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Chair

Mr. Pat Martin

Standing Committee on Government Operations and Estimates

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• (1545)

[English]

The Vice-Chair (Mr. Mike Wallace (Burlington, CPC)): Welcome. We'll get started as we wait for the chair to arrive.

I welcome you to meeting number 31 of the Standing Committee on Government Operations and Estimates. In today's orders of the day, we're discussing supplementary estimates (C) for the year 2011-12, vote 1c under the Privy Council, referred to this committee last Tuesday, February 28.

Our witnesses today are: Ms. Michelle Doucet, assistant deputy minister of corporate services; Marc Bélisle, executive director, finance and corporate planning division; and Joe Wild, assistant secretary to the cabinet, machinery of government.

Michelle, I think you have an opening statement. The floor is yours.

Ms. Michelle Doucet (Assistant Deputy Minister, Corporate Services, Privy Council Office): Thank you.

[Translation]

Thank you, Mr. Chairman.

Good afternoon to you all. I am pleased to meet with the members of the Standing Committee on Government Operations and Estimates.

[English]

I was recently appointed as the new assistant deputy minister for the corporate services branch for the Privy Council Office, as of January 23, 2012. Today, as the chair indicated, I am accompanied by Mr. Joe Wild, the assistant secretary to the cabinet for the machinery of government. You may recall that Monsieur Marc Bélisle, who is here with me, appeared before you in November 2011 with regard to the 2011-12 supplementary estimates (B) for the Privy Council Office. He is the PCO's deputy chief financial officer and is here with me today in that capacity.

My introductory comments pertain to the 2011-12 supplementary estimates (C) for PCO. Without further delay, I will speak to the distinct items included in these estimates for PCO.

PCO is requesting a net amount of \$883,000, which is composed of two specific items. PCO is also requesting an amendment in its vote wording.

The first item, in the amount of \$1,383,000, is for continuing the activities of the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River. The commission was established by an

order in council dated November 5, 2009, under part I of the Inquiries Act, on the recommendation of the Prime Minister.

The Honourable Bruce Cohen was appointed as commissioner. The mandate of the commissioner is to identify the reasons for the decline and the long-term prospects for Fraser River sockeye salmon stocks, and to determine whether or not changes need to be made to fisheries management policies, practices, and procedures.

The commissioner's original terms of reference indicated that a final report would be submitted to the Governor in Council by May 1, 2011. An extension was granted to the commissioner, up to June 30, 2012, due to the unforeseen complexity of the issues the commission has been mandated to investigate, along with the sheer volume of documents requiring review, interviewing witnesses, and conducting hearings.

Following the extension, additional funding was sought in the 2011-12 supplementary estimates (B). However, the commission's financial needs for 2011-12 have further evolved in response to two matters. The first one occurred in the fall of 2011, when new evidence arose suggesting that a new fish health issue, the infectious salmon anemia virus, has potentially been found in wild sockeye stocks, and the second matter relates to the challenges the commission is facing in preparing its comprehensive report.

The funding requested in these supplementary estimates is to allow the commissioner to undertake a focused and limited investigation of the new fish health issue to ascertain the current state of knowledge about whether the virus is present in British Columbia waters and, if so, what can be done about it. This will result in increased costs for commission counsel, transcript preparation, translation services, and the contribution program.

The funding will also allow the commissioner to produce a final report, which is much longer than originally anticipated due to the scope and complexity of the issues that need to be addressed. This will result in increased costs for writing, drafting, editing, translation, and printing.

• (1550)

[Translation]

The second item is a return of \$500,000 to the fiscal framework due to savings identified in the day-to-day operations of the Prime Minister's Office in 2011-2012. The Prime Minister's Office was able to achieve this reduction through continued reorganization of staff and re-examination of spending to find further efficiencies.

[English]

In June 2011, the Financial Administration Act was amended to include a new section to allow departments to provide internal support services and receive internal support services from one or more other departments. This new legislation applies to departments that do not have the legislative authority and require the authority to re-spend the revenues collected for internal support services.

Since the PCO provides some internal support services to a few entities in the amount of \$75,000 for 2011-12, the PCO needed to amend its vote wording in the 2011-12 supplementary estimates (C) in order to be in accordance with the amended FAA.

The revenues will be recorded under PCO in order to recover all costs incurred for the delivery of these services. As for the expenditures, they will be recorded under the supported entities for their share of costs incurred by PCO to deliver these services. These organizations will need to pay these costs within their existing reference levels.

In closing I would like to thank you for giving me and my colleagues this time to inform you of the ongoing initiatives in the 2011-12 supplementary estimates (C). We will be pleased to respond to your questions.

The Vice-Chair (Mr. Mike Wallace): Thank you, Ms. Doucet.

Our first speaker is Denis Blanchette.

[Translation]

Mr. Denis Blanchette (Louis-Hébert, NDP): Thank you, Mr. Chair, and thank you to our witnesses.

I found one thing in your presentation very interesting. You talked about saving \$500,000 in your operating costs.

Was this part of the strategic and operating review that had been ordered for the entire government?

[English]

Ms. Michelle Doucet: Thank you for your question.

No, it was not part of the strategic review. It was an ongoing effort by the Prime Minister's Office to find economies within their offices.

For instance, they were able to buy flight passes to spend less money on air fare. They were cautious with their hospitality expenses. They took other measures to contain their own staffing in order to reduce their costs. They were able to achieve these in-year efficiencies.

