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Chair

Mr. David Sweet

Standing Committee on Industry, Science and Technology

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• (1100)

[English]

The Chair (Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC)): I call the meeting to order.

Good morning, ladies and gentlemen. *Bonjour à tous.*

Welcome to the 49th meeting of the Standing Committee on Industry, Science and Technology. Today our orders of the day are pursuant to Standing Order 81(5), supplementary estimates (B) 2012-13. We'll be considering those today.

Before us we have the Honourable Denis Lebel, Minister of the Economic Development Agency of Canada for the Regions of Quebec. Minister, welcome.

With the minister we have Thao Pham, vice-president of operations for Canada Economic Development, as well as Luce Perreault, director general, departmental finances branch.

The minister will be here for the first hour. I believe that the officials will stay after that for your questions.

Minister Lebel, we have ten minutes set aside for your opening remarks. When you're ready, please go ahead, Mr. Minister.

[Translation]

Hon. Denis Lebel (Minister of the Economic Development Agency of Canada for the Regions of Quebec): Thank you very much.

It is a pleasure to be with you today to speak about some aspects of the Economic Development Agency of Canada for the Regions of Quebec. This opportunity to discuss the agency's initiatives and budgetary situation allows us to highlight some aspects and look into our future.

Allow me to introduce the officials who are with me today. First, Thao Pham, Vice-President, Operations and Luce Perreault, Director General, Departmental Finance.

I hope my appearance here will enlighten you on the agency's program and on the supplementary funding requested from Parliament for the new Community Infrastructure Improvement Fund (CIIF) mentioned in the 2012 Budget Speech.

[English]

Allow me to introduce the public servants—

That's already done.

[Translation]

Permit me, by way of introduction, to give you a brief outline of the agency's role.

[English]

The agency's mission is to promote the long-term economic development of the regions of Quebec by giving special attention to those where slow economic growth is prevalent or opportunities for productive employment is inadequate.

[Translation]

In carrying out this mission, the agency works to foster cooperation and complementarity with Quebec and its communities. The agency aims to be the key federal partner in the regional economic development of Quebec so that the province's regions and businesses can participate to the fullest of their potential in the economy of tomorrow by building on their assets.

[English]

We provide direct support to Quebec's small and medium-sized enterprises and to economic development players and organizations by offering them guidance and financial assistance.

[Translation]

Our activities are centred on the government's priorities, namely the economy, prosperity and employment and, more specifically, on entrepreneurship, business productivity, export, and innovation through technology transfer.

[English]

Allow me to remind you, Mr. Chairman, of the government's commitment to a more effective and efficient federal public service.

[Translation]

The agency, like all departments, is contributing to the government-wide effort to reduce spending and restore a balanced budget. By focusing on the government's priorities, Quebec's economic realities, and the results of its own 2010 strategic review, the agency has also set out along the path of transformation to become more efficient and offer better service to its clients.

[English]

The agency is helping to achieve a balanced budget by simplifying its programs and accountability for clients, reducing processing delays and administrative paperwork, and reorganizing its internal departments for greater efficiency.

[Translation]

These measures will now make it easier to implement our programs, provide clear and adequate accounting of our actions, and communicate the outcomes achieved.

[English]

The agency's intervention priorities are established on the basis of governmental priorities, the concrete economic spinoffs generated by projects, and the agency's budgetary capacity.

[Translation]

The agency maintains a presence on the ground through its 12 business offices and remains the Government of Canada's principal economic representative in Quebec. Its advisors work alongside Quebec promoters to support them in their projects.

It will also be recalled that, in 2010, our government announced a renewal of the funding allocation for the CFP-Community Futures Program. Through this program, the agency provides financial assistance to 66 local and regional development organizations, including 56 SADCs (Sociétés d'aide au développement des collectivités) and 10 CAEs (Centres d'aide aux entreprises). This program supports local economic development and builds the capacity of communities to reach their full potential in a sustainable way. This national program supports and complements the efforts of our 12 business offices to better promote the economic development of Quebec's regions.

• (1105)

[English]

As part of its transformation to become more efficient and to simplify its action for clients, since April 1, 2012, the agency has been offering a single core program, the Quebec economic development program.

[Translation]

This program is adapted to the economic challenges of the regions and makes it possible to support businesses and communities all across Quebec.

[English]

More specifically, it allows the agency to further the development of enterprises by sustaining entrepreneurship and supporting business performance.

[Translation]

It is to that end that the agency, for example, recently granted a financial contribution to Soucy Rivalair for the acquisition of two high-technology machining centres. This family-run business in Drummondville has been in operation for many years and is very successful. It was first managed by the father, then by the children. The daughter is now the CEO.

Soucy Rivalair is a metal processor operating in the industrial and recreational transport sectors. This new equipment will enable the company to become more competitive, diversify its activities, and meet the requirements of major contractors. With its newly-developed expertise, Soucy Rivalair will now be in a better position

to stand up to the Asian competition that has been severely affecting it in recent years.

It might interest some of my colleagues to know that the Groupe Soucy manufactures pucks for the National Hockey League, among other things. They are made in one of its companies in the Saint-Jérôme area. I have had the pleasure of visiting the factory. I know not a lot of National Hockey League pucks are flying around rinks at the moment. But still, they are made by Groupe Soucy.

[English]

The agency also intends to encourage mobilization and investment to support the economic development of the regions.

[Translation]

Indeed, the agency renewed its financial agreements with Quebec's regional and sectoral tourist associations—the ATRs and ATSS—up to March 31, 2015.

The funding provided to these organizations will allow them to put forward strategies to promote and commercialize regional attractions in the goal of drawing more tourists from out-of-province and international markets. We know that tourism is a now an important economic feature and a contributor to economic diversification in the regions of Quebec.

[English]

Lastly, through the targeted ad hoc initiatives it is regularly called upon to implement, the agency is able to provide temporary economic support to Quebec communities faced with particular challenges in order to help them stabilize and reinforce their economy.

[Translation]

One such example is the Temporary Initiative for the Strengthening of Quebec's Forest Economies, which, since April 2010, has allowed 236 projects to be carried out in communities struggling with the crisis in the forest sector.

[English]

This initiative has allowed regional county municipalities affected by the crisis to invest considerable sums in the diversification of their economies. By November 22 of this year, CED had contributed almost \$87 million through the measure to projects that generated a total investment of more than \$296 million.

[Translation]

There is also the Initiative for International Cruise Development launched in 2008, which will help 52 projects come to fruition to support the development of this industry in Quebec. These projects represent a total investment of over \$115 million, toward which the agency contributed more than \$41 million.

The initiative aimed to support international cruise development on the St. Lawrence and Saguenay rivers and help communities increase their capacity to attract and retain tourists from outside Quebec.

The results have been very conclusive, with the annual number of cruise passengers rising from about 150,000 in 2006 to over 195,000 in 2011. And based on the cruises confirmed for 2012, that number will reach more than 360,000 this year, more than a 200% increase since the initiative started. It is therefore fair to say that the objectives set in 2008 have been met.

• (1110)

[English]

Mr. Chairman, on top of its regular program, the QEDP, the agency also delivers national programs. CED also works in close collaboration with the Government of Quebec in delivering various infrastructure programs. In the last federal budget, Finance Minister Jim Flaherty announced the creation of the community infrastructure improvement fund, a measure under Canada's economic action plan.

[Translation]

The Community Infrastructure Improvement Fund is armed with a national budget of \$150 million over two years, \$31.2 million of which has been earmarked for projects in Quebec. Our agency is responsible for administering this program in the province.

A first call for proposals under this new program closed on October 1, and a second one will be launched in February 2013. The unqualified success of this first call for proposals illustrates the very real need that exists for community infrastructure.

It is that need we are asking you to support today by adopting the agency's supplementary estimates (B).

[English]

Mr. Chairman, the agency I oversee has its ears tuned to the needs of promoters and partners in all corners of Quebec in order to promote the economic growth of the regions.

It has the capacity not only to support the economy of tomorrow but to intervene rapidly in times of crisis.

[Translation]

The agency has demonstrated its know-how with the implementation of Canada's Economic Action Plan (EAP), the strategy put in place in the last few years to limit the impact of the global economic crisis on Canadians. The initiatives have brought concrete results, and Quebec has weathered the crisis particularly well.

Permit me now, Mr. Chair, to give you an overview of the agency's performance in providing support to businesses and regions in the last five years.

