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# **Standing Committee on Government Operations and Estimates**

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**EVIDENCE**

**Wednesday, February 1, 2012**

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**Chair**

**Mr. Pat Martin**



## Standing Committee on Government Operations and Estimates

Wednesday, February 1, 2012

• (1635)

[English]

**The Chair (Mr. Pat Martin (Winnipeg Centre, NDP)):** We will reconvene. This is the 23rd meeting of the Standing Committee on Government Operations and Estimates.

We are dealing with a study on the new entity Shared Services Canada, and as we undertake the study we're very pleased to have as our first witnesses representatives from the Professional Institute of the Public Service of Canada, PIPSC. Welcome to the three of you: Mr. Gary Corbett, president; Mr. Michel Rodrigue, chief information officer; and Ryan Campbell, compensation and policy officer.

We understand you will have opening remarks, and then I hope you will be amenable to questions from the committee.

**Mr. Gary Corbett (President, Professional Institute of the Public Service of Canada):** Yes, we have opening remarks. Bear with me; they are more like speaking bullets than a speech.

I want to thank you and the members of the committee for having us here today.

As many of you know, PIPSC represents 60,000 members, and roughly 18,000 of those members work as IT professionals. We make up the largest component of the federal government's IT staff, with approximately 80% of those members expected to be within Shared Services Canada.

From our point of view, Shared Services Canada is a big and risky project. We believe PIPSC members—the people we represent—are key to the success of this project. PIPSC supports the concept of shared services, but it's how it's done. It's not a matter of whether it's right or wrong; it's how it's done that really will make or break this type of project.

As you know, in the literature there are examples of good ideas gone wrong. I'm talking about the Australian experience, where after seven years and \$350 million later, there's certainly not a successful outcome. Overall we recognize that there could be value in this project, and we're trying to work in good faith with the government and with the Shared Services Canada regime management to make this happen.

PIPSC IT members do recognize that there is room for more streamlined and more efficient IT services in the federal government. But it's also important to note that these efficiencies will not be realized if there is not a plan up front and if there's not enough foresight to be able to work through some of the strategic issues, and

not just on the level of the everyday operations of Shared Services Canada that we were brought in to talk about right now.

First of all, PIPSC members are always among the first to identify solutions. We want to be solution-based, and we have the knowledge of working at the work site to bring this to the table.

Initially when Shared Services Canada was announced, we were disappointed with the lack of consultation and the lack of transparency. Despite the legal obligation for the employer to consult with us, we really had to fight hard, in terms of sending letters to the ministers, in order to be consulted properly on this. I think that after some pressure, we were steered to work with Shared Services' senior management.

Since then we have been included in some consultation processes, and we are committed to continue to work with the employer throughout any implementation. But there are still many unanswered questions causing some uncertainty within our membership. For example, we still have not seen the business plan. We still don't have a clear budget for this, nor a human resources plan, which, as you can imagine, is very important to us as a bargaining agency: to look at where this is going and to look at how the people we represent are going to land on their feet or how they are going to be protected in some way as they move between agencies and departments.

In September 2011 we received the PricewaterhouseCoopers data centre feasibility study. We received this, by the way, from a journalist, which I think is indicative of part of the problem: if we were involved from the get-go, we would be able to provide some insight or foresight into the types of directions this needs to take to get to where the government wants to be with this. As we said, receiving it from a journalist is probably not the best way to receive it.

Upon review of this report, some fear emerged regarding the potential improper implementation of how we're going to proceed down this road to get there. Certainly from my members' point of view, there was a fear that this would result in some significant and probably unnecessary job losses, even to the point of boiling down some of the 320 data centres within local communities to a smaller number of data centres. As you can imagine, some of these data centres are in local or remote areas and in smaller communities, where one job is a huge economic impact compared to one job in a larger centre.

With the creation of Shared Services Canada, we also fear that there is a potential increase for unnecessary and excessive outsourcing, which we believe is expensive. There's less accountability. It has the opportunity or the ability to compromise standing principles in human resource practices, such as bilingualism, for example. That is also a concern to us—that should it be going in that direction, we want to make sure that those principles are upheld for our membership.