[Translation]

Mr. Denis Blanchette: So this was not part of the strategic and operating review. Has this review been completed? Could you remind me whether you achieved any savings as a result of this strategic review?

• (1555)

[English]

Ms. Michelle Doucet: The strategic and operating review has yet to be reported on by the government. I believe you are asking about strategic review, so I'm going to take this opportunity to turn to my colleague, Monsieur Bélisle, to speak about that.

Mr. Marc Bélisle (Executive Director, Finance and Corporate Planning Division, Privy Council Office): For strategic review, in our supplementary estimates (B) we identified \$1.1 million in budget reductions, which we implemented during the year. It's over a three-year period. We should be able to save up to \$5.7 million in the Privy Council Office to be able to achieve our strategic review targets.

[Translation]

Mr. Denis Blanchette: Thank you very much.

How much time do I have left?

[English]

The Vice-Chair (Mr. Mike Wallace): You have three minutes, sir.

[Translation]

Mr. Denis Blanchette: Very well.

Aside from the savings of \$1.1 million and \$0.5 million, what other options have you looked at in order to comply with the request to reduce the budget?

[English]

Ms. Michelle Doucet: Thank you for your question.

We have been engaged in the strategic review exercise that my colleague Marc Bélisle spoke of, which will be implemented through this fiscal year and over the next two fiscal years. We are also, in the conduct of our day-to-day business, trying to exercise all prudence in the stewardship of our resources. So we pay close attention to the amounts we spend.

We look across the Privy Council Office for areas of horizontal efficiencies and where we're able to achieve consolidations. Of course, it's our objective to be able to fulfill the three parts of our mandate—supporting the Prime Minister, the cabinet system, and public service leadership—while we do that.

Marc, do you want to add anything to that?

Mr. Marc Bélisle: I'd just like to say that during our strategic review we found transformation opportunities, which we are putting in place in Privy Council Office, to be more efficient and to transform some of our businesses. That has also been an area we have focused on. We're hoping that some of these things can be done across government, not just in PCO. We've taken that approach.

Ms. Michelle Doucet: Just to give you an example of that, we share some commonalities with other central agencies. The delivery of library services is one of them. We're looking at how we can work together to deliver library services and research services to the staff of those organizations and see if efficiencies are possible.

The Vice-Chair (Mr. Mike Wallace): That's your time. Thank you very much.

The next questioner, from the Conservatives, is me. I'm taking the slot. I have apologies from the chair. He is actually ill. He's not going to be able to make it. We hope he'll be here on Wednesday.

I'm going to stick to the agenda, which is supplementary (C)s, and not go to what future things may happen. I'm going to ask you questions about the supplementary estimates from this year and about the planning and priorities document you put out.

Ms. Doucet, I know that you're relatively new, so if you're not able to answer, the two gentlemen beside you should be able to.

I apologize in advance. You are the first group to deal with this. My question does not deal with just your particular office. It has to do with the general way estimates are presented.

I look at the main estimates. The main estimates have an estimate, in real terms, of \$140 million approved. And, you know, you have small numbers. You didn't have supplementary (A)s. You had supplementary (B)s. I see authorities to date of almost \$147 million. This is not just for this section. I'm under vote 1c, vote 1 in each section. If I look at all the different sections, what's happening is that supplementary (C)s says that authorities to date are \$166 million, up from \$140 million in the mains.

Maybe you can explain this to me. How come, if it's in the column for authorities approved, it changes from one document to the next? I don't see any footnotes. I don't see where it's explained how or why that has happened. Why is there a change? If the authorities were approved through the appropriations bills, why would the amounts be different in each book?

That's my first question.

• (1600)

Mr. Marc Bélisle: Thank you for your question.

Basically, the amount you see, the \$167 million in the supplementary (C)s, is the total of all the new appropriations we have received. It includes supplementary estimates (B)—

The Vice-Chair (Mr. Mike Wallace): Sir, if you look.... I have all three with me. If you look at the main estimates at \$140 million, then you look at the addition of supplementary (B)s, it doesn't add up to the same number.

Mr. Marc Bélisle: We received a small amount for collective agreements—

The Vice-Chair (Mr. Mike Wallace): It is a small amount.

Mr. Marc Bélisle: —and also for separation pay and these types of things. It's about \$7 million or \$8 million for the Privy Council Office, because of the severance we're paying this year. That has increased our reference levels quite a bit. If I'm not mistaken, I think we had \$11.6 million or \$11.8 million for supplementary (B)s.

The Vice-Chair (Mr. Mike Wallace): In the first section of supplementary (B)s, it is \$158,384,000, under "Total Estimates to Date". That's the end column on this page.

In my view, it should match the first column, the authorities approved, in the supplementary (C)s, but it doesn't. That's \$158 million and this is \$166 million. There is no explanation. I'm not blaming you. It's the way the system works.

Mr. Marc Bélisle: Yes, agreed.

The Vice-Chair (Mr. Mike Wallace): My issue is with the system. There should be a trail for me, as a parliamentarian. If this is all the information I'm getting, I should at least get a trail as to why

that has increased by that \$7 million, or \$8 million, or whatever that number happens to be.

You have small numbers compared to other departments.

Ms. Doucet, would you like to comment?

Ms. Michelle Doucet: I just wanted to thank you for that excellent question. You said in your question, rightly, that perhaps there might be others better placed to answer that. I'm thinking in particular of my colleagues at the Treasury Board Secretariat, who may be able to help you on this matter.