First, the agency contributed to the renewal of Quebec's pool of enterprises and to the increased competitiveness of existing businesses.

Here are some of the concrete outcomes: between our government's arrival on February 7, 2006, and September 30, 2012, the agency has supported nearly 4,000 projects of SMEs and organizations by providing a total of \$1.9 billion in assistance.

[English]

For example, the agency granted a contribution to Embrionix Design, a Laval company that has developed an innovative product

for the video broadcast industry. Its devices are used by major broadcasters to convert electric transmission signals to digital video signals. Financial support from the agency enabled the enterprise to launch a structured marketing plan on the east and west coasts of the United States and in Europe.

[Translation]

Metal 7, a Côte Nord company that offers thermal coating services, makes industrial burners and does fabrication for the mining industry, also received financial support from the agency. That contribution allowed the enterprise to expand its existing plant and purchase new equipment to raise its production capacity. The project was part of a large-scale investment plan to strengthen Metal 7's ability to meet the requirements of Quebec's major contractors and better integrate their value chains.

CED's approach is tailored to the challenges that businesses and regions are facing and is aimed at capitalizing on their assets so they can fully participate in the economy.

Moreover, the agency's contributions have been shown to provide significant financial leverage. In 2011-2012, for example, this leverage effect generated, on average, \$2.33 of investment from promoters and other funding sources for every \$1 invested by the agency.

[English]

As you can see, Mr. Chairman, we are consistently working to make our communities more vigorous and our businesses more competitive.

In the coming years, Quebec's regions, communities, and enterprises will be confronted with a demanding context brought on largely by slowing global economic growth, the consequences of globalization, and heightened competition, particularly from emerging countries.

[Translation]

It is within that context that the agency will pursue its efforts to support businesses that are striving to improve their productivity and to develop new markets here in Canada and abroad in order to commercialize their products, many of them innovative.

The agency will continue to promote the economic development of Quebec's regions and businesses through its assistance to SMEs and the organizations that support them.

• (1115)

[English]

Over the next few years, the Government of Canada will continue to give priority to the economy and employment. The agency, in keeping with this mission, will continue to promote the economic growth of Quebec's regions by adjusting to the realities, issues, and challenges facing the province's communities and SMEs.

[Translation]

The agency will continue to work in conjunction and in close collaboration with key economic development partners, including other federal departments, the Government of Quebec and the principal stakeholders in the regions

[English]

The agency will continue to build on the government's efforts to cut the deficit by pursuing the transformation work already well under way to simplify its programs and accountability and to reduce administrative paperwork and processing.

[Translation]

And lastly, with your support, we will be able to pursue implementation of the Community Infrastructure Improvement Fund, which, as I have already mentioned, is answering a real need in our communities.

[English]

I thank you for your attention.

I'd be happy to answer your questions.

Thank you very much, Mr. Chair.

[Translation]

The Chair: Thank you, Mr. Minister

[English]

Hon. Geoff Regan (Halifax West, Lib.): I have a point of order.

The Chair: Yes, Mr. Regan.

Hon. Geoff Regan: Mr. Chair, is there some reason this meeting is not televised, and can we have Thursday's meeting televised?

The Chair: Sorry, Mr. Regan?

Hon. Geoff Regan: Is there some reason today's meeting is not being televised, and can we have Thursday's meeting televised?

The Chair: The only reason today's meeting isn't televised is that there was no request to televise it. We sent out the orders of the day early so as to let everybody know. Next Thursday's meeting, if you're making that request, can be televised.

Hon. Geoff Regan: Thank you.

I'd make it a standing request that when we have ministers coming, we have it televised. I think it's in the public interest. Just consider it a standing request.

The Chair: Okay.

Hon. Geoff Regan: I didn't say I requested it this time. I just say I am making that request now.

The Chair: Fine, Mr. Regan.

Now we'll go to questions.

Go ahead, Mr. Wallace.

Mr. Mike Wallace (Burlington, CPC): Thank you, Mr. Chair.

Thank you, Minister, for coming.

If I recall correctly, the minister, in another day, was a champion judo expert. Is that correct?

Hon. Denis Lebel: No.

Mr. Mike Wallace: Was it martial arts, or badminton, or something?

Hon. Denis Lebel: Yes, I played badminton.

Mr. Mike Wallace: Whatever I ask, I hope he doesn't hit me with his racket.

On the new money for the infrastructure improvement fund, your agency and all the other agencies are asking for half of it in supplementary estimates (B). Correct?

Hon. Denis Lebel: Yes.

Mr. Mike Wallace: Are we expecting the other half to come in supps C, or was it in A?

Ms. Thao Pham (Vice-President, Operations, Canada Economic Development): I'm going to ask my colleague, Luce Perreault, to explain how it works. We're asking for the entire amount, but we're going to give you the details.

Mr. Mike Wallace: Okay.

[Translation]

Ms. Luce Perreault (Director General, Departmental Finances Branch, Canada Economic Development): Actually, we are asking for the first half of the \$15.6 million in these supplementary estimates (B). We will ask for the second half in the main estimates. So we will have to spend this amount by the financial year—

[English]

Mr. Mike Wallace: It will be in next year's main estimates.

[Translation]

Ms. Luce Perreault: Yes, exactly.

[English]

Mr. Mike Wallace: If it's in next year's main estimates, is that becoming a more permanent program, or is it just a temporary program?

Hon. Denis Lebel: It's still a temporary program. That's because we finished the appeal on September 1. That's a very short time to build a program and deliver it. That's why we're doing it.

Mr. Mike Wallace: You're here for the Quebec region agency. Do these agencies traditionally deliver infrastructure money?

Hon. Denis Lebel: They deliver a lot of programs to the economic action plan in support of our agenda that work very well with the province. We have the sport infrastructure program and some other programs that have been delivered through the agency. That's why we have differences sometimes in our budget, because we have special funds to deliver.

Mr. Mike Wallace: Tell me about your mandate. Is the mandate to assist in infrastructure or business development? What's the agency's focus?

• (1120)

Hon. Denis Lebel: It's to support the SMEs of the province and to support the economic development of the Quebec regions, mainly the regions where the economy is more difficult. It's more difficult to create jobs in certain parts of the province. Our main goal, our main mandate, is to support these things.

Mr. Mike Wallace: You support business and SMEs.

Hon. Denis Lebel: Yes, and the regions.

Mr. Mike Wallace: What about other sectors?

Hon. Denis Lebel: That's our mandate, but we are a good tool for the regions anywhere in the country—I speak of the agencies in general—and to support the government.

I can say the department holds up the Canadian flag in Quebec in any region. That's CED-Q. We're very close to operations all across the province of Quebec, and I'm sure we have the best tools to deliver programs effectively to support infrastructure very closely. We are always in touch with the Quebec government. We have to work with them and we have some programs we need their authorization to deliver. I think that's why we have been mandated by our government to deliver these programs.

Mr. Mike Wallace: The other thing that always drives me crazy on estimates is the use of moneys that weren't spent in other votes. On paper it looks like it reduces costs. They'll say they've allocated x dollars for this item, but since they didn't use it this year, they'll move it over and reduce the ask. That's my reading of it.

The accountant over here is shaking her head, but if we look at the transfers, funds available, less authorities available within the vote, we see that \$5.8 million was available. Why was that not spent? Who decides how it gets transferred, and what is transferable and what isn't?

[*Translation*]

Ms. Luce Perreault: Those are not amounts that the agency has not spent this year. When you passed the main estimates, they did not include the Budget 2012 decision or the reviews of departmental spending.

In our main budget, there was an amount of \$7.2 million that represents our contribution to the 2012 spending review. So those funds become available to the agency. Given that our request for the Community Infrastructure Improvement Fund is for \$15.6 million, but that \$7.2 million is available as a result of Budget 2012 and the review of departmental spending, that reduces our request for votes. That is why we are asking you to pass an amount of \$8.3 million today.

[*English*]

Mr. Mike Wallace: No, I completely understand that.

Ms. Luce Perreault: Okay. I'm sorry.

Mr. Mike Wallace: It must be a translation issue.

When the main estimates were approved last year, there was extra money in that vote, and you're moving it over from there to help reduce the ask, are you not, of what you're asking for here?

You see, these supplementary estimates are at \$9.5 million under vote 5. Then the total is \$8.1 million. If that "Less: Spending authorities available..." were not there, the number that you are asking for would be higher, would it not?

[*Translation*]

Ms. Luce Perreault: We would have asked for \$15.2 million, the amount in the CIIF.

