think it's part of public education.

• (1210)

MGen Walter Semianiw: I would agree.

Going back to the first part of the question, when you look for parliamentarians, the key is to look for people with expertise. You're all chosen by Canadians for your expertise and knowledge. I would take the same application and apply it to hiring folks for class B. They're hired given that expertise.

I think it's a great question. It's time to take a look at the policy. It's time to take a look at it all, given that things have changed. As we look at the new structure for the Canadian Forces, we need to look at the policy to ensure controls are in place for the selection process. It is and will be the next step. I would agree.

Hon. Bryon Wilfert: Thank you, General.

The Chair: I will now give the floor to Mr. Payne.

Mr. LaVar Payne (Medicine Hat, CPC): Thank you Mr. Chairman.

General, welcome again to the committee.

I thank the other witnesses for coming as well.

General, Mr. Wilfert touched on the area that I wanted to approach regarding pages four and five of your submission and the timeframes. You talked about contracts for one year, two years, or three years. In your example, you talked about 330 days. Could you clarify what exactly happens when a reservist who is actually an annuitant is brought in?

MGen Walter Semianiw: Thank you for that question.

What does happen—and it's tied into the previous question—is that in the course of the Treasury Board regulations, you have to take a break. You'll hear folks who are in class B service say they are on their break period. During that point in time, they are not paid. During that point in time, they are actually not entitled to any benefits from the Canadian Forces, including medical benefits. They are actually out of the forces for that break, in accordance with that policy. That break takes them up to a year. So you end up losing these folks on class B throughout the year for this break in accordance with the Treasury Board regulations.

It is regulation that everyone has to have a break time. If you do not, it automatically pops up in the system that you have not had your break. Plus in many cases it gives you some time to get off on some leave.

Mr. LaVar Payne: Okay, thank you.

I will be sharing the rest of my time with Mr. Hawn.

Mr. Laurie Hawn: Thank you.

To go back to Mr. Wilfert's point, I'm a proud double-dipper. I think I earned my military pension, and I wasn't hired by Treasury Board; I was hired by my friends in Edmonton Centre. That's another story.

I just want to close a loop here, because we have gone around it a couple of times. There's some healthy skepticism about people and how they work the system and so on. With the level of oversight and the rank structure and the structure of the Canadian Forces, is it safe to say that anybody abusing the system, anybody gaming the system, would be caught by somebody in that chain?

MGen Walter Semianiw: The short answer is yes, they would. Especially someone in senior ranks would, because senior ranks, especially here in Ottawa, are very visible, very prominent. They would be, and it would be brought to the attention of those who would be hiring them.

At all rank levels, gaming, as I said, is possible. Anything is possible, but it is very visible, and it comes back to the individual. Who has the right to put in a grievance? You could write a grievance saying you don't think it was fair, or that you believe this person was picked unfairly, or this person was gaming the system. But I can tell you, in my almost three years as CMP—I leave this summer, on July 7th—I haven't had a redress come to my level on this issue. I haven't seen one instance of someone claiming at the end that they weren't treated fairly.

Mr. Laurie Hawn: Every committee member can make his own decision, but in your view, should committee members be comfortable with the fact that this kind of process is fair and open and transparent and that violators will be caught?

MGen Walter Semianiw: I think committee members should be comfortable on two accounts. One, the current structures, policy, and process machinery in place is in place to ensure it is fair and that there is effective oversight. And we are even more confident that we are moving to something even better, perhaps one site where all reservists can come, or regular force or whoever wants to apply, and all of the skills and knowledge required are open. The names of those applying for this position would be there. The second piece we're working on is the selection process, and committee members should be confident in knowing that's where we are moving ahead, as they were on the recruiting and retention report.

• (1215)

Mr. Laurie Hawn: I would just like to say I would rather give up my military pension and roll that 31 years into my parliamentary pension, but I don't think the system would allow that.

MGen Walter Semianiw: No, it won't.

[Translation]

The Chair: Mr. Bachand, please.

Mr. Claude Bachand: Major-General, thus far, we have spent a great deal of time discussing the legitimacy of all this, which some believe to be dubious.