The Vice-Chair (Mr. Mike Wallace): I will bring it with me.

Now I'm going to the priorities and planning document for this past year, which you may not have been involved with. When I look at the numbers in here and try to compare them to the numbers in there, it can be difficult, because they don't always.... Let's be honest—they don't match up at all.

Here's my question, though. Part of the plan for 2011-12 showed FTEs in—and I'll just pick a section—the section dealing with cabinet, I believe, under "Prime Minister and portfolio ministers' support and advice", at 527. In the plan for this year, 2012-13, FTEs are at 115. So it's a reduction, and then it stays the same after that.

My assumption is that part of your plan for this year is to reduce the FTEs in this area so that we save a little bit. It doesn't save a lot of money, but it does decrease the number of FTEs. Are we on plan at the end of the year with the reduction in the FTEs from 527?

Ms. Michelle Doucet: Well, I can certainly speak to where we're at in terms of our employees as of March 1, because I have those numbers with me today. Where we will be at the end of the month is yet to be determined.

The Vice-Chair (Mr. Mike Wallace): Okay. My time is up, so maybe I'll come back to that.

My final little piece is not a question. It's just a comment. For us to be better parliamentarians, I think that asking questions at the end of the year on how you're doing on what you've planned to do is appropriate. It may not have happened in the past, but I'm hoping that it happens in the future.

Next, Mathieu has five minutes.

[Translation]

Mr. Mathieu Ravignat (Pontiac, NDP): Thank you, Mr. Chair.

I would like to thank the three witnesses for coming here today. I will ask a question that has already been raised by my colleague, Mr. Blanchette. My question pertains to the savings of \$0.5 million directly linked to the Prime Minister's Office.

Has this reduction resulted in any lay-offs?

• (1605)

[English]

Ms. Michelle Doucet: Thank you for your question.

The budget efficiencies that the Prime Minister's Office was able to achieve were as a result of reduced staffing and operating costs during the spring 2011 election period. During election periods, there is a greatly reduced level of activity in ministers' offices and in the Prime Minister's Office. I'm not aware of how that activity was managed in terms of layoffs, but certainly they were able to have reduced staffing and operational costs during that period.

My understanding is that there was a continued reorganization of staff and an elimination of unnecessary positions that would have been done within that organization, according to its judgment. Then, as I said earlier, the other savings were as a result of the elimination of non-essential hospitality and continued use of flight passes and other efficiencies.

[Translation]

Mr. Mathieu Ravnat: All right.

Obviously, if there is a decision to proceed with an austerity budget, Canadians understandably expect the Prime Minister to follow suit and reduce expenditures in his own office. We are talking about \$0.5 million, a budget cut of 0.1% to the Privy Council.

Given the current situation, I would like to know if you foresee further cutbacks in the Office of the Prime Minister.

[English]

Ms. Michelle Doucet: Thank you for your question.

In addition to the other areas that I have outlined, it's my understanding that in the Prime Minister's Office their vigilance with respect to costs would have included purchases big and small, although I don't know how big the purchases are there, in supplies such as paper, toners for photocopiers—goods and services. I think they were extra careful with that this year.

I think they were also careful to make sure that the decisions they made were cost-effective and to use the best practices that Public Works has promulgated in order to make sure that the taxpayer gets the best value for money.

[Translation]

Mr. Mathieu Ravnat: I simply want to make sure that you understand the question. I would like to know your opinion, in particular, as to whether or not other savings could be found in the Office of the Prime Minister given this climate of austerity.

[English]

Ms. Michelle Doucet: I couldn't tell you that because I am not yet familiar enough with the operations.

[Translation]

As far as the Office of the Prime Minister is concerned, I do not know the situation.

[English]

I would only be able to give you my own views as somebody who would be able to do that in running an organization.

[Translation]

Mr. Mathieu Ravnat: All right. I am going to ask you another question which is quite similar to that put by our vice-chair. My question pertains to the supplementary estimate system.

First of all, I would like to know whether you use accrual or cash accounting.

Mr. Marc Bélisle: We operate in accordance with the Treasury Board Secretariat guidelines. We use a modified cash accounting system. In addition, at the end of the year we produce accrued financial statements.

Mr. Mathieu Ravnat: Thank you, that answers my question.

If parliamentarians were to decide that from now on the estimates needed to be more detailed, broken down per program activity, would it be possible to provide us with this information? In order to do this, would you have to gather more data or supplement your staff? Do you have access to this information now?

• (1610)

Mr. Marc Bélisle: Yes, we are able to provide information per program activity. We do this on a regular basis.

Mr. Mathieu Ravnat: Thank you.

[English]

The Vice-Chair (Mr. Mike Wallace): Our next questioner is Kelly Block from the Conservatives.

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

I want to join my colleagues in welcoming you here. We're doing a very interesting study on the estimates, so looking through them I'm able to look at them with a little more clarity as we provide this oversight to the Privy Council.

I want to go back to some comments you made as part of your opening remarks. You stated there were unforeseen complexities, which is why you're coming back to ask for a bit more money for the Cohen Commission. You cited two things: the infectious salmon anemia virus, as well as the challenges in preparing such a comprehensive report. Also, you noted an extension of up to about 13 months was granted to the commissioner already.

Were there an unusual number of documents and witnesses with regard to this commission?

