



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

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

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OGGO • NUMBER 083 • 1st SESSION • 41st PARLIAMENT

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**EVIDENCE**

**Thursday, April 25, 2013**

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**Chair**

**Mr. Pat Martin**



## Standing Committee on Government Operations and Estimates

Thursday, April 25, 2013

• (1100)

[English]

**The Chair (Mr. Pat Martin (Winnipeg Centre, NDP)):** Good morning, ladies and gentlemen. We'll convene the meeting. Welcome to meeting 83 of the Standing Committee on Government Operations and Estimates.

Today we're pleased to welcome representatives from the Privy Council Office and the Canadian Intergovernmental Conference Secretariat to our examination of the main estimates. There's a large group of witnesses, so I'll let the heads of the delegations introduce the guests they have brought with them.

I understand that Michelle Doucet, the Assistant Deputy Minister of Corporate Services of the Privy Council Office, will be opening.

Madame Doucet, the floor is yours.

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

Good morning, Mr. Chair and members of the committee. Thank you for inviting me to speak to you today.

I'm accompanied by three colleagues from the Privy Council Office: Mr. Ian McCowan, assistant secretary to the cabinet, communications and consultations; Mr. Filipe Dinis, assistant secretary to the cabinet, business transformation and renewal secretariat; and Mr. Marc Bélisle, executive director of the finance and corporate planning division of the corporate services branch.

My introductory comments are about the 2013-14 main estimates for the Privy Council Office.

The overall reduction of \$3.4 million to PCO's financial requirements, from \$126.8 million as reported in the 2012-13 main estimates to \$123.4 million in the 2013-14 main estimates, is mainly related to the following.

There were savings of \$3.5 million from PCO's 2010 strategic review identified in the budget of 2011 and savings of \$3.5 million from Canada's economic action plan spending review of 2012. Later in my remarks I will provide you with more details on PCO's work in this regard.

There were savings of \$1.2 million related to the completion of the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River. Since the commission's work is now completed, funding for the commission is not requested in the 2013-14 main estimates.

There was a reduction of \$1 million for the operation of the Office of the Special Advisor on Human Smuggling and Illegal Migration. This reduction was booked because at the time of preparation of PCO's main estimates, funding for this work had not yet been secured for beyond March 31, 2013. By way of an update to the committee, a decision has been made to continue with the work of the special advisor for the next two fiscal years at a cost of \$1.3 million per year.

These reductions are partially offset by \$2.4 million to support operational activities of the Business Transformation and Renewal Secretariat, BTRS, in supporting the Priorities and Planning Subcommittee on Government Administration as it pursues government-wide opportunities for improved services and operational efficiencies. To this end, the new secretariat is working with departments and agencies to find whole-of-government solutions that improve the effectiveness and efficiencies of the government. It is also continuing the work of public service renewal and supporting the clerk as head of the public service. Funding included in these estimates is not a new draw on the fiscal framework since funds were transferred from existing reference levels of 25 departments last year, in 2012-13, and from 27 departments for this year and future years. The remaining funding for the operation of the Business Transformation and Renewal Secretariat has come from the former public service renewal group, which had been housed within PCO's senior personnel secretariat, but which has now been moved to the new BTRS.

The amount of \$1.4 million is to continue to support the coordination of government-wide communications for Canada's economic action plan. The action plan was first introduced in response to an unprecedented global recession. Given persistent global economic uncertainty, the government is continuing to implement the economic action plan to help ensure a strong, stable economy for all Canadians. Budgets 2012 and 2013 emphasized the priority placed on the economy in the overall government agenda, with the focus on jobs, growth, and long-term prosperity. The EAP website was redesigned in 2012 to focus on jobs and growth and to ensure that Canadians are aware of EAP initiatives and how these initiatives apply to them. The EAP team within PCO continues to support the coordination of a government-wide communications strategy for EAP. The strategy serves to provide Canadians with access to up-to-date information on more than 300 federal programs, services, and initiatives announced in federal budgets from a single web portal rather than from the individual websites of almost 40 departments and agencies.

• (1105)

On a day-to-day basis, the EAP team is responsible for ensuring that the EAP website is as up to date as possible, using social media to highlight initiatives of interest to Canadians. This requires regular contact with departments and agencies in order to ensure that projects are added to the EAP project map and that initiatives, priorities, jobs, and growth-related news releases are up to date.

An increase of \$900,000 represents the portion of wage and salary increases to be paid to employees during fiscal year 2013-14, in accordance with specific collective agreements, which have been recently ratified.

There's \$900,000 for the government-wide coordination of the perimeter security and economic competitiveness action plan. In December 2011, the Prime Minister and the U.S. President announced their agreement on the action plans, which would implement their earlier February 2011 declaration on a shared vision for perimeter security and economic competitiveness, designed to speed up legitimate trade and travel and improve security in North America.

In early 2012, a small team was established within PCO to oversee Canada's implementation of the Beyond the Border action plan. This team ensures close, regular, and routine communication, coordination, and consultation with the White House national security staff who oversee the U.S. implementation responsibilities. Funding in the amount of \$900,000 is sought for the operation of the border implementation team within PCO.

Finally, there is \$200,000, as the Canada–Australia exchange program has ended. This means that PCO is no longer transferring funds to the Department of Foreign Affairs and International Trade to support program costs, leading to a net rise in PCO's reference levels.