Our view is that providing IT internally is less expensive than contracting it out. More to the point, we're looking at the Government of Ontario experience back in 2005, when we had a commitment on the part of employer up front that said we're going to go down this road and we promise there will be no job losses. Right up front there was a commitment to the employees, to the bargaining agents. As I understand it, they have identified significant savings from going in that direction. We haven't seen the same offer and the same collegial spirit of working together on the part of this particular initiative this year at Services Canada.

The overall message is that our members are public servants and they're committed to the public good and they want to work together to find savings. Our members are also best situated to facilitate a smooth transition to the shared services model, which we believe can work if we do it right. Mistakes in the planning processes can lead to a dysfunctional shared services project outcome. We're worried about that. Ultimately, we need to ensure that Shared Services Canada is an entity that serves Canadians in the best way possible. While protecting our members out there, there's a continued opportunity to work together.

I'd like to pose that as our submission, and I'm be available to answer questions.

Thank you.

• (1640)

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

The committee should be aware that the PIPSC brought a briefing binder with them, most of which is in both official languages, but one chapter of it is in only one language. That chapter is the PricewaterhouseCoopers report, which members have had delivered to their office in both official languages in recent months. Given that we have that document in both official languages, I'd like to ask for unanimous consent of the committee to overlook the bilingual languages obligation and circulate the briefing document from PIPSC. Any objection?

Okay, hearing no objection, the clerk's assistant can then circulate the briefing binder.

With that, we can open our questioning. First, on behalf of the official opposition, is Denis Blanchette.

Denis, five minutes, please.

[*Translation*]

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

Welcome to the committee, Mr. Corbett, Mr. Campbell and Mr. Rodrigue.

Creating shared services is a very major issue in federal public administration. Like you, I agree that, given the sums of money involved, something absolutely has to be done. All around the world, people are doing things along these lines. Some have failed and others have been more successful.

Having seen how things are getting under way, do you have the impression that we are on the right track, or do we have to change direction already so that we don't run into a brick wall?

[*English*]

**Mr. Gary Corbett:** I feel we've started out slowly on this. Personally, I'm an engineer, and we like to plan things. We say that when you fail at the plan it's planning to fail.

As an organization, we haven't had access to any of those planning documents, if they exist. When we came in to work with Shared Services, we were basically told that we're going to develop all of these plans. This was when we were talking to the management. Did the plans exist? If they don't exist, then how do you know that you can reach your outcomes in terms of savings? I think it's gotten off to a very slow and rickety, rocky start if it's looking at saving the kind of money that the government's expecting it to save.

[*Translation*]

**Mr. Denis Blanchette:** The PricewaterhouseCoopers document mentions possible savings of between \$45 million and \$293 million depending on whether you see the glass half empty or half full. Do you think those are reasonable estimates?

[*English*]

**Mr. Gary Corbett:** I think if done properly, again, there can be savings. I can't quote the numbers exactly. I'm going to leave that to Ryan. Anything, if done properly, has a potential to make savings. I can't exactly comment on the numbers.

Perhaps, Ryan, you might want to say a few words.

**Mr. Ryan Campbell (Compensation and Policy Officer, Professional Institute of the Public Service of Canada):** Sure.

According to the document, there's definitely the potential for savings. What is uncertain is when those savings are actually going to come. The report itself says that the cost is going to be between, I think, off the top of my head, \$150 million and \$350 million. You'd think in a project like this that the costs are going to come at the beginning and the savings are going to come at the end.

[*Translation*]

**Mr. Denis Blanchette:** Of course, you always have to spend money at the outset so that you can save money later. When you go by that principle, the chances of success are better.

You mentioned a rough start. In your view, is there a way to make the next steps less turbulent? What would you recommend to make the next steps smoother and the project a success?