Mr. Joe Wild (Assistant Secretary to the Cabinet, Machinery of Government, Privy Council Office): Yes. It's always tough to say "unusual", but just to give some context, this is a commission that's focused on policy and scientific issues. I would say that could be a little bit of an unusual subject matter for a commission of inquiry. That said, the commission has heard from more than 160 witnesses. It has had more than 2,000 documents entered as formal exhibits. It has had more than 500,000 relevant documents produced by the government, including the Government of British Columbia. It's received more than 900 submissions from the public. It's produced 14,000 pages of transcript of testimony and evidence during its hearings. It's had 16 expert scientific research projects commissioned and submitted to the commissioner.

There are 20 participants who have been granted standing by the commissioner. It is a particularly, I would say, complex commission of inquiry, partly because those 20 participants aren't individual organizations. Some of those participants represent coalitions of many other small organizations. For example, there is a first nations coalition that comprises 12 distinct first nations and groups, as well as a conservation coalition that comprises seven groups and individuals. So all of this has certainly generated a significant amount of work for the commissioner. I think the commissioner has been doing his best to manage the costs of the commission as it goes through this work.

We did have, I guess, the unexpected story about the virus that you mentioned, and that did trigger the commission to have to reopen testimony, and it held an additional three days of hearings to look specifically into that matter. This was basically after testimony had concluded and the commissioner was kind of going away to draft the report.

The report is expected to be fairly large, mainly driven by just the sheer scope and complexity. We're talking about a river basin with watersheds that...if you took the area in square kilometres, you're probably talking about something the size of Spain or France. So it's a very complicated area and work. As I mentioned, I think that, as much as anything else, is what's driving some of the costs.

I would just note, though, that the expectation overall is that the commission will come in within the budget. So while there are increased costs this year, the commissioner remains confident that the commission will deliver its final report within its budget.

Mrs. Kelly Block: Thank you.

I'm just wondering if you could tell me what is involved in establishing a budget for a commission such as this.

Mr. Joe Wild: That was a pretty, I would say, complex piece of work for this particular commissioner, and it involved a fair amount of front-end work by the commissioner and the council team that he put together to try to sort out how many parties were going to be participating, and even just to get a sense of the scope of documents that would need to be reviewed and how many days of hearings were going to have to be conducted. All of these were things that were being discussed early on, after the commissioner was appointed, as he started to get a feel for things and started to sort out a budget.

It's difficult to nail down a budget until, of course, you get through your initial set of hearings on standing, and figure out which

participants are actually going to be granted standing. Then you have to sort out which of those participants are going to receive funding, all of which contributes to the overall cost and budget for the commission. I don't know the exact amount of time it took, but it did take some time to sort out what the commissioner thought would be an appropriate budget. As I said, he's confident at this stage that they can deliver within it.

• (1615)

Mrs. Kelly Block: Thank you.

The Vice-Chair (Mr. Mike Wallace): Thank you very much.

Next is John McCallum from the Liberal Party.

Hon. John McCallum (Markham—Unionville, Lib.): Thank you very much.

And thank you all for being here.

I don't want to flog a dead horse, but I wanted to come back to this \$500,000 in the Prime Minister's Office. You mentioned a number of factors, but one of them was the election and the layoff of staff during the election. Was that a big fraction of the \$500,000? How much was saved due to the election, compared with other factors?

Ms. Michelle Doucet: I should clarify that, in terms of the lowering of the staffing level in the office during the election, I don't know the mechanism that was used for how they managed that, whether it was layoffs in particular. I just wanted to provide that clarification.

I don't have the exact monetary amount here with me in terms of what component of the staffing reductions is part of the \$500,000.

Hon. John McCallum: I wonder if, after this meeting, you could at some point provide us written information on that in as much detail as possible. How much of the \$500,000 was election related, how much was due to other things, and what were those other things?

Ms. Michelle Doucet: I'm happy to see what I can provide for you.

Hon. John McCallum: Thank you.

Related to that, we had a question on the order paper a while ago about savings due to strategic review. We received an answer giving savings in each of three areas: Prime Minister and portfolio ministers' support and advice, \$743,000; cabinet and cabinet committees' advice and support, \$52,000; and internal services, \$325,000. Those were strategic review savings.

But the people didn't answer the second part of my question, which was to describe in some detail what these savings consisted of. The first part is Prime Minister and portfolio ministers' support and advice.

Can you tell us how much of the cut was in the Prime Minister's Office, and how much was in other ministers' support, and which other ministers? If you don't have that information now, could you get back to us on it?

Ms. Michelle Doucet: We'll be happy to get back to you on that, sir.

Hon. John McCallum: Okay, and also on the internal services. Do you have any idea what those cuts were?

Ms. Michelle Doucet: I don't have that information with me today.

Hon. John McCallum: Okay.

Turning to the 2010 strategic review, Mr. Bélisle, when you were here with us in November, you talked about Treasury Board crediting you with \$900,000 in strategic review savings for efforts to reduce ministerial budgets. So you did that before the strategic review began, but you got credit for this earlier action. Is that correct?

Mr. Marc Bélisle: Basically, since the ministers' offices had been reduced with a separate exercise that had been done prior to the strategic review, it would have been similar to a second cut to the ministers' budgets, so we were credited that amount for our strategic review.

Hon. John McCallum: Okay.

My question here is similar to the other two. We would like to know which departments—\$900,000 is a fair amount of money, so which ministers' offices received those cuts? How was the money distributed, and what was the nature of the things that were cut? If you're able to answer that now, that would be good. If not, could you provide a written answer at a later date?