[*English*]

Mr. Mike Wallace: That's right. You would have asked for \$15 million.

My question is this. Who makes the decision that because that money was saved, not spent, that it gets allocated to this or allocated to that? I'm not saying it shouldn't be allocated somewhere, but who decides where it goes? Is that in your department, in Treasury Board? Who decides?

[*Translation*]

Ms. Luce Perreault: That is the budget process. The government decided that we could not use that \$7.2 million amount because it was actually our contribution under the spending review. The amount becomes available and is part of the government's budget process.

To reduce the number of requests for new votes as much as possible, we have to use it first.

● (1125)

The Chair: Thank you, Ms. Perreault.

Thank you, Mr. Wallace.

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

Mr. Jean Rousseau (Compton—Stanstead, NDP): Thank you very much, Mr. Chair.

Mr. Minister, thank you for being here. It is very important for us, and I think you know that.

You know that the economic development situation in the regions of Quebec is crucial for the vitality of the province. As members of Parliament from all parties, we find the supplementary budgets granted as the result of forecasting to be really important.

There has also always been good cooperation between members of different parties, the serving minister and the agency, the regional leadership and the agency, you might say.

Budget 2012 called for cuts of \$28 million up to 2014-2015. You are announcing \$15 million more, of which \$7 million come from various savings.

How do you intend to fulfill your mandate after having closed two very major regional offices in the Montreal area, those in Longueuil and Laval?

Hon. Denis Lebel: There are different aspects to your question.

Mr. Jean Rousseau: Yes, there are.

Hon. Denis Lebel: Let us deal with the budgetary aspect first.

Ms. Perreault will be able to tell you more about it.

Ms. Luce Perreault: From the \$28 million, \$4 or \$5 million are for operations and there are \$23 million in contributions. Temporary programs will not be renewed.

Hon. Denis Lebel: That's right.

As I said earlier during my presentation, the Economic Development Agency of Canada for the Regions of Quebec regularly implements ad hoc initiatives, which are part of funds managed by Canada Economic Development. It has long been known that the Temporary Initiative for the Strengthening of Quebec's Forest Economies and the Support Initiative for the International Cruise Development on the St. Lawrence and Saguenay Rivers would end. We're not talking about budget cuts here; we are talking about programs ending, and we have known about that for a very long time.

As all of our government's other departments, we have to set an example and contribute to deficit reduction. As Ms. Perreault mentioned, we have identified about \$4 million in operating savings. We have consolidated business offices in the Montreal region. In the case of the Montreal region, we are talking about an integrated economy. I was a mayor for a long time, and I sat on the executive board of the Union des municipalités du Québec. I would go to Montreal two or three times a month, and I saw that people from Longueuil or Laval were all part of the metropolitan community. Everyone works together.

Canada Economic Development is not the only organization in Quebec with offices in greater Montreal. A number of Quebec and Canadian organizations have consolidated their offices and operations in the greater Montreal area. We have continued to provide support through some of our agents who cover all the regions. Some of them have remained on site. The whole area is very well served, and there is no impact on the services provided to entrepreneurs. We even visit companies to meet with people. We are doing a great job.

We have actually collaborated on the government's business and reduced our operating costs in order to keep taxes down. We continue to do our work. The Community Infrastructure Improvement Fund is a two-year program. After two years, \$15 million will come off Canada Economic Development's operating budget because the program will have ended. That's exactly what just happened with most of the \$28 million you were talking about.

Mr. Jean Rousseau: Okay.

Regarding CIIF, why is it that, not only my office, but also the offices of several members have been trying to obtain—unsuccessfully—information about that program? We have tried to contact your agency, but it's impossible to obtain clear information on the program. Many community organizations would like to know about it. They are trying to communicate with your regional branches, but it's impossible to get answers. When we try to obtain information personally, we are referred to you. I expressed my desire to meet with you in order to obtain information three times, and I have always meet with a closed door. I don't understand. The legislation stipulates that we must collaborate and co-operate for the development of Quebec regions. We think that's very important.

I have always had a passion for economic development. When I was elected to Parliament on May 2, 2011, I thought the Economic Development Agency of Canada for the Regions of Quebec Act was amazing. However, you must agree that it's essential for all stakeholders to work together. Why is it that, for six months, we have been trying to obtain all kinds of information—either basic information or information on how the program will be applied and

made available to communities—with no luck? Can you explain that to me, please, Minister?

• (1130)

Hon. Denis Lebel: Mr. Rousseau, your claims are absolutely false. Everything is available on the Internet; all the information on the program is available on the Internet...

Mr. Jean Rousseau: I understand....

Hon. Denis Lebel: You asked a long question, so you will let me answer it.

Mr. Jean Rousseau: That's fine, but your answer shouldn't be too long.

Hon. Denis Lebel: We have received 542 requests. You want to know who has been accepted under the program. That's what people want to know. However, the request review process is ongoing.

For all of Canada, \$75 million is available, and we have received 4,585 requests. In Quebec, we have received 542 requests—the total value of which is \$132 million—but only \$15 million is available. For each request we accept, we have to reject 10 others, just so you know. I want you to know that all the information you are asking for is available.

To wrap this up, I want to come back to CIIF. The request review process is ongoing. We have set criteria that are a matter of public record. The whole process has been public since the beginning. The relationship between politicians and business offices is such that politicians deal with politics and technicians deal with the technical side of things. That's always been the case.

Mr. Jean Rousseau: I hope so.

Hon. Denis Lebel: I know that you have been involved in a CLD in the past. I have also been president of a CLD, and I know how this works.

Mr. Jean Rousseau: I also worked in a CLD.

Hon. Denis Lebel: That's what I said. I know that. I was president of a CLD. We won't try to impress each other.

Mr. Jean Rousseau: No, absolutely not.

Hon. Denis Lebel: Politicians do politics. If MPs call business offices located in Quebec regions to obtain information on clients' files, they won't get it. They could actually never obtain that information. This has nothing to do with which government is in power, but with how things work. When politicians know how the system works, they don't call technicians to ask them where someone's file is. We are doing the right thing by following the rules.

I want to add that I am also minister of three departments, including the Department of Transport, Infrastructure and Communities, and I have very little time. Generally speaking, our team and my office staff review the requests we receive. I agreed to meet with you. My team manages the meeting process, and I don't know where they are at when it comes to that. I came here from a procedure and planning meeting, and I have another one to attend after my appearance. I am not saying that I should be pitied, Mr. Rousseau. I simply want to point out that I have taken your request into consideration. I accept it with pleasure, and we will see when we will be able to meet. That said, all the information on Canada Economic Development's programs is available on the website.

Mr. Jean Rousseau: How much time do I have left?

[English]

The Chair: Okay, that's all the time there is.

Now we go to Mr. Carmichael for seven minutes.

Mr. John Carmichael (Don Valley West, CPC): Thank you, Chair, and good morning, Minister.

Minister, I come from a background of small and medium-sized enterprises, so I'm particularly interested in the CED success. Clearly you've enunciated some success that I find very impressive in regard to some 4,000 projects across the province that you've enacted and been able to support.

On the dollar investment by the government, by the CED, to the \$2.33 of project investment by the investors, is that a standard number that they developed, or is that something that varies by project as you evaluate various SMEs and their projects?

Ms. Thao Pham: I'll try to answer the question. The ratio of \$1 to \$2.33 is an average. We did undertake a study over a time span; then we looked at the SMEs that benefited from our support, and that's the average we got from that.

Mr. John Carmichael: Okay, so it varies project by project as you evaluate.

Ms. Thao Pham: That's right.

Mr. John Carmichael: As you talk about Embrionix and Métal 7 in your report, clearly they are two very good success stories. Do you have data? As you know, as a government we support job creation and economic development, so is there a measure for job creation when you look at the 4,000-some projects across the province?

Ms. Thao Pham: With respect to each project that we fund, we do have a set of performance measurements that are expected from proponents, so they do report on that in some cases, where we are looking to get the number of jobs created and the sales and other indicators as well.

In a study that we undertook recently over five years, for example, we looked at the SMEs that we helped, and more than 70% of them have a greater survival rate than in another comparison that did not profit from our help. Also, a very successful indicator for us is that more than 70% of those companies have also a high rate of sales and

[Translation]

a sales figure.

[English]

Therefore, those are very, very significant for us.

• (1135)

Mr. John Carmichael: When you speak of the 70%, is that a 70% success rate?