•(1645)

[English]

**Mr. Gary Corbett:** As I said when I started out, I think putting the stakeholders at the front end, rather than calling them in when you've decided, goes a long way to planning and ensuring the success of any project. With respect to the savings, yes, agreed. You'd have to put money in the front end to make it all work, but if you don't do it properly, the result is add-on cost and longer runs to achieve your objectives. I think that's what happened in the Australian experience. It just gets bogged down in the kinds of technicalities we're currently dealing with in consulting with the employer now. There are technicalities arising, in terms of labour relations technicalities, that seem to have been overlooked—legislation, collective agreements. These are going to slow down the process significantly. If we had got together to plan those things up front, we probably would have been better able to deal with them, with cost efficiencies.

**The Chair:** You have about 15 seconds. Actually, you don't have any time, realistically.

Thank you, Mr. Corbett. Thank you, Monsieur Blanchette.

For the Conservatives, we'll go to Scott Armstrong.

**Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC):** Thank you.

I want to thank you all for coming. I know it was short notice, and we appreciate your attending committee today. You were able to get quite a briefing package together under such short notice, too. That must have taken quite a bit of work under such short time constraints.

In the spring of 2010 the Auditor General noted that many of the government's IT systems were "...supported by old infrastructure and are at risk of breaking down. A breakdown would have wide and severe consequences—at worst, the government could no longer conduct its business and deliver services to Canadians."

Would you agree that there's a real need to modernize the IT services the government possesses?

**Mr. Gary Corbett:** I absolutely would agree. As a matter of fact, we would go one step further to say not only would we identify to modernize that, but in doing so we'll provide the people who work for the public service, my members, mobility to move through the system and use their talents.

**Mr. Scott Armstrong:** Thank you.

The shared services consolidation is considered an industry standard. Organizations such as IBM, Hewlett-Packard, the Canadian banking industry, and others have undertaken similar projects. This is kind of an industry standard, something we're seeing worldwide. Wouldn't you agree that it's helpful to take this industry standard as a guideline as we progress through this?

**Mr. Gary Corbett:** I think guidelines are important. I will say yes, but I would also say that if they're moving forward towards delivery of that IT service, I'm sure they have a planning process as well.

**Mr. Michel Rodrigue (Chief Information Officer, Professional Institute of the Public Service of Canada):** If I may add, going

back to your original comment, quite rightly the Auditor General in her spring 2010 report raised some serious concerns. To address those concerns, you need to invest. Currently there are no planned investments within Shared Services Canada. So it is difficult to reconcile how we're going to address the issues raised rightly in the Auditor General's report and how we're going to move forward and renew the IT infrastructure of the Government of Canada. You need to invest, and that is unclear. The word of the day that we've heard is that yes, Shared Services Canada, but no new investment. The two just don't add up at this point.

**Mr. Scott Armstrong:** Okay. Understood.

The Government of Ontario reports that, at maturity, its IT consolidation that it's been working on is saving around \$100 million annually, representing 10% of the total IT spending and between 20% and 25% of IT infrastructure spending. We hope to generate substantial savings due to the system consolidation.

Would you like to comment on that? Is there the opportunity to save taxpayers a lot of money through this consolidation?

**Mr. Gary Corbett:** I think there's an opportunity to save taxpayers' money. If you don't do it right, there's an opportunity to waste taxpayers' money.

**Mr. Scott Armstrong:** Do you want to expand on that a bit?

**Mr. Gary Corbett:** As I mentioned before, you need only look at the Australian experience. If you don't involve the stakeholders—the bargaining agents—right up front to talk about the potential pitfalls that may happen, how can you move forward through the plan?

**Mr. Scott Armstrong:** In Ontario's consolidation, can you comment on the structure they used to consolidate? It seems to have been very effective. Are we following the same type of structure, or are we varying from that? Or would you know?

**Mr. Michel Rodrigue:** If I may, one of the basic tenets that the Government of Ontario put forth when they planned this massive infrastructure change was that no job losses would incur, and I think that would be a good decision point and a good conversion point at this time. They achieved the savings working with their own IT professionals; they identified savings and moved forward. I think that's the type of collaboration and partnership we'd like to establish with the government.