Ms. Michelle Doucet: We're happy to follow up on it.

Hon. John McCallum: Mr. Chair, since they can't have any answers for us today, I'm out of questions.

But thank you very much, and I look forward to receiving your written answers.

The Vice-Chair (Mr. Mike Wallace): Welcome to the new scrutiny of estimates that we have around here, which I think is good.

Ron Cannan, you're next.

•(1620)

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Thanks, Mr. Chair.

I just have a supplemental to the question of my colleague, Mr. Ravnigat. As our chair mentioned, we're looking at other ways to improve the budget process in the future.

You mentioned that program activity is recorded, so would it be quite easy to present this in future estimate documents?

Mr. Marc Bélisle: Yes, we could provide that information.

Mr. Ron Cannan: Where do you keep it right now? Is it posted anywhere?

Mr. Marc Bélisle: No, at this point we keep that information internally. We provide that information when we do the departmental performance report at the end of the year. We report the information by program activity at that point.

Mr. Ron Cannan: That would be helpful.

Mr. Wild, just going back to the Cohen Commission, I was on the fisheries committee at one time. When this was launched, you said it was policy and scientific, so it was very complex. I know my former colleague, Mr. Cummins, was involved in this.

Do you have any idea of the timeline? You're saying now it's going to be sufficient with the additional \$1.4 million request. What's the anticipated completion, and what will be the total cost with this \$1.4 million?

Mr. Joe Wild: I'll start with the cost first. The total budget is \$26.4 million for the commission. Again, my understanding is that the commissioner expects to come within that budget.

In terms of timing, the commissioner is currently scheduled to provide his final report by June 30, 2012, but he has requested an extension, and that is something that is currently being evaluated by the government.

Mr. Ron Cannan: What's your role? How do you ensure that the commissioner is respecting the budget?

Mr. Joe Wild: The main thing is that it's mostly through the front-end work at the setting up of the commission, in establishing the rules and procedures that the commissioner is going to follow in terms of contracting, etc., and working through exactly how the agreements are going to be struck with representatives around those who are being provided with support for having legal counsel represent them.

This particular commissioner, because he's had some experience with commissions, very early on took charge in some ways of how the representation of counsel was going to be reimbursed through the contribution program that's in place to support the commission. Basically, he has developed a whole series of schedules around using junior counsel for certain tasks, what rate they will be paid at versus the rate for senior counsel, and how many hours they will be reimbursed for. All of which has contributed to keeping some of the costs lower for this commission than perhaps some others we may have seen.

Part of it is just the fact that we have a person who has done a commission of inquiry before, understands how that process works, and has been managing it. I don't know if Mark wants to speak to anything as well, in that there is corporate services support to the commission provided by the Privy Council Office.

Ms. Michelle Doucet: In addition to what Mr. Wild has said, my branch provides a couple of types of services. First of all, we have a coordinator who sits to make sure that there is a cohesion to the activities and to the overall stewardship and comptrollership practices of the commission. Mark's people work closely with commission staff to make sure that all the laws, guidelines, and directives are followed. I spend some time every week signing off where the delegations require my level of authority. I can assure you that, as I go through all of the packages, the work is done very well. It's checked. There's a great deal of scrutiny brought to bear, even down to whether the meal allowances claimed are accurate or not.

Mr. Ron Cannan: I have nothing against lawyers, but it's good to have the justice overseeing this. I understand there are 15 or 20 lawyers, and every organization has legal representation?

Mr. Joe Wild: There were 20 participants who were granted standing, and my understanding is that 15 of the 20 participants have been provided with financial assistance for their counsel. It's about 15 of the 20 participants.

•(1625)

Mr. Ron Cannan: I have a quick question on the Privy Council.

In terms of keeping your office intact or leading by example, has your office grown or been reduced, and what are you doing in regard to focusing on the budgetary restraint?

Ms. Michelle Doucet: We are completing year one of the strategic review exercise, and about to start in year two. That has brought a very real focus to how we conduct ourselves financially.

Mr. Ron Cannan: Have you had reductions of a significant amount?

Ms. Michelle Doucet: So that looks at all areas of our spending. It was a comprehensive view of the department's spending just like that of all the other government departments. It was from internal services, such as the kind my branch provides to the activities required to support the cabinet system and the clerk in his role as the head of the public service. The whole review of the PCO was done to do that.

As I said, we're about to start on year two of implementing the strategic review decisions. You may know that this was a four-year exercise, and that the Privy Council was in the fourth year of how that was implemented across town. All the departments in town went through a strategic review and a certain amount in each of the four years. We were in the fourth and final year of that exercise together with some other fairly larger players, like DND and Public Works.

The Vice-Chair (Mr. Mike Wallace): Thank you very much. That was an excellent answer.

Alexandre, five and a half minutes.

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you, Mr. Chair.

I would like to thank our witnesses for coming here today. It is appreciated.

I would like to ask two questions pertaining to the document which contains the presentation you just gave.

The document states that, because the Privy Council Office provides internal support services to a few organizations, to the tune of \$75,000 for 2011-2012, the wording of a supplementary estimates (C) vote needs to be changed.

To what services and to what organizations are you referring?

[English]

Mr. Joe Wild: The services are in the nature of internal services, administrative services, financial management, human resources support, audit function, records management, IT support—those kinds of things. The organizations that they're provided for would be the SIRC, the Security Intelligence Review Committee, as well as the Public Appointments Commission Secretariat.

[Translation]

Mr. Alexandre Boulerice: Thank you for that clarification.