Now I would like to look at this from a legal standpoint. I have found comments by other soldiers that raised doubts in my own mind about how legal this is. I would like to discuss these with you. This is what one soldier said:

[English]

Providing opportunities for continued service in the public service to retain knowledge and expertise? Fine. It's a different organization. But playing a game where folks stay in the CF and draw a CF pension while continuing full-time service is, in a nutshell, breaking the law—the NDA defines regular force and reserve force, and by playing these games we're violating the spirit and letter of the law. Either change the law, or change the way we do business.

[Translation]

Another said this:

[English]

The "earned the pension" is a logical fallacy. CF members pay about 1/3 for their pension costs. No other employer would bring back full-time workers and pay them a pension to boot. The cost to government of those double-dippers is a significant drain.

Besides, from a legal perspective, the reserve force is those employed for other than continuing full-time service. These folks jump from full-time in the regular force to full-time in the reserve force—in my books, that's continuing full-time service—and therefore still regular force. An independent Office of the Auditor General review of the scam...would be illuminating.

MGen Walter Semianiw: *Monsieur le président*, I will just answer different parts of the question.

First, it comes back to the definition of the words "continuing full-time service", because if you look at continuing full-time service, I come back to

[Translation]

my explanations regarding people who occupy permanent positions in the reserve force.

[English]

That's permanent, full-time positions. One-, two-, three-year contract is not on continuing full-time service. This is what it comes back to. I can tell you this categorically, because I've asked this question.

What goes on now doesn't violate the law. If that's the case, then the law has been broken for the last 30 or 40 years. It comes back to an interpretation of the individual, who at least, I would submit, accepts some of it, and it comes back to one issue, which the individual fails to mention: hiring the person with the best knowledge and the most expertise. It's not mentioned there. What is mentioned is that they're just hiring someone. It comes back to this view that friends are hiring friends and people are hiring people. At the end of the day, that's not what it's about. It's about hiring someone

[Translation]

who basically has the knowledge, who

[English]

the skills to be able to do the job on a short-term basis to fill the need.

This is the issue that I would throw out to the committee. Be very careful when you take a look at all the anecdotal evidence, and yes, I understand that once you get enough anecdotes you can call it research. I understand that, but at the end of the day, you have to ask the question: who is the question being posed by? Is it being posed by...

[Translation]

—and this is very important—

[English]

somebody in the reserves who has been on a continuing three-year engagement, a three-year contract for the last 20 years? There are many; they exist. Are those the people who are unhappy? I don't know if that's who this individual is. Or is this a person who is on class A? I don't know.

There is a danger if we don't understand where the question comes from, because I have had people come and raise the issue to me: "I've been working in the regular force for 15 years". "What have you been doing?", I ask. "Class B, full-time reserve, three-year contract after three-year contract after three-year contract." Remember, that's one of the reasons we put in the new reserve force pension plan, which reservists who are serving full-time can now pay into.

So if it's coming from that angle, I would only say this in a very open and positive way. There is no guarantee that your three-year contract is going to be renewed year after year. There was a view, except for the last three or four years, when things were going well, when the contracts were always being renewed. That's not the case right now. So there are a number of individuals—I've talked to them—who are unhappy, because their contracts are not being renewed because the numbers are coming down. Or they are saying, the flip side, that other people go into these jobs that are being created.

• (1220)

[Translation]

Mr. Claude Bachand: Is my time up?

The Chair: Yes. Thank you, Mr. Bachand.

Mr. Harris, please.

[English]

You have the floor for five minutes.

Mr. Jack Harris: Thank you.

According to the Treasury Board policy that has been made available to us, the TBS policy on contracting for the service of "former public servants in receipt of a pension or a lump sum payment" specifies measures to ensure such contracts "bear the closest public scrutiny and reflect fairness in the spending of public funds", including "obtaining the lowest cost-effective rate, using electronic bidding procedures and evaluating the contract's performance at the end of their contract".

First of all, within the military, are you subject to those Treasury Board policies?

MGen Walter Semianiw: All those Treasury Board policies.

Mr. Jack Harris: Okay.

I guess the reserve class B would be contract work or a senior military or public servant who retires and comes back as a consultant, or, as was suggested, in the job one day as a full-time public servant and the next day or the week after retirement is doing the same job. What it says as well is that "If the contract work is substantially like that performed by the pensioner before retirement, contracting authorities should ensure that they can justify why the work is not being done by a successor."