•(1650)

**Mr. Scott Armstrong:** On collaboration, I understand there have been consultations between your leadership at PIPSC and Shared Services Canada, and that there has been a framework established. Do you want to comment on that and tell us more about the framework that you've already established with Shared Services Canada?

**Mr. Gary Corbett:** We're supposed to hold a meeting, Liseanne Forand and I. We're supposed to meet every six weeks. Of course, that's ongoing, and tardy sometimes.

We have a group that works together, our union members and management. That hasn't given us a huge wind yet. It has identified some small nuisances, shall we say, that we're able to deal with, but the expectation is that this is perhaps going to solve huge problems. Right now we have barely rolled up our sleeves and scratched the surface.

So what does that say for how we're going to make savings in the long run? We need to work more aggressively with Shared Services Canada, and probably see the whole plan, the human resources plan as well as the budget.

**The Chair:** Your five minutes are up. Thank you very much.

For the NDP now, Mathieu Ravignat.

**Mr. Mathieu Ravignat (Pontiac, NDP):** Well, I have to admit to being somewhat shocked by the fact that you received a major report, which cost a significant amount of money to the government to produce—but wasn't by the government—and yet the impact of this report is going to be felt most by those employees who are working in IT systems and who are also your members. It's starting the consultation process on a very bad footing.

What kinds of pressures did you have to actually use in order to get the consultation started in a healthy way?

**Mr. Gary Corbett:** We wrote letters to the ministers, basically contacting the senior management and expressing our desire to work with them, as we have done with the government on past occasions to look for solutions. It was very much letter writing. Sometimes the press would ask how it was going, and we would say how it had been going, which was less than we expected. So they were the common pressures that we normally use if we're concerned: we write letters.

**Mr. Mathieu Ravignat:** We've taken a look obviously at the report and a few other articles, and the least of our estimates is that the 308 centres—many of which are in very remote regions in our country, provide not only essential services but quality services, and have connections to the community—will be reduced from 308 to 20.

Do you have any confirmation of that? What kind of impact could that elimination have on services to Canadians?

**Mr. Ryan Campbell:** The communication given by the federal government is that the data centres are going to go down to about 20, I believe. Presently, we have data centres all over the country: east coast, west coast, the territories.... The trend, when these kinds of consolidations happen, is to move jobs from the smaller, more remote locations to the more central locations. And as Gary has said before, these remote communities generally depend on these jobs more than the central locations where the jobs tend to gravitate. So what's going to happen to those communities is a big concern for us.

**Mr. Gary Corbett:** Speaking in terms of economies, as I mentioned earlier, one job or ten jobs in a community of 300 is a huge percentage and is hugely important. These are good jobs. They contribute to local economies.

In terms of economies of scale, that same number of jobs in a large centre doesn't have a similar economic impact.

**Mr. Mathieu Ravignat:** I want to narrow down to a comment you made with regard to the use of consultants and subcontracting and

the relationship between that and transparency, and also between that and accountability.

Across this government they make savings in one way but then they spend in another—you know, we might as well cut jobs in the public service and we might as well give that money to friends in the private sector.

What I'd really like to know is when it comes to accountability, from your perspective, what makes a public service more accountable, as opposed to consultants?

• (1655)

**Mr. Gary Corbett:** It's been said that a consultant is someone you give your watch to and then pay him to tell you the time. I think there's a lot of truth in that.

Any time you are contracting a job in the federal public service, that person doesn't have the duty of loyalty any more. We expect certain provisions in Canada, bilingual provisions, say. All those things go out the window. In addition, the concept of the middleman comes up, and then the middle middleman. So in a sense, the person doing the work at the very bottom is really making a very low wage. And if that's going to be in a community, then the community suffers as well.

It's spiralling downward, if you ask me.

**The Chair:** Your time is up, Mathieu. Thank you.

Next, for the Conservatives, Jacques Gourde.