You also stated that almost 1.4 million additional dollars were going to be allocated to the Commission of Inquiry into the Decline of Sockeye Salmon, which was already granted a first extension up to this June 30.

Could you please tell us what that \$1.4 million will be spent on? Are you in a position to confirm to us that there will be no further requests for extensions and that the work will be wrapped up by June 30?

[English]

Mr. Joe Wild: The \$1.4 million was necessitated due to the commission's having to recommence public hearings for an additional three days in order to receive submissions on the infectious salmon anemia virus. That contributed to the need to have some additional costs for commission counsel, the preparation of transcripts, translation services, as well as counsel for the participants that are receiving funding.

In addition, the commissioner has indicated that the final report is going to probably be at least double the page length of what he initially thought it was going to be. That's driven primarily by the scope and complexity of the issues the commissioner is addressing, so that's the typical stuff for the cost of writing and drafting of the report—the editing, the translation, and those sorts of things.

[Translation]

Mr. Alexandre Boulerice: Three additional days of hearings would cost \$1.4 million?

• (1630)

[English]

Mr. Joe Wild: It's not just the three days of hearings. There would also be the preparation time for commission counsel to be able to conduct those hearings. It would be any additional time they would have to have paid for any of their scientific experts to provide them with advice and support them in the preparation of the conduct of those hearings. There would also be the costs for the 15 participant organizations who have counsel that are being reimbursed, and as I mentioned, there's also the fact that the report is going to be substantially larger than originally contemplated. So a chunk of that money—I don't know the breakdown between the two—is also for a report that's going to be double the size they anticipated it would be.

[Translation]

Mr. Alexandre Boulerice: Did you also participate in the strategic review exercise involving expenditure reductions that the government would like to undertake? Did you have to submit one scenario for next year involving a 5% expenditure reduction and another involving a 10% reduction? Did you, like the other departments, have to go through that exercise?

[English]

Ms. Michelle Doucet: Thank you for your question.

Yes, we are like every other department, and we have participated in the strategic and operating review.

[Translation]

Mr. Alexandre Boulerice: We met with representatives of organizations speaking on behalf of people who practice various occupations within the federal public service. They told us that this strategic review has created considerable tension because it has led to an enormous amount of uncertainty. Nobody knows what is expected of them. No one knows if their position will be eliminated or not. In fact, these representatives have told us that this has undermined the work environment and has increased tension amongst public service employees.

Have you witnessed within your own department any problems linked to human resources management that would have been caused by this uncertainty?

[English]

Ms. Michelle Doucet: I would clarify that we, like everybody else in government, are awaiting the government's decision on the strategic and operating review, so I don't know what those decisions are.

With respect to the strategic review, and we're just finishing year one of that, I would say—this is my seventh week at the Privy Council Office—my observation is that it is quite a harmonious workplace. But I think we're all cognizant that reducing the size of any organization runs the risk of creating morale problems, and that as managers and leaders we have an obligation to be cognizant of that and to pay attention to that.

The Vice-Chair (Mr. Mike Wallace): Thank you very much.

Jacques, you have five minutes.

[Translation]

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you, Mr. Chairman.

Thank you to the witnesses for coming today.

I would like to congratulate Ms. Doucet on her appointment as assistant deputy minister. Congratulations, that is a very important position.

I would like to make sure that I have understood something correctly. I believe there was some confusion earlier on. It was stated that \$500,000 from the Prime Minister's Office was returned. However, the Cabinet is the Office. Please correct me if I am mistaken. The Privy Council Office gives a budget to the Prime Minister's Office, which is synonymous with the "Prime Minister's Cabinet", in order to hire a chief of staff, special advisers, political advisers, a press secretary, a director of communications. Furthermore, the Privy Council Office is actually the department of the Prime Minister. So far that is correct.

Now, what percentage of the budget of the Prime Minister's Office or Cabinet do the returned \$500,000 represent? There seemed to be an indication earlier that it was less than 1% of the budget, but I don't think that is the case.

Mr. Mathieu Ravignat: The budget of the Privy Council Office.

[English]

The Vice-Chair (Mr. Mike Wallace): Don't ignore them. You're answering.

[Translation]

Mr. Marc Bélisle: Let us look at the published expenditures of the Prime Minister's Office for last year. Approximately \$9 million were in the public accounts; therefore \$500,000 represents a little more than 5% of the \$9 million we are talking about.

Mr. Jacques Gourde: Between 5% and 6%?

• (1635)

Mr. Marc Bélisle: Yes.

Mr. Jacques Gourde: It should just be understood that the Prime Minister's Office is one thing and the Privy Council Office is another, with its own budget. It is important that Canadians make the distinction. Either the members of the opposition misunderstood, or they attempted to confuse Canadians. I think that the record has now been set straight.

You have significant expenditures within the Privy Council Office, but you also have a very good budget. You stated earlier that you were going to no doubt attempt to control your expenditures.

In that vein, did the Privy Council Office grow in 2007, 2008, 2009 and 2010, or did its budget remain quite stable?

Mr. Marc Bélisle: It is important to note that the Privy Council Office supports several temporary initiatives. For example, we were talking about commissions of inquiry; we have conducted several on a regular basis over the past few years. I would say that this represents an average of approximately \$12 to \$15 million per year over the past few years. We also have several term programs, as they are called. One example would be the Task Force on Afghanistan. That is an initiative that ends on the 31st of March this year and that represents approximately \$4 million to \$5 million per year. There were also the Olympic Games and the G8 Summit. The Olympic Games coordinator was part of the Privy Council Office. There is also Ward Alcock's Task Force on Human Smuggling.