Ms. Thao Pham: It's 70% of the population, of the number of companies that we help.

Mr. John Carmichael: Right. It's those that are successful with the project. Obviously, you can't pick winners and losers all the time, so you do your best.

Is there any more information you can give us on that particular project, or on CED support of SMEs, that would help us as you go deeper into the discussion of your success in that area? We see the two, but do you have any further information?

Ms. Thao Pham: I would invite you to take a look at our website. We do have success stories that we publish, but also the departmental performance report explains in great detail the outcomes from our programs.

Mr. John Carmichael: Good. Thank you.

The international cruise development initiative is a fascinating program. I wonder if you could provide us with a little more information on that, including some of the objectives and the results achieved that you can measure so far.

Hon. Denis Lebel: That program works very well with Quebec tourism within the government of Quebec. We have launched this program and we have some stops at Magdalen Islands, Gaspé, Sept-Îles, Saguenay, and Baie-Comeau. That's a very successful program. We have supported these municipalities and these regions to develop tourist offers. We have supported them with their needs.

For example, in Saguenay River we built a new pier, and that's growing and growing. We have supported for some time the infrastructure to develop touristic projects to support the offer, and that is going very well. We will double the number of cruises in the waters of the St. Lawrence and Saguenay Rivers. That's a very successful story.

For us, the time for the money is over, but we're sure that the money we have invested will continue to let this economy grow and that the cruises will become more important in the province.

Mr. John Carmichael: I think your projection for 360,000 visitors is remarkable.

Hon. Denis Lebel: It's from 150,000 to 360,000. Those numbers are good. For next year, in 2013, the forecasts are better again. We'll see, but they are still growing.

Mr. John Carmichael: Do I still have time, Chair?

The Chair: You have two more minutes.

Mr. John Carmichael: The long-term sustainability I get. As CED works on its projects, and you have the cruise program, is long-term sustainability a measure that you use as well in those programs? Obviously in the cruise it is, because you have finished your funding and you feel that it's going to continue to grow.

I wonder if you could talk a little further on the SMEs and just how impactful the investment the federal government is making is going to be in the long term.

Hon. Denis Lebel: Often we make the difference. Often the owners or managers of SMEs are telling us that we are the first financial support they have received. The others are coming after.

Often CED-Q in Quebec's regions shows the way to other partners like Investissement Québec and some others, and we really make a difference in smaller or a bit larger businesses. We have success all across the province.

We were speaking about the mining industry, which continues to grow. We have supported many projects in Abitibi to help small enterprises develop certain technologies that are used worldwide now. Technologies used in our regions are offered all across the world. Some are working in South Africa, in South America, and everywhere, and we are successful.

With 4,000 projects, we can give you a lot of examples, but first of all we need a promoter. If we don't have somebody or an organization to propose a project, we are unable to support them. We have changed the way we support them too. We are working more on technological transfers in order to support our economy specifically in different regions, so it's not the same economy and it's a different region.

In my own riding we depend 70% on forest industry products, but my region depends a lot on the aluminum industry. We're still very supportive of that. We support SMEs all across the region to develop the way they use aluminum.

[Translation]

The Chair: Thank you, Minister.

[English]

Now we go to Mr. Regan for seven minutes.

[Translation]

Hon. Geoff Regan: Thank you, Mr. Chair.

Thank you, Mr. Minister. It's a pleasure to have you with us, as a former office neighbour in the Confederation Building.

According to the 2011 and 2012 public accounts, your budget for last year was \$480 million, but has been reduced to \$306 million. That's a significant cut. Public accounts also indicate that \$17.5 million was left on the table, so to speak. Can you explain to me why? That includes \$14.3 million in vote 5.

• (1140)

Hon. Denis Lebel: I will ask Ms. Perreault to clarify the financial issue you just raised, Mr. Regan.

I would also like to thank you. I came here in 2007 as an MP, after having won the first by-election for our government. The House was at the time prorogued. I was elected on September 17, 2007, and upon my arrival, I was talking to the walls. No one was here, since MPs were all in their ridings. So you are one of the first members to greet me by shaking my hand and welcoming me. I will always remember that, Mr. Regan. I commend you for it.

Hon. Geoff Regan: Thank you.

Hon. Denis Lebel: Ms. Perreault, can you answer his question?

Ms. Luce Perreault: Yes. As you mentioned, the expenditures have in fact been greatly reduced in 2011-2012 compared with the previous year. You should, however, recall that, in 2010-2011, Canada's Economic Action Plan was still in effect.

For instance, the Community Adjustment Fund—which was ongoing at the time—cost the agency over \$100 million in 2010-2011. That has a lot to do with the significant drop in our expenditures in 2011-2012 compared with 2010-2011.

Hon. Geoff Regan: Canada's Economic Action Plan is no longer in effect, but there is still publicity about it, as far as I can see.

I would now like to talk about the estimates. The supplementary budget estimates (B) indicated, in vote 1 for the agency, that \$150,000 was available, as well as \$120,000. In addition, mention has already been made of \$5.8 million, in vote 5, which was available for the government, but through savings, through reductions.

What kind of savings are we talking about? In which areas has the agency made cuts?

Ms. Luce Perreault: Regarding our contribution as part of the 2012 expenditure review, we have basically refocused the agency's spending on government priorities. Regarding operations, we have mostly simplified our processes, as we mentioned, by re-organizing our internal services to make them more efficient.

Hon. Denis Lebel: Of course, we have saved some money because certain temporary programs ended, as we have already mentioned.

We also contributed to deficit reduction. We did that without making any changes to front-line services. For instance, five positions in communications—which were previously held by five individuals in the region—were consolidated in Montreal. Communication strategies were in place at the central office, in Montreal, and applied in the province anyway. We have consolidated the Longueuil and Laval business offices in downtown Montreal in order to be able to serve the whole region better. We have really focused on efficiency, while not making any changes to front-line services.

Hon. Geoff Regan: You talked about some of the details, but there are probably others regarding the cuts made. Those are the kinds of details I'm interested in. There's nothing about that in your document.

Hon. Denis Lebel: Clearly, the daily management of the agency has much more to do with the individuals who have been appointed to do that work, such as Ms. Pham and Ms. Perreault.

So I will yield the floor to Ms. Pham.

Ms. Thao Pham: I will give you a few examples of efficient measures we have taken internally.

We used to publish a paper version of newsletters, but we will now use electronic formats more. That change leads to expenditure reduction. We are also reviewing our entire grants and contributions management process in order to reduce wait times for promoters, but also to cut any unnecessary red tape.

We are really reviewing our ways of doing things internally, especially when it comes to file analysis. We will work with clients to become more efficient.

We are also currently going over our whole internal service infrastructure. We will enhance our use of information technologies to communicate among ourselves and reduce travel for in-person meetings by increasing our use of telepresence technology.

• (1145)

Hon. Geoff Regan: Could you send the committee a detailed list of those savings? That's probably what Mr. Wallace, as an accountant, would like to see.

[English]

The supplementary estimates (B) revealed that a total of \$15.6 million is earmarked as funding that supports existing community infrastructure.

Can you provide the committee with details about the additional funding of this \$15.6 million to support “the rehabilitation and improvement of existing community infrastructure”, which is included in vote 5b?

[Translation]

I would like to know what portion of those funds is made up of new money and what portion comes from elsewhere, from savings.

I would like you to be specific in your answer.

Ms. Thao Pham: I will go over the figures the minister gave you earlier.

The CIIF envelope for all of Canada is \$150 million over two years. Quebec's portion is \$31.2 million over two years.

Today, we are asking the committee to allocate \$15.6 million to the agency through supplementary budget estimates (B). As my colleague explained earlier, savings have been made under Budget 2012, so that money has been frozen, if I may use that expression. In short, there would be a single transaction instead of two.

I will ask my colleague to provide you with more details about that.

[English]

The Chair: I think we're way over time. I wanted to have you finish most of your answer. I'm sorry, but I have to move on, with the time the way it is.

Now we're going to five-minute rounds.

Mr. McColeman, you have five minutes.

Mr. Phil McColeman (Brant, CPC): Thank you, Mr. Chair. Thank you, Minister, for taking the time to be with us today to explain the direction you're taking.

In your remarks, you mention the government renewed the CFP, the community futures program. Because of the differences between French and English, I want to confirm. In Ontario we know these agencies as CFDCs, which are Community Futures Development Corporations. Is this the same entity in Quebec, in terms of the terminology you've used?