[*Translation*]

**Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC):** Thank you, Mr. Chair. Thanks to the witnesses for being here. Mr. Corbett, my question is for you.

I understand that you represent senior professionals. In Shared Services Canada, are those professionals going to have the opportunity to develop all the new combined systems? Do they face challenges in becoming involved in the implementation of the new systems?

[*English*]

**Mr. Gary Corbett:** As we said, the concept of shared services is a good one to create a new environment where we're going to be able to save money, where people have mobility. There will be opportunity, but we're getting a little ahead of ourselves. We want to make sure we can create the shared services properly first, and until we get there, there won't be any opportunities.

[*Translation*]

**Mr. Jacques Gourde:** I think I am going to repeat the question.

Among the members of the public service and its information technology professionals, is there the staff and the expertise necessary to get this new project up and running? Are the people working in the public service able to make the most of being part of a new project like this? I doubt if they have ever worked on a project that will bring 300 systems together.

[English]

**Mr. Gary Corbett:** We do have the expertise within the public service, and I'm sure that's the direction in which Shared Services Canada is trying to move, to bring that expertise to bear to make these changes. Once this is set up, and as it gets set up, there will be opportunities for IT professionals.

Again, we're talking about the manner in which it is done and the manner in which we get there and whether that manner will slow us down or whether we can achieve it. We don't want to waste, and my members don't want to be involved in wasting taxpayers' money either, but unless you consult at the front end, provide things like human resources plans, budgets, we're really working in the dark to help make this a reality.

[Translation]

**Mr. Jacques Gourde:** How long could this process of implementing the new system last?

**Mr. Michel Rodrigue:** As an example, it has now been six months since Shared Services Canada was established and it is still in the very early stages. The infrastructure is not really in place. The transfers have been made, but the work is being done as it was done in the past. So it will take a very long time.

According to the PricewaterhouseCoopers study, the work, and the savings, are going to start happening in 2015-2016. However, the government is looking for savings starting in 2014 in order to contribute to deficit reduction. So there are major problems and challenges in this area. I feel that working together with our members and going out to get the expertise will be important. The CS group has been making recommendations to the government since 2004-2005 in various forums, pointing out that the numbers of different systems and the increasing numbers of different platforms are not efficient. They cost taxpayers money and we should be moving towards shared services.

• (1700)

**Mr. Jacques Gourde:** Could you tell me when the consultation process with public service professionals started?

**Mr. Michel Rodrigue:** Really, it was just consultation about solving the major staff-transfer problems, the internal stuff. There has still been no consultation about the key strategic issues, like the way to achieve the savings and how to get a 30% reduction in services that the private sector charges an arm and a leg for.

**Mr. Jacques Gourde:** Do the professional services in the public sector have the expertise necessary to complete this entire project?

**Mr. Michel Rodrigue:** In our opinion, yes.

**Mr. Jacques Gourde:** Thank you.

Do I have any time left?

[English]

**The Chair:** You have 15 or 20 seconds, Jacques.

[Translation]

**Mr. Jacques Gourde:** We are talking about highly qualified professionals, information technology engineers and so on.

Mr. Corbett, you were wondering earlier about whether people might find it hard to get involved now if there were going to be too

many people later. I do not understand why you are telling us that those people would be financially affected if engineers are so sought after. Is the market for information technology engineers so saturated that the people would not be able to find work? I do not understand. As I see it, people like that are in just as much demand in the public service as they are in the private sector. Could you clarify that for me?

[English]

**The Chair:** Give a very brief answer, please, Mr. Corbett.

**Mr. Gary Corbett:** The brief answer is that I don't really understand the question. I'm sorry.

**The Chair:** I'm afraid that concludes our time.

Is there anyone else who would like to respond to Mr. Gourde?

[Translation]

**Mr. Jacques Gourde:** Did you understand my question, Mr. Rodrigue?

**Mr. Michel Rodrigue:** You would have to repeat it.

**Mr. Jacques Gourde:** Mr. Corbett said that information technology professionals might have difficulty finding employment outside the public service, but I do not understand why that would be the case. These are senior professionals who are in as much demand in the private sector as in the public service.