Many of these initiatives last for a specific period of time. That is why our core expenditures do not fluctuate much. On the other hand, because of these additional initiatives and commissions of inquiry, our budget expenditures tend to increase. Once those initiatives are over, the expenditures go back to their basic level.

Mr. Jacques Gourde: Year after year, because of various circumstances, special budgets are approved for new tasks or simply to conduct these commissions.

Mr. Marc Bélisle: That is correct.

Mr. Jacques Gourde: One cannot therefore necessarily foresee these expenditures more than one year in advance because there are always circumstances that require expenditures.

Mr. Marc Bélisle: That is correct. That is why quite often, we are granted funds for these purposes under the supplementary estimates. Quite often, these initiatives arise over the course of the year. We therefore have to be able to react quickly and establish their entitlement.

Mr. Jacques Gourde: Thank you very much.

Thank you, Mr. Chairman. That is all.

[English]

The Vice-Chair (Mr. Mike Wallace): *Merci.*

Our next questioner is Mathieu, for five minutes.

[*Translation*]

Mr. Mathieu Ravignat: Fine, thank you.

I like to read the Official Languages Commissioner's report from time to time. This is something that is very important to me. These reports have already established the necessity to be more proactive in order to preserve the vitality of minority francophone communities.

Under the supplementary estimates, approximately \$20 million have been set aside for the office's programs. Has that amount increased?

Mr. Marc Bélisle: You mean the Official Languages Commissioner's budget? This is not a budget that is administered by the Privy Council Office. We only deal with vote 1c.

Mr. Mathieu Ravignat: That answers my question. Thank you.

[*English*]

The Vice-Chair (Mr. Mike Wallace): Bernard, you have five minutes.

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Thank you, Mr. Chair. You are doing a very good job filling in today for our normal chair.

Thank you to the officials from the Privy Council Office.

I think most Canadians wouldn't have a clue what the Privy Council Office is. Could you just give us a quick summary of what exactly it does?

Ms. Michelle Doucet: I would be delighted to do that since six weeks ago I had to do the same thing for my children.

The Privy Council Office has three main functions. The first is to be the Prime Minister's department. All ministers in government have a department. The Prime Minister is no exception. The Privy Council Office is the Prime Minister's department. It is the obligation of the officials who work there to provide advice to the Prime Minister.

The second function is to be the secretariat to cabinet along with the myriad of cabinet committees that support cabinet decision-making in the federal government. With the exception of the Treasury Board, which is supported by the Treasury Board Secretariat, Privy Council Office is the secretariat to the cabinet and its cabinet committees.

The third function is to provide leadership to the public service. The Clerk of the Privy Council is the head of the public service. The Privy Council Office provides him with specific support in his role as the leader of the public service, and also works closely with other central agencies that provide central agency human resources strategic advice.

•(1640)

Mr. Bernard Trottier: That frames my next question, then. What's the size of the Privy Council Office with respect to what's been the trend over the last four or five years?

Ms. Michelle Doucet: Thank you for that question. I would be happy to speak to size for the past three years. I didn't quite go back

to five years, but I have three-year figures with me. I'm going to start as of April 1, 2010.

I'd like to frame my answer in the same way Marc talked about how our funding is structured. We have a core group of what we call indeterminate employees, who are permanent public servants. Then, we also have what I would call a temporary workforce. I'll frame my answer in that respect.

On April 1, 2010, PCO had a total of 1,039 permanent and temporary employees. Of those, 866 were indeterminate, or permanent public servants, and 173 were in various categories of temporary employees—not necessarily temporary to the public service. For instance, that year at the Privy Council Office, we had 66 employees on assignment from other departments.

The following year, at April 1, 2011—and I'm going to use the same frame for my answer—Privy Council Office had a few more employees. We had 1,063 employees. Of that figure, 890 were indeterminate PCO employees, and 173—the same number as the year before—fell into that more temporary category. Again, to be precise, of those 173 temporary employees, 75 were full-time employees from other departments on assignments with us.

I have numbers as of March 1 of this year for you. Our numbers have gone down. The overall number is 1,017 public servants, 855 of which are indeterminate public servants whose home is PCO. The remaining 162 either don't have their home at PCO or are temporary public servants. Again, in that temporary group, 67 are full-time public servants on assignment to PCO.

Mr. Bernard Trottier: Thank you very much for that. Those are small reductions. I think that's probably just more business as usual, some retirements and things like that. We're talking about some more upcoming transformational changes. I know you don't want to speculate. I know things are still being worked on in terms of the strategic and operating review, but going back to business as usual, could you describe what happened, why the reduction went from 1,063 to 1,017 in the last year? What kinds of things would cause those reductions to occur?

Ms. Michelle Doucet: Certainly we have been implementing our strategic review and making a link to the excellent question about morale in the workplace. We've tried to do that by way of attrition wherever possible, because that is certainly the least painful form of workforce reduction. Then there's also been the impact of winding up exercises of which Marc spoke. As the Afghanistan task force has drawn to a close, folks have found other jobs or have retired. It's the same with the work on other temporary initiatives like the Olympics and the G-8 office. To the extent possible, we've taken advantage of not replacing when folks leave.

•(1645)

Mr. Bernard Trottier: Thank you, Mr. Chair.