Hon. Denis Lebel: I'm not sure, Mr. McColeman. We'll have to verify that.

Mr. Phil McColeman: I believe it is. I'm going to assume it is. My question really relates to the effectiveness and the efficiency of those programs as a vehicle to deliver assistance to SMEs on the ground within regions and within communities.

Of course, our government's commitment to not only renew but also increase funding for many of them across the country helps communities. In my riding, it helps many small businesses get off the ground, number one, and number two, it sustains them through those critical periods.

In your efforts, it's mentioned there are 66 local and regional development organizations, including 56 of the SADCs. I'm wondering whether you can relate to us how important they are in Quebec in the context I'm describing to you, which is the Ontario success with this as a delivery mechanism.

Hon. Denis Lebel: Thank you for the question.

For sure, I will not compare it to any other economic agencies across the country. We have the capacity. I think it's a good tool to make specific choices in any agency. If we want to do something with the money we have in Quebec, with respect to all the other agencies, we can do that. I will not speak on behalf of the other ministers of our agencies.

In Quebec, you're right, it's really supportive of the presence of Canada in Quebec. It's a very important tool for us to have these economic agencies for the SMEs in the regions and all across the country.

I spoke with Mr. Rousseau tout à l'heure, who was working in a CLD in Quebec. They work closely with a SADC normally. There's always a SADC in any region of Quebec. That's really helpful. We have to work with 12 regional offices of CED-Q, but SADC and CAE are very supportive of them.

Sometimes smaller enterprises with up to four employees are go to see them to have a start-up. If they don't necessarily have the money to support them, they have the knowledge to support start-up enterprises and to create jobs. That's why we were very proud to have signed up in 2010 for five years. We have very good partners. That's helpful in any region of the province for smaller projects, as I have said.

Afterwards, sometimes they come to CED-Q for bigger projects, and we're supporting them to create more jobs.

• (1150)

Mr. Phil McColeman: Thank you for saying what you've said. They are an excellent tool to have on the ground, to know what's happening for job creation in their community. As we always talk about and we know, small businesses create jobs. It's about generating that entrepreneurial spirit within people to begin businesses. Many of them have faced losing their employment through no fault of their own, but have always thought about how one day they would like to start a business. Again, it's to tap their entrepreneurial instinct. Of course, these agencies do that.

I'd like you to elaborate, if you can, on the support initiative for international cruise development. It is mentioned in your notes as well. Can you add anything further to its objectives and tell us how that's working, and where you see that going?

The Chair: Please be as brief as possible, Mr. Minister.

[*Translation*]

Hon. Denis Lebel: We worked on this program with the Government of Quebec. It has been very successful. It consisted in supporting the development of cruise infrastructure and, of course, the development of communities. As we said earlier, the fact that the number of passengers on cruise ships has gone from 150,000 to nearly 360,000 this year—and it will be even higher next year—is one example of the sound choices our government and the agency are making to support the economy of Quebec regions.

The Chair: Thank you, Mr. Minister.

[*English*]

I will just advise everybody that these will be the last two speakers. The minister has committed to being here until noon.

[*Translation*]

Ms. LeBlanc, you have five minutes.

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Thank you very much, Mr. Chair.

I want to thank the minister, as well as Ms. Perreault and Ms. Pham, for being here.

Minister, this is a good communication exercise. You are telling us about projects and various other things. This information is crucial to us, the members.

I would like to come back to the questions my colleagues asked earlier. We see in other departments, such as Citizenship and Immigration Canada, that the communications we maintain with department officials are very important for us.

You mentioned the website. However, as you know, it's sometimes important to be able to speak to officials in person to get answers to more specific questions. That's a legitimate requirement, both for members and for constituency staff. You know, we can't always use the website. I think that this is a very legitimate and important need.

That being said, I would like to continue discussing communications. You talked about the strategic review you conducted and said it was a priority for the Conservative government. Some cuts were mentioned without any specifics. Some offices have been closed. You mentioned consolidations. Mr. Regan asked for more details about that.

A request was made for more specifics about the cuts and about which areas they will be made in. Are you willing to provide that information to the Parliamentary Budget Officer?

Hon. Denis Lebel: I will begin by answering the question on operations, Ms. LeBlanc.

Are you telling me that constituency staff speak with officials about decisions? As a minister, I do not call officials' offices. Things work differently. If you are telling me that constituency office staff

call officials to obtain information on decisions, that's a completely different thing.

● (1155)

Ms. Hélène LeBlanc: I want to clarify, Mr. Lebel. I understand very well that our role is not to interfere, but to obtain information, and that's totally legitimate.

Hon. Denis Lebel: Okay.

Ms. Hélène LeBlanc: I want you to understand that I am not at all talking about influencing decisions.

However, Canadians come to see us and tell us that they have not received an answer to their question or bring up similar issues. It's sometimes important to have that kind of a relationship.

Hon. Denis Lebel: We think it's crucial for members to be familiar with the Canada Economic Development programs.

Ms. Hélène LeBlanc: That's why we like talking to someone in person.

Hon. Denis Lebel: It think it's natural and normal. I think everyone at the Economic Development Agency of Canada makes an effort.

Listen, I have been the minister of the Economic Development Agency of Canada for the Regions of Quebec since October 2008. There haven't been any changes since your arrival.

Ms. Hélène LeBlanc: All the better.

Hon. Denis Lebel: It's simply a matter of using the tools. No order of any kind has been issued. However, when I hear a member say that those public servants did such and such—as I have heard in the past—or when I hear members from your party say they called the business office to sort out case X, an alarm goes off in my head.

Information on the programs of the Economic Development Agency of Canada must be available to everyone, and it is certainly not our intention to do otherwise.

Ms. Hélène LeBlanc: Yes.

Hon. Denis Lebel: So, in that respect, we will continue to share information.

Ms. Hélène LeBlanc: That is incredibly important.

I have another question about information.

When companies in a riding receive a grant, would it not be appropriate to advise the member for that riding, regardless of which party they belong to? Is it appropriate to receive information of that nature?

Hon. Denis Lebel: Absolutely. Conversely, we do not make calls specifically for that purpose. We do not call all the members across Quebec. If a company wishes to invite people, as is often the case, it can do so.

Allow me to explain how we handle a file, Ms. LeBlanc. A proponent submits a project, and that project remains confidential until it is announced.

Ms. Hélène LeBlanc: I see.

Hon. Denis Lebel: Anyone who calls for information on a specific file will be told no. It has nothing to do with the party they're from. The problem has more to do with the fact that someone may not understand how the process works. Any file submitted by a proponent remains confidential as long as no announcement has been made.

The proponent has the right to invite people to announcements in the ridings. In fact, members from the opposition often attend announcements.

Ms. H  l  ne LeBlanc: Good.

Hon. Denis Lebel: We attend as well, and I am delighted to congratulate them. I do so regularly, Ms. LeBlanc.

That said, I do not speak on behalf of the proponents. Their file remains confidential until such time as it is announced, so we keep that information.

Ms. H  l  ne LeBlanc: That's great, Mr. Lebel. Thank you kindly.

Back on the topic of the budget cuts, I would like to know whether the information was provided to the Parliamentary Budget Officer.

Hon. Denis Lebel: The answer is yes.

I will let Ms. Pham speak to that in greater detail.

[English]

The Chair: Be very brief.

[Translation]

Ms. Thao Pham: Absolutely.

Treasury Board also published figures recently. So the information has been made available.

Ms. H  l  ne LeBlanc: Mr. Regan made the same request earlier, Mr. Chair. Can that information be sent to the committee members as well?

[English]

The Chair: Thank you, Madame LeBlanc.

[Translation]

Ms. Thao Pham: I can't comment on that. We will send you an answer to that question later.

Ms. Luce Perreault: Unfortunately, I again have to refer you to the agency's Web site.

It provides additional information on the expenditure review by program activity. It lists how we are contributing to the deficit reduction by year and by program activity.

Ms. H  l  ne LeBlanc: Thank you very much, Ms. Perreault.

Ms. Luce Perreault: My pleasure.

Ms. H  l  ne LeBlanc: Thank you, Mr. Lebel.

[English]

The Chair: Thank you. We're way over time on that one.

Now we'll go to Mr. Lake for five minutes.

[Translation]

Hon. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Thank you, Mr. Chair.

I am starting in French, so I can practise speaking.

[English]

That's it. It was very brief, *tr  s bref*.