I just want to ask you, has that happened at the senior ranks, within both the civilian and military side of DND, and if it does, what measures are in place to ensure that this justification is there?

MGen Walter Semianiw: There's a potential danger in calling class Bs "contracts" and taking the Treasury Board contracting policy and applying it. It doesn't fit. But in speaking to that, I think all the principles still are very sound, and at the end of it all, we are expected to ensure that we're open and transparent in all of this, to ensure as a first thing that if I have someone in my organization who leaves early and there is no one to fill that position.... What do I do? Option one is that I promote somebody from the merit list. That's always the first option.

But in many cases—not to make this issue more complex—many of the positions we're talking about are positions outside of the established Canadian Forces. This is the crux of the issue. For example, I'm not entitled to and don't have a driver, but let's say hypothetically that I need a driver. I could establish a class B contract for a driver, put out that call letter for a contract of one, two, or three years, if I had the funds available to do it. If I didn't, I couldn't do it. But in the end I'd have to proceed as I explained before: it's not a contract, but at the same time I'd have to follow all those regulations.

But that position isn't in the regular force establishment, because someone has said to me that they don't think I'm entitled to this. Therein lies the challenge, as mentioned in the other question: ensuring that there is—and there is—effective oversight over the hiring of class B folks, and more importantly, establishing or sending out job offers on class B across the Canadian Forces. And that's what we need to do.

Mr. Jack Harris: I understand that class B is a different category because of the nature of the budgets and the capacity to create positions. I suppose you could create a position, as in Mr. Bachand's first example, and leave the position of the colonel vacant. Could you do that?

MGen Walter Semianiw: Yes, you could leave the position vacant. That's the first thing you could do. The second thing—

Mr. Jack Harris: You could hire the class B and leave the position of the colonel vacant?

MGen Walter Semianiw: Technically, you could.

The other thing you could do is take somebody who is actually in the area and make them take the position and be the "acting director", or whatever it would be. But you could hire somebody, send out a three-year.... In essence, it's hiring people for work—I'm saying this in a positive way—for one or two or three years to fill that void, for all the reasons that you don't think there is somebody who has the qualifications for that position. Perhaps the person who is on the merit list.... It's a good point to note. The next person promoted might be out in Vancouver, and we need the person right now in that position. So you might have a short-term gap. They're not all for one, two, or three years; it could be for six or seven months, to fill the gap.

But yes, you can do that.

• (1225)

Mr. Jack Harris: Maybe this is outside of the military ranks in DND, but you hear—and this is anecdotal, I don't challenge that—of people going into retirement and then being, possibly, a consultant on the choice of military aircraft or something; it could be anything. Maybe it's necessary; maybe it's totally justifiable. I'm not suggesting otherwise. But do we have a system whereby individuals can be

entitled to retire and do so, whether early or late, and then all of a sudden—usually it's noticed when the people are at senior remuneration levels, above \$100,000 or something like that—they're back at their same desk or in the same office or in the same building, working a month after retiring?

Do we have many instances of that at the senior level? How many of these per year have we had in the last five years? And is there a system that, as a TBS report says or as guidelines say, ensures that there is justification explaining why this work is not being done by a successor to the person who has retired?

MGen Walter Semianiw: First, the short answer is that I don't know of anybody at senior ranks, any general officer or flag officer, kept in their job while hired on as class B. That doesn't—

Mr. Jack Harris: So it's outside the class B system.

MGen Walter Semianiw: Right on. Outside of that system, I don't know; we'll get back to you with the data.

But the answer to the question that was raised here is important; I think this is fundamental. The question was posed by a member of the committee who said "I don't think any employer would hire anybody back who's drawing a pension". I disagree. I think any civilian employer would hire anybody back drawing a great pension, if they knew that was the best person for the job. If you talk to anybody who runs a company, they would say they would hire that person because that person is the best person for the job.

That's what the discussion comes back to. How do we ensure and maintain that they are the best people for the job and that it's open and transparent?

The Chair: Thank you very much.

Now we will give the floor to Mr. Payne for five minutes.