The Vice-Chair (Mr. Mike Wallace): Thank you very much. Thank you for those answers.

Our final questioner for five minutes, if he uses it all, is Mr. McCallum.

Hon. John McCallum: Thank you.

I won't use it all. I have one, or at most, two questions. I'd like to start by reading to you Standing Order 81(7):

When main estimates are referred to a standing committee, the committee shall also be empowered to consider and report upon the expenditure plans and priorities in future fiscal years of the departments and agencies whose main estimates are before it.

We saw an example of this with Mr. Wallace using the report on plans and priorities in conjunction—

The Vice-Chair (Mr. Mike Wallace): With this year's, not next year's.

Hon. John McCallum: —with this year's estimates, yes. In future meetings we'll be talking about next year, and we will have access in a number of weeks—I don't know exactly how many—to the main estimates, or have hearings on them in the coming weeks. We're told we aren't going to get the report on plans and priorities until, I think, May 7. So that means if we hold the hearings on the main estimates in a few weeks from now, we will not have access at that time to the RPPs, which the standing order says we have the right to have access to.

On the other hand, if we delay hearings on the main estimates until May 8, we're getting very close to the end, so the amount of time committees will have to hear the main estimates is very truncated.

I know that's not under your control, but would you be able to provide some of the information that will be in the RPPs coming out officially on May 7 prior to that—obviously not budget sensitive information because the budget may not have happened, but other kinds of information that is less sensitive, which is likely to find its way into the RPP—which could be useful to this committee in considering the main estimates.

The Vice-Chair (Mr. Mike Wallace): What was your question?

Hon. John McCallum: The question is whether they can provide information in advance of May 7 on some components of what will be in the report on plans and priorities. I think there are employment trends and things of that nature that could be useful.

Mr. Joe Wild: I will boldly dive into these waters, as best I can.

As the member points out, we don't really control the cycle. The cycle has always been, and has always created some tensions and issues around what information and whether the information is timed properly or not. RPPs have always had some separation between when main estimates get tabled and when the RPP is available.

That said, once the main estimates are available, members can ask any question they wish to ask of public servants, such as us, when we come and appear to explain what is in those main estimates. That's the best vehicle that I can think of in which we would then be able to answer any specific questions about why there may be changes proposed around some of the votes, and also provide some of the detail around which program activities some of that money may be going to, which is in essence what the RPP tries to explain.

You may not necessarily have it in a written form, in that I don't think there's a mechanism whereby we would be able to produce an RPP version that would be available prior to the RPP being tabled. Certainly we would be able to answer questions about what the plans are that inform why additional funds may be sought or why votes are

decreasing. We'd certainly be able to give explanations, and as I say, I think we'd be able to do so in line with the program activities of the organization.

I don't know if that's helpful or not.

Hon. John McCallum: Under the circumstances I'd say that's a good answer. Thank you very much.

I have one last question. When we eventually receive these RPPs on May 7, will they contain information on your department regarding the cuts—the strategic and operational review?

• (1650)

Ms. Michelle Doucet: My assumption is that the RPP will be structured to support whatever decisions are announced broadly in the budget. I have no further information or guidance on the level of specificity or granularity at this time, although I certainly understand why you're asking the question.

Hon. John McCallum: What you are saying, if I understand you correctly, is that the RPPs, at least the overall numbers, will be consistent with what the budget does, but you don't know the details that they'll get into. Is that what you're saying?

Ms. Michelle Doucet: I'm saying I can't imagine having an RPP—if the RPP comes after the budget, and the budget is now scheduled to be tabled on March 29—that would be broadly disconnected.

Mr. Joe Wild: I think that's something we will probably need to take back to Treasury Board. I'm not sure whether the RPP will be prepared on anything other than the mains. Of course, the mains are before the budget, so I'm not sure if the budget will get caught up until the supplementary estimates.

I think that's a specific question we will have to take back to Treasury Board to see where they're landing, in terms of lining up the actual documents.

Hon. John McCallum: That one answer was not quite as good as your previous one, in terms of usefulness.

Thank you very much.

The Vice-Chair (Mr. Mike Wallace): I want to thank you for coming today. You are the first group this committee has seen. We are working on a study on the process of estimates. I'm hoping in the future the questions will be just as in-depth as they were today, and staff, not just you but every department, will have to be ready to come to answer questions.

You are absolutely right. The difference between what is in your books under yours is a Treasury Board central vote, which was pointed out to me. Just for our own information, we need to have a footnote that says to look at the TB central vote for those answers. That's all I'm looking for—those kinds of things.

I appreciate the scrutiny you had today, and you won't be the only ones who will have these tough questions.

Before we end this, as we know, we're not big fans of deemed. So I need someone to move that vote 1c under Privy Council in the supplementary estimates (C), 2011-2012, in the amount of \$883,395, carry and the chair report the vote to the House.

Will you move that for me?

Mrs. Kelly Block: I so move.

The Vice-Chair (Mr. Mike Wallace): Thank you, Madam Block.

Do you have a question?

Hon. John McCallum: No. I thought you wanted a seconder.

The Vice-Chair (Mr. Mike Wallace): No, I don't need a seconder for that.

PRIVY COUNCIL

Department

Vote 1c—Program expenditures.....\$883,395

(Vote 1c agreed to)

The Vice-Chair (Mr. Mike Wallace): The supplementary estimates (C) have been passed by the committee, and off we go.

Thank you very much.

[Proceedings continue in camera]

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