Thank you for taking the time to come here today. I want to use the opportunity, me being an Alberta member of Parliament and you being a Quebec minister, to address some of the issues that have been quite prominently raised over the last week.

One of the things I've always appreciated about working with my Quebec colleagues on the Conservative side is our ability to work together to try to solve issues of common interest across the country. I've been very concerned about some of the discussion over the last few weeks, even over the last year, from the opposition members. The leader of the NDP, for example, referred to the strength of the Alberta economy as a disease. The prospective leader of the Liberal Party made the suggestion that Albertans are somehow not suitable to—

• (1200)

The Chair: Go ahead on a point of order, Mr. Harris.

Mr. Dan Harris (Scarborough Southwest, NDP): I know that we have wide latitude as to what we can ask ministers, but I'd certainly ask the member to refrain from mischaracterizations of our leader's comments. He did not refer to any part of an economy as a disease. He made mention that part of our economy was suffering from an economic condition, not a medical one.

The Chair: Thank you, Mr. Harris. Unfortunately, that's not a point of order. That's a point of debate.

Mr. Regan, I hope yours is more closely related to procedure.

Hon. Geoff Regan: Yes, Mr. Chairman. We are talking about the estimates, and I haven't heard anything yet related to the estimates.

I know that there were three byelections. They're over now, so let's stick to the estimates. Thank you very much.

The Chair: Thank you, Mr. Regan.

Well, as Mr. Harris said, we have a lot of latitude here. Maybe Mr. Lake will listen to some of those comments and continue with discretion.

Hon. Mike Lake: Honestly, I really appreciate the attempted clarification of their leader's and their prospective leader's comments regarding Alberta, because I think some clarification is probably needed.

That said, if I could, what I'd like to discuss is cooperation and working together. I had the opportunity to visit Quebec in the spring with a group of Alberta business leaders. The Alberta Enterprise Group worked with Quebec business leaders to bring a mission of business people to Quebec to talk about shared interests and how they could work together to build the strength of the Canadian economy. They came to Montreal first, met with some business leaders there, and then travelled to Quebec City and met with some business leaders there.

Of course, as we've discussed, there are some real challenges in the Alberta economy that have a real impact on the Canadian economy. There is a real shortage of workers, to the tune of hundreds of thousands. One of the solutions, which the business people in Alberta and the business people in Quebec realize, is that it doesn't necessarily mean that we have to move workers across the country. To some extent, we can work together to take advantage of the expertise that exists in Quebec. Alberta companies that need supplies to further the economy of the country can really rely on that expertise located in Quebec to help build the Canadian economy in general.

Maybe you could comment on those skills, that expertise, that exists in Quebec that could be shared with the rest of the country to our common advantage.

Hon. Denis Lebel: Thank you, and I will let you continue to practise your own French with my answer.

[Translation]

I would be pleased to answer in French, so you can keep practising, Mr. Lake.

You are absolutely right, honourable member. Ours is an integrated economy. Every part of the country contributes to the economy, and all those parts have to keep working together. The Economic Development Agency of Canada for the Regions of Quebec has supported a number of businesses that provide their services nationwide, including, of course, companies involved in oil sands extraction in Alberta. For us, that is part of the value chain and one of the benefits of having a large country with such a diverse range of economic opportunities.

Quebeckers may have seen TV ads featuring major bus maker Prévost Car, among others. The company's success extends beyond Quebec and Canada. Its reach includes the United States. Prévost Car has sold dozens upon dozens of buses to Alberta for the transport of oil sands workers in and around Fort McMurray.

That illustrates just how interconnected the whole country's economy is. Being part of a large country is an advantage. Having all of its economic engines working together is also an advantage.

[English]

The Chair: Go ahead, Mr. Lake.

[Translation]

Hon. Mike Lake: It is incredibly important for Quebeckers and Albertans to work together for the sake of the country as a whole.

Hon. Denis Lebel: Thank you for speaking French, Mr. Lake. It's a pleasure for me, and a number of members here today.

Many people do indeed work all over the country and go back home to their families afterwards. Open economies and globalization move products and workers alike.

Our mandate is to support business development in every region to create jobs. And that's what we will continue to do.

Thank you, Mr. Chair.

The Chair: Thank you very much, minister.

• (1205)

[English]

We will now suspend for three minutes and allow the minister to leave. Then we'll continue with questions for the officials.

• (1205)

_____ (Pause) _____

• (1205)

The Chair: Welcome, members. We're back in session now.

We'll continue our rotation. The next questioner—

Go ahead, Mr. Lake.

Hon. Mike Lake: In the rest of the meeting, rather than going with the traditional succession of five-minute turns, although I don't know how many questions people have, maybe whoever is ready to ask can just ask questions. I don't think we have a ton of questions right now that we need to ask, so opposition parties may want to free-flow a little bit.

The Chair: I presently have Mr. Blanchette, Mr. Wallace, and Mr. Harris. If you want, maybe we can leave it open after that.

Do you want to do that?

Some hon. members: Agreed.

The Chair: All right.

[Translation]

Mr. Blanchette has the floor for five minutes.

Mr. Denis Blanchette (Louis-Hébert, NDP): Thank you kindly, Mr. Chair.

Thank you to our witnesses. Finally, we get a chance to speak with representatives from the Economic Development Agency of Canada for the Regions of Quebec. That's pretty rare.

There is one thing I'd like to know about the budget cuts. The government is ordering you to tighten your belt. You are forced to cancel programs, close offices, ensure value for money and so forth. In response to that order, have you prepared a business plan, a strategic framework or some comprehensive document?

I am picking up on the questions Mr. Wallace and Mr. Regan asked, but from a different angle perhaps. Do you have a strategic plan or anything of that sort outlining how you intend to respond to the government's requests and what your plans are for the next few years? It may be a document indicating how many positions will be cut, how many programs will be scaled back, what the effects of the cuts are, that kind of thing.

Do you currently have something like that in place?

• (1210)

Ms. Thao Pham: Mr. Chair, I can answer Mr. Blanchette's question.

As the minister mentioned, last year, we renewed the Quebec Economic Development Program on April 1, 2012. So we really refocused our efforts on the priorities of the government and the agency, jobs and the economy.

Every year, we carry out an exercise that is published in the Report on Plans and Priorities. Further to that exercise, we identify the agency's priorities.

If I may, I will tell you a bit about our priorities for this year.

Mr. Denis Blanchette: I read the Report on Plans and Priorities. What I am looking for is the big picture. In his statement, the minister already gave us a sense of the measures that have been put in place. They involve simplifying programs and accountability, reducing processing times and reorganizing internal departments. As parliamentarians, we want to know more, about how you will go about each of those initiatives, how you will make those decisions, for example. We need something published so we can monitor all of that.

What's more—and this is a two-part question—you are reducing programs. You're getting rid of some that were temporary. That's well and good. According to the minister's statement, every \$1 invested generates \$2.33 in other investment. It might be a good idea to calculate the drop in economic activity arising from the drop in program investment.

In any case, I would like you to answer both parts of my question in the same order they were put, please.

Ms. Thao Pham: As my colleague, Ms. Perreault, mentioned, you can find information on proposed measures on our Web site. That would be the first place for the members of the committee to look. If, after that, it was necessary to answer further questions, perhaps we could come before the committee again.

As for the impact of investments, I would have to check our ongoing funding. I will take your point into consideration. For the time being, we evaluate programs on a five-year basis. We will check whether an impact has been felt or not.

Mr. Denis Blanchette: From what I gather, then, you do not yet know the impact, but you want to examine all that and advise the committee members afterwards.

Ms. Thao Pham: It will be part of our program evaluation plan. Right now, we have a grants and contributions program for economic development for the Quebec region. It will be included in our plan. We will assess the short- and long-term impacts.

Mr. Denis Blanchette: If we're missing information, can we send you a question in writing or will you come before the committee again? That's important to know.

By the way, I have a brief message for you. Earlier, my colleagues were discussing information provided to members. Since you are cutting staff size and consolidating offices for greater efficiency, it might be worthwhile to send some information to members when you launch a program, information on the program objectives, criteria and so forth. Who knows better than a member which businesses in his or her riding would benefit from a program? I think that might be a wise move.

When I hear that funding for certain programs has lapsed, in these fragile economic times, I am really troubled. I think more can be done to publicize programs. Being proactive and giving MPs information on programs might be to your benefit.

Ms. Thao Pham: I will take note of your comment. Thank you.

Mr. Denis Blanchette: Do I have time left?