Mr. LaVar Payne: Thank you, Mr. Chairman.

That's a great example you're talking about, General. In fact, I know in private industry, because that's where I come from, people who have actually retired from their organization, are getting a full pension, and then go back to work for the same company as a contractor. The prime example I have of that is myself. I worked for a petrochemical company. I was drawing a pension. They hired me back as a contractor, and I was entitled to double-dip, so to speak, if that's what you want to call it. At the same point in time, however, if I were hired back as a full-time employee without a contract and was expected to in fact contribute to the pension plan, then I would have stopped getting my annuity from the company and started paying back in and adding more credit to my time. So that's a really good example of that. I was actually going to get you to comment on it, but you've done some of that already.

I just wanted to bring that point out. It does happen in private industry.

MGen Walter Semianiw: I believe the phenomenon, if you want to call it that, happens across and in any sector to ensure you have the best people for the job that's available.

The Chair: Will you share your time? You still have three minutes.

Mr. Braid.

Mr. Peter Braid (Kitchener—Waterloo, CPC): Thank you, Mr. Chair.

Thank you, General, for being here this morning.

As a somewhat recently elected member of Parliament, I'll say it's inspiring to be surrounded by so many double-dippers.

Voices: Oh, oh!

Mr. Peter Braid: You indicated that currently one in four full-time reservists are in fact annuitants. I'm just curious to know how that compares with the numbers at other points in time five, ten, or fifteen years ago. Has that been stable? Has it increased?

MGen Walter Semianiw: We'll get the data to the committee, but I'm just kind of hypothesizing here. My sense is the number right now is higher than it was in the past, given that we've never had such a demand for class B folks. This is the challenge: operational tempo, the baby boomers kind of moving ahead, and retention issues, all of which have led to a higher number of class B personnel on one-, two-, or three-year contracts. There are probably more than there have been in the past. We'll get you the data to confirm that intuition.

• (1230)

Mr. Peter Braid: Is it your sense that the one in four, then, is probably close to its peak, and that will start to...?

MGen Walter Semianiw: The one in four is already starting to come down. Something to remember is that you can't just get out of the regular force one day and join the reserve force the next day and walk into the job. You have to meet all the requirements. You have to be fit. You have to pass your medical. So there's still a swath of requirements that you have to meet to be able to do that.

Mr. Peter Braid: I'm just curious to know what led you to undertake the initiative of the new web-based recruitment process you recently implemented.

MGen Walter Semianiw: What led us were the comments made by reservists who asked, "How do we find reserve job opportunities?" The point to note is that if you are a reservist, if you're on a three-year contract, we will also move you across the country. We've done that for many reservists under the new approach, because we know they're part of the success of the Canadian Forces. So that kind of moved us towards having something like a monsterjob.ca site for reservists. Once we established it and added to it, we noticed all the other areas it actually does assist by providing greater controls and

greater transparency. We'd be more than happy to show the software to the committee at any time. The way we actually built it was driven more by the opportunity or chance to provide reservists with a one-stop shop when it came to available reserve opportunities across the country.

Mr. Peter Braid: Since the implementation of this new web-based system, has the number of grievances gone up? Has it gone down? Or is it too early to know?

MGen Walter Semianiw: To begin with, we don't know, but as I said, I've never had a grievance on the issue of someone not getting a class B job that somebody else got and thinking that was unfair. And I get grievances at my level—I'm one of the grievance authorities. I haven't seen it. I have heard these comments, but I don't know. I could take a look at the information for you, but I would only assume it's going to be more open, more transparent. It's going to be better for everybody.

Mr. Peter Braid: Have other government departments implemented similar initiatives?

MGen Walter Semianiw: I don't know. We'd be more than happy to share with other government departments at no cost. Right now the army and the navy are looking at it, and then we'll kind of roll it out across the CF.

Mr. Peter Braid: Thank you, sir.

[*Translation*]

The Chair: Thank you very much.

[*English*]

Thank you very much.

[*Translation*]

I would like to thank our witnesses from the Department of National Defence. This has been a very productive meeting for Committee members.

[*English*]

I wish you a good day. Thank you very much.

Now I will suspend our work for five minutes and we'll come back in camera.

[*Proceedings continue in camera*]

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