**Mr. Michel Rodrigue:** The other side of the coin is to ask why we would get rid of qualified people if they are then going to get private sector jobs selling their services back to us. That's chasing our tail. There are no savings in that.

[English]

**The Chair:** I'm afraid we have to move on.

Next for the Liberals is Mr. John McCallum, for five minutes.

**Hon. John McCallum (Markham—Unionville, Lib.):** Thank you, Mr. Chair.

I have one quick point of order before I ask my questions. I understand the bells will be ringing at a quarter past, so are we going to somehow deal with Mr. Wallace's motion?

**The Chair:** I understand from Mr. Wallace that he doesn't plan to move his motion today, so it's not an issue.

**Hon. John McCallum:** Is he withdrawing it, or might it come back?

**The Chair:** It's on the order paper as a served notice.

**Mr. Mike Wallace (Burlington, CPC):** It's on the order paper. You should know the rules.

**The Chair:** It's up to Mr. Wallace if he moves it or not. He has given an indication that he doesn't intend to move it today.

**Hon. John McCallum:** Okay, thank you.

Turning to the subject at hand, I was struck by your comment, Mr. Corbett, about the importance of one job in a small community. It brought me back to 2005 when we were doing an expenditure review. I remember a huge argument in caucus about whether one job would be located in Newfoundland, or some other part of Atlantic Canada.

From your description it sounds as if you're going from 308 to 20. It's virtually inevitable that the job losses will be disproportionately in small communities, unless perhaps they set up one or more of the 20 in small communities. That's my first question.

When we were doing this we had job losses just through attrition. Do you know if there's a possibility of that, or will there be straight firing of people?

**Mr. Gary Corbett:** I think there will be some job losses through attrition. That is inevitable, given the demographic. But I don't think the government can meet its targets with attrition only. We've been on the record as saying that.

As far as the 320 to 20, it could be described simplistically that there will be more losers than winners. If you're going from 320 to 20, there are 300 that will really lose something. If that is in smaller communities, which we suspect it will be, since that's where these data centres are, it's going to represent an impact to that local economy and it's going to be felt.

**Hon. John McCallum:** I think this subject has come up before, but I really cannot understand how this project could generate savings in the current cycle to eliminate the deficit over the next three years. You're talking about a project with a lifespan of maybe 20 years, and obviously you have to make some up-front investments before you reap the savings. I can accept that if this is done sensibly and intelligently it could ultimately generate savings for Canadian taxpayers. But is there any way these savings could conceivably materialize in the next three years?

• (1705)

**Mr. Ryan Campbell:** I think the fear is that there will be too much of an emphasis on saving money quickly and that job cuts will be made indiscriminately. The ultimate result will be a dysfunctional Shared Services Canada. We would like as much information as possible about how this is going to happen and how savings can be achieved at the front end of this project, based on the Pricewaterhouse report, which is the bulk of the information we've been given. It seems as if there are costs up front and potential savings at the back end. If there are going to be savings at the front end, we are very concerned about how these savings are going to be realized.

**Mr. Gary Corbett:** For us, in looking at where this is going and at our participation thus far, we're not comfortable in seeing that those savings will be achieved.

**Hon. John McCallum:** I guess what you're saying is that technically, it's still possible to have savings in the early years if they just fire a whole bunch of people quickly. I think that's what I heard you say.

**Mr. Ryan Campbell:** That is speculation at this point. They're in control of how the money gets spent.

**Hon. John McCallum:** Okay.

Finally, and maybe drawing on the experience of Australia or other experiences, if they do try to get quick savings in the early years, I think you're saying that this could lead down a bad path. Drawing on those other countries' experiences, can you describe why or in what way the path would be dysfunctional?