[English]

The Chair: Thank you very much, Mr. Blanchette. You went way over, but I gave you some latitude because of the...

• (1215)

[Translation]

Mr. Denis Blanchette: Thank you, Mr. Chair.

[English]

The Chair: Mr. Wallace, you have five minutes.

Mr. Mike Wallace: Thank you, Mr. Chair.

Just following up on Denis' last point, one of the key roles of one of my staff members is to go through every department and look for programs that may be useful to those in my riding. They don't do it every day, but they do look, because I don't rely on the departments to let me know. It's my job as a member of Parliament to find out to let people know. It's just how everyone does their job differently, but I appreciate it.

There's lots of information on everybody's websites, to be frank with you. Every department does a very good job of using that tool. As members of Parliament, we need to be more proactive in looking at that.

The question I have for you is on your plans and priorities for this particular year. Can you tell me how many FTEs the agency has?

Ms. Thao Pham: This year, I think.... I will ask my colleague. I think it's 352.

[Translation]

Ms. Luce Perreault: According to the Report on Plans and Priorities, 359 are planned for 2012-13.

Does that answer your question, Mr. Wallace?

[English]

Mr. Mike Wallace: Yes.

Does that stay steady, or does it reduce over the next couple of years?

[Translation]

Ms. Luce Perreault: As the Report on Plans and Priorities also shows, we intend to reduce our workforce over the next three years. As Mr. Lebel mentioned, that is mainly due to temporary programs coming to an end and to the government's decision on administrative services. For instance, the creation of Shared Services Canada means that some of our employees will move to that organization. There is also the operating budget freeze. So we will manage payroll in accordance with collective agreements.

[English]

Mr. Mike Wallace: Are you on target to meet those goals for this year?

[Translation]

Ms. Luce Perreault: Yes.

[English]

Mr. Mike Wallace: My other question is about business development and the role of economic agencies.

You're in different industries, from tourism to manufacturing. You're all over the place. Is there a set of criteria that you use to evaluate whether a business is going to be successful? I don't think we expect a financial return in terms of a part of the action or a part of the profits or anything, but we do expect a return in jobs and other economic development activity.

How do you evaluate whether a business deserves taxpayers' money or not? Are there criteria that you use?

Ms. Thao Pham: Absolutely. We assess each of the projects submitted to our agency in a very rigorous way and use the same set of criteria for businesses or for non-profit organizations, for example, in support to businesses. We would look at the expected outcomes and results of a project, both in terms of the potential economic benefits and the economic value of the project. That would be one of the criteria, for example.

The other one would be to look at how viable the project is. Is it sound? Does it have, let's say, a management committee with the capability to deliver that project? That is another part of it.

The other thing is that in some cases we would look at previous results or the past experience of that organization or business. That would give us a sign of the track record of that company.

Of course, our mandate is really to support businesses and non-profit organizations in support to businesses, but we do it in a very rigorous way so that we are able to assess which projects would be best to invest in.

Mr. Mike Wallace: On that point, how do you determine...? Let's say that I'm a start-up or that I'm relatively new compared with somebody who's been in the business 15 years, but I need to expand. These businesses have different histories. How do you proceed? Is there a team that looks at it? How do you determine whether it's worth it or not?

Ms. Thao Pham: Of course, you can't compare those two situations, but the way we do it is to use the same principles. Is there a good business plan? Who are the proponents? We look at who the other financial partners are, for example, in terms of the financial ask.

Those are the elements we look at. Either you are a seasoned company that is ready for export or you're a start-up. We look at the same basic criteria for both.

The other thing I might do, as the follow-up that we do on each of those projects, is pay more attention to a start-up to make sure that they're on track and are getting to the results that are expected, compared with another company that is well run and has a good track record.

• (1220)

Mr. Mike Wallace: Okay. Thank you.

The Chair: Thank you, Madame Pham and Mr. Wallace.

Now we go to Mr. Harris.

Mr. Dan Harris: Thank you, Mr. Chair, and you, Madame Pham.

I'm going to follow up a little on Mr. Wallace's questions. He was asking about the criteria used to determine funding. Of course there are no guarantees, but certainly the criteria are about making the best bet, the best guess, and the best estimate as to what's going to be successful.

The minister said earlier that for the number of requests that are received compared with the amount of money that's there, they have to say no ten times for every time they say yes.

Based upon the criteria that the department uses, what percentage of programs do you think would get approval if there were additional funds available?

Ms. Thao Pham: That is a very hard question to answer. As you know, we do receive more requests every year for all of our programs, more than what we're able to support, and then we have to make choices based on priorities and the expected outcomes. I'm not in a position to project, for example, what would be the right amount of grants and contributions that would be required to meet all of the business or even community needs.

Mr. Dan Harris: I'm asking because, for instance, each member here is probably pretty used to the youth summer jobs program, which is development money that's put out. We all receive a list of all the groups. They're given a score based on those criteria, and the money always runs out before you hit the bottom of the list for projects that would be approved.

Are you guys making that kind of determination as to which projects should be approved?

Ms. Thao Pham: Every department has annual financial planning. We start the year with an envelope, and then, depending on the project that comes in.... We do have benchmarks, for example, with respect to what should be engaged or committed in terms of funds, so that we can choose the best projects by mid-year or by three-quarters of the year. We do have a process in place.

Mr. Dan Harris: Thank you.

Madame Perreault, earlier you had mentioned that when the budget was released in the spring, the details weren't there until the supplementary estimates, and, of course, that creates a difference in the amount of money being requested. Who actually makes the determination as to whether those details will appear in the original budget in the spring or in the supplementary estimates in the fall?

[Translation]

Ms. Luce Perreault: I think I understand your question. I would say that it really depends on when the information becomes available. If, for example, the main estimates are already done when the decision becomes known, it may appear in the next set of estimates. It really depends on the timing of the decision in relation to the estimates process. That is how we determine where to include it.

Mr. Dan Harris: In your agency's case, when did the data become available?

Ms. Luce Perreault: The budget decision came on March 29. So we put together the information and we submitted our request at the first opportunity. Actually, since we didn't have any requests in supplementary estimates (A) either, our first budget submission was included in supplementary estimates (B). That is why the expenditure review was applied under supplementary estimates (B).

If we did not request any additional funding, as in CIIF's case, and no additional funding was received, the supplementary estimates would not contain any information on it.

Mr. Dan Harris: Fine. Thank you.

Ms. Luce Perreault: Is that clear?

Mr. Dan Harris: Quite.

Ms. Luce Perreault: Okay.

[*English*]

Mr. Dan Harris: How much time?

The Chair: You've got a minute, but I think we're freewheeling.

Mr. Dan Harris: I'll pass it to Madame LeBlanc, but I did want to make a point since Mr. Regan held off the formal request that Thursday's meeting be televised.

I do believe that we as a committee, and even the Conservatives, had agreed to have this meeting televised as well, even if it's not in the record. There had been an agreement and an understanding that it would be televised today.

• (1225)

The Chair: Madame LeBlanc, we'll just shut the time off.

I wanted to address that. I want to make clear that none of the professional staff here were responsible for that. That was my decision. We reviewed the regular minutes. We reviewed the minutes in camera. To be sure, I made sure that we sent out the notice of orders of the day almost a week in advance, so that if that request was going to happen, we'd be very open to it.

If there was some other request that somehow got mismanaged and was never recorded in any of the transcripts or anything, then I will give the regrets myself that it happened. Certainly the request has been made and there was no objection to the request, so it's been recorded. In fact, the clerk is so efficient he's already set the ball in motion for it to be done on Thursday.

Mr. Dan Harris: Great. I didn't want to take up the time with the minister here by asking those questions.

The Chair: That's fine. I wanted to clarify as well. My role here is to serve the committee as well as possible. I will always make sure that those requests are fulfilled. If somehow it was missed, then I take responsibility myself.

Mr. Dan Harris: Thank you, Mr. Chair.

The Chair: Go ahead, Madame LeBlanc.

[*Translation*]

Ms. Hélène LeBlanc: Thank you.

May I ask a question?

The Chair: Of course.

Ms. Hélène LeBlanc: Actually, I may ask two.

You are aware that 2012 is the International Year of Cooperatives. I had the opportunity to sit on the special committee on cooperatives.

First off, as you know, the cooperative movement is quite large in Quebec. I was wondering whether cooperatives were approached so they could access programs offered by the Economic Development Agency of Canada for the Regions of Quebec. Second, I would like to know whether the agency was open to cooperatives. Do the people on the job have a solid grasp of the cooperative movement, and so forth? Is the connection clear?