**Mr. Gary Corbett:** First of all, any savings in the early years would certainly be more likely to be achieved at the cost of labour. You used the term "firing". I suggest that this shouldn't happen or couldn't happen. You can't just take an organization and choose to fire a whole lot of people. If you could do it—I mean, there is legislation and regulations around this—it just throws the system. You're already on a pathway to trying to achieve something with the recommendations, then all of a sudden you have all of this resistance, because you're firing people, as you put it, haphazardly. I suggest that this would push out, well beyond your planning, if you have a plan, the ability to achieve the end result. It makes your plan longer. You just can't work with a workforce like that. You just can't make those decisions just like that without some kind of response or reaction.

**The Chair:** John, that concludes your time.

Thank you very much, Mr. Corbett.

Mr. Wallace and Ms. Block will be sharing five minutes. Please keep it concise, because it's difficult to split a five-minute segment.

**Mr. Mike Wallace:** I'm only going to be a minute, and I'll give the rest to Ms. Block.

First of all, I really appreciate your coming today. I know that it was very short notice, since we had our meeting on Monday on what we were going to do today. I do appreciate that.

We have had the opportunity to look at your website. You post most things in terms of meetings you have—I'm assuming that it's for your members, to make sure that they're well informed. Being in the IT business, I guess it's good to post things on there so that people have access to that.

If I heard you correctly, your organization, your union, does agree that in the information technology area, we could be doing a better job in terms of delivering service to constituents or Canadians or Parliament or the function of government. Based on the auditor's report, you agree that it's appropriate for the government to look at ways to be more efficient and effective and that IT can play a big role in that. Is that correct?

**Mr. Gary Corbett:** Absolutely, and we want to help with that in terms of identifying, from our membership, how we can find efficiencies.



**Mr. Mike Wallace:** In response to a question from the NDP, you indicated that it would have been nice to have had the Pricewaterhouse report in advance. The concept there, in my view, was to see if it's even feasible. They went and looked at it. I think we can learn from mistakes they made in Australia.

I think there are large Canadian organizations that have gone through a very similar approach, such as banks—the Royal Bank, for example. I think the leadership at Shared Services Canada actually was the leader in the consolidation of shared services at the Royal Bank.

I think the concern I'm hearing is that you don't think you've been involved in the discussions thus far. I just want to make sure that I have this right. I've been told that you had an opportunity to discuss the labour-management consultation framework, the draft terms of reference for the labour-management consultation committees, the interim staffing policy, the list of employees, and the group community framework. To me, and you can tell me why I'm wrong, that sounds as if we have engaged the union. You may not agree with everything that's happening thus far, but to be fair, they have been engaged since early September in the consultation piece on this particular item. Would you not agree?

• (1710)

**Mr. Gary Corbett:** No, I wouldn't agree.

**Mr. Mike Wallace:** Tell me why.

**Mr. Gary Corbett:** I'm going to. You know, they brought us in at the operational level to tell them about issues that needed to be fixed, for example, that have to do with the transfer of employees. But had we started before that in looking strategically at how this was going to happen, we could have played a much more beneficial role in terms of the steps to take to get to where we want to be three years down the road.

If I'm asked a question about the rights of one employee from one agency going to Shared Services Canada, that's a kind of rubber-on-the-road issue. We're happy to provide advice for that, but those could have been anticipated long before in terms of moving forward together.

**Mr. Mike Wallace:** Is there any time for Kelly?

**The Chair:** Kelly has almost two minutes.

**Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC):** Thank you very much, Mr. Chair.

I echo the comments of my colleagues in thanking you for being here today. It was short notice and we're very glad to have this opportunity.

I want to follow up on my colleague's line of questioning in terms of opportunity. You observed that there still isn't a business plan, that you haven't seen a budget, and that SSC is still at the very early stages.

In terms of the observations my colleague just made, I would have to say it looks like there is still opportunity for dialogue and that SSC is very open to continuous dialogue with you in terms of where you go from here. Would you agree with that?

**Mr. Gary Corbett:** I would agree, and I would agree we are also open and that we're in the very early days of this. Our members are

very concerned and worried and we want to work to make sure this is a success.

**Mrs. Kelly Block:** I want to also follow up on a statement you made about the opportunities for mobility. What are those opportunities that you see for professional members due to increased mobility as a result of this?