That's what I would like to know.

Ms. Thao Pham: To answer your question, I would say that cooperatives are eligible for CED programs. In fact, we have a number of projects that target cooperatives, such as projects aimed specifically at supporting a community or businesses. There are a number of examples. I think cooperatives are very aware of what's available.

On the agency's end, we provide ongoing training to our advisors to make them aware of the opportunities that exist, and topics like this are also addressed. As you pointed out, this is the International Year of Cooperatives, with the summit happening just recently. It was quite successful. It had the effect of boosting cooperatives' interest in using federal programs like ours.

So we are very open to the movement.

Ms. Hélène LeBlanc: Thank you kindly. I will share that information with my fellow members so they can pass it along to cooperatives.

Are you aware of whether others— Oh, no, I will put that question to other people. Thank you.

Does the Web site indicate whether small cooperatives, emerging cooperatives or well-established ones can apply for programs?

Ms. Thao Pham: Yes, that information is very clear on the Web site. I encourage you to have a look at it and to tell cooperatives to do so as well.

Ms. Hélène LeBlanc: Very well.

Thank you kindly.

[*English*]

The Chair: Thank you, Madame.

Are there any other questions for our witnesses?

Go ahead, Mr. Regan.

Hon. Geoff Regan: Thank you, Mr. Chairman.

The Industry Canada website outlines...

[*Translation*]

Perhaps you prefer French?

Ms. Luce Perreault: We have interpreters.

Hon. Geoff Regan: I will try speaking French.

Industry Canada's Web site lists savings measures by program activity, in the additional figures pertaining to the implementation of the 2012 budget.

Ms. Luce Perreault: Yes, we have that.

Hon. Geoff Regan: Point 3.3 lists the planned savings under the heading “Community Economic Development”. Those savings will gradually increase over the coming years, reaching \$5.5 million.

How much will the agency be asked to contribute to that initiative? Nothing?

Ms. Luce Perreault: That's for Industry Canada, so it's part of Industry Canada's programs.

Hon. Geoff Regan: It doesn't apply to your agency, then.

Ms. Luce Perreault: No.

Hon. Geoff Regan: Thank you very much.

• (1230)

[English]

I'm going to switch to English, if you don't mind.

The estimates indicate that each regional development agency transferred \$150,000 to the Treasury Board Secretariat to provide funds for “horizontal and core control audit services”. Why was this necessary and how does it differ from past practices?

I'll let you answer that first. I have some time, I think.

[Translation]

Did you understand my question?

Ms. Luce Perreault: Yes, perfectly. That's one of our measures. Earlier, you asked which measures would help us achieve greater efficiencies, and what our reduction measures were. In fact, from now on, the Office of the Comptroller General of Canada will perform our internal audits. We used to have an internal team that did it. From now on, however, the comptroller general's office will provide that service.

The Office of the Comptroller General of Canada already has a role serving small agencies and a team in place. Of course, as you see, we aren't the only regional development agency moving that service over. Their office will serve all of the agencies. So it involved additional costs for the Office of the Comptroller General of Canada. That was the context for the permanent transfer of funding to the comptroller general's office, thereby allowing it to perform the internal audit function for us.

Hon. Geoff Regan: Is it a one-time transfer, being done only once?

Ms. Luce Perreault: Yes. Actually, it's once a year. It's ongoing.

Hon. Geoff Regan: It will continue into the future, then.

Ms. Luce Perreault: Yes, absolutely.

Hon. Geoff Regan: Very well.

How much did the agency spend on all advertising in the last fiscal year?

Ms. Thao Pham: I will check that and get back to you with an answer later. To my knowledge, we did not spend anything on advertising.

Hon. Geoff Regan: Okay.

Do you have an advertising budget for this year?

Ms. Thao Pham: Not this year, either.

Hon. Geoff Regan: Not a cent? Nothing?

Ms. Luce Perreault: No.

Hon. Geoff Regan: Not even for newspaper ads?

[English]

Has there been any spending since 2005-06? If I were to ask you for a breakdown of the agency's spending on advertising since 2005-06, could you do that? Could you do it right now?

Ms. Thao Pham: We will double-check, but I'm fairly certain we don't have any spending with respect to advertising.

Hon. Geoff Regan: All right.

Can you tell me why there was a negative transfer of \$1.4 million under vote 1b?

[Translation]

Ms. Luce Perreault: As you saw in supplementary estimates (B), we needed \$150,000 to run CIIF. Because of the reductions under the expenditure review and the 2012 budget, \$1.4 million was what we had available. The difference that was available in the operating budget was allocated to the contributions budget to reduce the amount of votes adopted.

Hon. Geoff Regan: Could you elaborate on the reallocation of the \$1.28 million?

Ms. Luce Perreault: Of course. We have committed to providing more detailed information to the committee in writing. As you mentioned earlier, Industry Canada's Web site also provides some information, including details on the 2012 budget by program activity. I mentioned a little while ago that our site offers the same thing.

Hon. Geoff Regan: Thank you very much.

The Chair: Thank you, Mr. Regan.

[English]

Monsieur Rousseau is next.

[Translation]

Mr. Jean Rousseau: Thank you, Mr. Chair.

My question has to do with your ad hoc programs. A lot of proponents apply for funding and receive it, and all goes well. Some proponents have come to us with questions. They are wondering why such and such a program is no longer available. You should know that certain community groups and non-profit organizations rely on funding from year to year. They count on recurrent funding, and then suddenly, that funding disappears.

It would seem that the only way you have to communicate information to those people is through your Web site. In the end, everything is on the Web site. However, the proponent of a community agency isn't always on the Internet looking for the information. They do indeed want the information, but they would also like to be able to telephone the agency or their MP to obtain it.

How is it possible that you have no other way to communicate information to those proponents, who rely on your funding every year, funding that is suddenly no longer available? Why is no information sent out?

•(1235)

Ms. Thao Pham: First of all, as regards the temporary initiatives, as the minister mentioned and as the name suggests, those initiatives have a beginning and an end, with specific targets. Examples he cited were the international cruise initiative and the temporary support for communities struggling with the forest crisis. Those programs will inherently end. They have start and end dates.

As for our client service, there is indeed the Web site, but I can assure you that we continue to have a presence all over, throughout every region in Quebec. As you know, we have 12 regional offices where advisors are on the job. There is nothing preventing proponents or non-profit agencies from calling us. What's more, when they are existing clients, we always follow up to let them know what's happening. And we never wait until the last minute to do so. If they are receiving assistance under temporary programs for their initiatives or projects, usually, they should be aware that that support will come to an end, because we tell them.

In that respect, I can confirm that all our advisors are out there in the field. The Internet is one source of information, but we also go out to meet with people. They can call us, as well, and we follow up with clients. On top of that, as you are aware, we are very present in a number of regions and we do a lot of work with local partners such as CFDCs and CLDs.

Mr. Jean Rousseau: Indeed.

Ms. Thao Pham: The only point I would like to make—and you can see, if not appreciate this—is that the information regarding all of our clients is confidential. We cannot discuss specific files with third parties.

We always encourage them to contact us. We are always willing to serve them and address their needs.

Mr. Jean Rousseau: Fantastic, thank you.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Rousseau.

[*English*]

Seeing no other questions, then....

Monsieur Blanchette, do you have another question?

[*Translation*]

Mr. Denis Blanchette: It goes without saying that I have another one.

Earlier I asked you about a strategic framework for your reduction measures. You glossed over the subject very quickly. It may be due to the fact that I asked you so many questions at once. So I will ask you just one this time.

Do you plan to provide and send information on how you are going to reduce your activities and how much each of those reductions will save you?

Ms. Thao Pham: As my colleague mentioned earlier, information already appears on our Web site. In addition, we will have to reconnect with the committee to ascertain what additional information it needs.

Mr. Denis Blanchette: Wonderful.

Thank you.

[*English*]

The Chair: It appears that now there are no further questions.

Madame Perreault, Ms. Pham, I just wanted to say thank you very much—

[*Translation*]

Ms. Thao Pham: Thank you.

[*English*]

The Chair: — for your full and forthright answers. We appreciate your time, and I'm certain all of my colleagues feel that way. We'll await any other contributions that you're going to forward to the committee.

Ms. Luce Perreault: Thank you, Mr. Chair.

The Chair: The meeting is adjourned.

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