**Mr. Gary Corbett:** Well, I mean you're talking about a much bigger organization that may have different levels of our IT members. In departments and agencies, some of these members get to a certain level and because of the size of the organization there is the inability to maybe transfer across departments. If you have one particular agency, then you would have mobility where people's career path could be better.

**The Chair:** That concludes your time. Thank you very much, Kelly.

For our last round we are going to have an NDP round, with Ève Péclet sharing her time with Denis Blanchette.

[Translation]

**Ms. Ève Péclet (La Pointe-de-l'Île, NDP):** Thank you, Mr. Chair. I also thank the witnesses for being here today.

We know that the current report anticipates savings between \$45 million and \$293 million annually. I am not sure if you can answer this, but do you think those savings are really going to happen? After all, those are savings of 6% to 36%. That is quite a range. Do you have any other forecasts?

**Mr. Michel Rodrigue:** Perhaps I can clarify that a little. When he announced the project, Mr. Clement clearly indicated that he was projecting savings of \$100 to \$200 million per year, which he was going to put towards paying down the deficit.

In order to do that, you have to modify and unify complex systems. You have to set up new data centres. You have to combine services. You have to come up with new email systems. That is not going to be done in the time in which the savings are needed.

If we look at private sector examples, I am sure that the Royal Bank of Canada set up a solid business plan and a solid human resources plan before doing anything similar. We firmly believe that it is important to share information so that we can contribute to a dialogue that will result in savings being found.

So I think that now is a good time to ask if it is realistic to be thinking about making specific savings without solid data.

• (1715)

**Mr. Denis Blanchette:** Shared Services Canada is a new organization. We understand that things are up in the air and that there is a lot of uncertainty. The start may have been a bit rough, but the positive thing is that, in spite of that, your members think that it is a good idea. But perhaps there is some disagreement about the way to get it going.

Rather than waiting until Shared Service Canada consults you, how would you feel about being proactive and making some proposals? Would you be ready to be part of an initiative like that and make proposals rather than just reacting to them?

[English]

**Mr. Gary Corbett:** That's a very good question. I don't think it's our role to propose a plan, although we are happy to be involved in and consult on issues that they may not consider. As bargaining agents, we hear the pulse of our membership. We know what they want. We know the rules and regulations with respect to transfer of positions. So we bring that advice to the table. We also know our membership, so if we are asked in advance about human resources plans, we can provide input.

If we have none of that, then we're called in after the fact, and a lot of times we're just cleaning up a bit of a mess that's just started.

[Translation]

**Mr. Denis Blanchette:** Actually, if I expressed myself that way, it was because I see an opportunity to have your expertise valued, to show how valuable the employees are and, perhaps, to get a better handle on real sources of savings.

Often, ideas about saving go off on dreamy theoretical balloon rides and then crash. Personally, that's what I am most afraid of. For the taxpayers' sake, I don't want us to crash.

If you were able to show Shared Services Canada what your members are capable of and what they can do with realistic goals,

you might perhaps force Shared Services Canada into setting some decent priorities and steering a course that is more realistic for everyone concerned.

[English]

**The Chair:** You have about 30 seconds.

**Mr. Gary Corbett:** That is our desire. That is our wish. We want to be part of the decision. Remember, we are also connected with labour organizations in other countries that have gone through this experience. They want the best for their countries, and there is nothing wrong with transferring that knowledge between labour organizations into the best practices here in this country to achieve what we all want, which is a better public service. These people have expertise to be used.

**The Chair:** Thank you, Mr. Blanchette. That concludes your time.

Thank you to our witnesses from the Professional Institute of the Public Service of Canada, Mr. Corbett, Mr. Rodrigue, and Mr. Campbell. Again, thank you for being here on such short notice. This is an excellent start to our study on this project, and we do appreciate the effort you made.

You can hear the bells ringing, and by the rules of the committee we have to adjourn now and go to vote.

Thank you very much for being here.

The meeting is adjourned.

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