This completes the variance explanation between the 2012-13 and 2013 main estimates.

[*Translation*]

As I said earlier, I will now discuss the way the Privy Council Office, or PCO, has implemented and will continue to implement the savings forecast in the Economic Action Plan 2012 Spending Review.

PCO will contribute \$9.2 million by 2014-15 to help the government return to a balanced budget. Savings in 2013-14 will amount to \$3.5 million, or \$4 million if we take employee benefit plans into account. Please note that savings of \$1.3 million were part of PCO's 2012-13 supplementary estimates (B), as that information was not available when the main estimates for 2012-13 were drafted.

To achieve these ongoing savings, which will contribute to deficit reduction, PCO is changing some important operational elements, as I have mentioned in previous appearances. Here is some detailed information about that.

The federal-provincial-territorial functions have been further integrated within PCO, and a new federal-provincial-territorial relations secretariat was created over the summer. It is managed by a single assistant secretary who reports to the deputy secretary of the

plans and consultations branch. Additional responsibilities have been assigned to other PCO secretariats in charge of policies, with regard to the evaluation and integration of intergovernmental perspectives in the government's public policy study. That will help us avoid overlaps and unnecessary duplication between elements of intergovernmental affairs and other PCO secretariats. It will also allow us to benefit from multiple perspectives.

The cabinet system has been streamlined. We have reduced the amount of work done by the cabinet, and we are actively managing the agendas and documents, while prioritizing a clear decision-making process. That will help strengthen the overall integrity of the cabinet's decision-making process. The implementation of that approach began and was completed in 2012-13.

The communications function is being modernized and streamlined. PCO has adopted a new approach to media monitoring and analysis.

The National Security Advisor's directorate will save money by cutting a few administrative support positions and reducing travel costs. It will also consolidate security operations programs with minimal or no impact on operations and restructure the commissioners network contract so as to staff it on a permanent and full-time basis. That will lead to greater efficiency and further savings.

The Public Service Renewal Branch, which is now part of the Business Transformation and Renewal Secretariat, will achieve administrative savings as of 2013-14.

The Corporate Services Branch has streamlined its activities in order to save money and carry out its targeted transformation. PCO has achieved administrative savings in the following two areas. First, subscriptions to print media have been reduced by 60% and replaced with digital versions, which are exchanged more easily. The correspondence service used by PCO's senior management has been modernized thanks to a review of its main functions.

Document management is an example of targeted transformation under which the department is implementing the Government of Canada's Directive on Recordkeeping. That will enable PCO to dedicate its resources to the management of records with business value rather than to reproductions and other low-value information. As a result, storage costs will be reduced, and the capacity for finding and reusing information will be strengthened.

In closing, I want to thank you for the opportunity to provide you with information on the part of the 2013-14 Main Estimates that applies to PCO. We would be pleased to answer your questions.

• (1115)

[*English*]

**The Chair:** Thank you, Madame Doucet. That's very interesting.

We're going to hear from the Intergovernmental Conference Secretariat as well. Then we'll address our questions to both of the groups when he has finished.

Mr. André McArdle, Secretary of the Canadian Intergovernmental Conference Secretariat, welcome.

**Mr. André McArdle (Secretary, Canadian Intergovernmental Conference Secretariat):** Thank you, Mr. Chairman.

With me are Monsieur Daniel Plourde, the assistant secretary and CFO, and Madame Anik Lapointe, our director of corporate services.

We welcome the opportunity to appear before your committee. Because the secretariat is very unlike other federal agencies, I would like, with your permission, Mr. Chair, to give the committee a brief outline of who we are and what we do.

We were established pursuant to an agreement at the first ministers conference in May 1973. Following that decision, an order in council was passed on November 29, 1973, to designate the secretariat a separate department for purposes of the Financial Administration Act.

Although the secretariat is a federal department, in practice it is an intergovernmental agency whose operational budget is co-funded by the provinces. Our 33 full-time employees are made up of federal, provincial, and territorial public servants.

The secretariat has the capacity to serve approximately 100 conferences per year. The secretariat reports to all governments annually. We report to Parliament through the President of the Queen's Privy Council for Canada.

Our mandate is to serve federal, provincial, and territorial governments in the planning and conduct of senior-level intergovernmental conferences. Our primary objective is to relieve client departments of the numerous technical and administrative tasks associated with the planning and conduct of such conferences, thereby enabling them to concentrate on the substantive issues. We serve conferences in virtually every major sector of intergovernmental activity. Our services are available across Canada.

In addition, the secretariat is the custodian of a unique collection of federal, provincial, and territorial archives. This collection is made up of documents tabled by delegations at conferences served by the agency since its creation in 1973.

I would like to emphasize, Mr. Chair, that the secretariat does not convene conferences; we respond to decisions taken by governments to meet on national or specific issues. Decisions concerning the location of such meetings, their number in a given year, and their timing and duration are all factors beyond our control. These, however, directly affect the level of our expenditures in each fiscal year.

We are fully committed to meeting the federal government's priority of returning to a balanced budget and of transforming our service delivery model while evolving alongside the changing needs of our clients. Furthermore, we are dedicated to supporting the federal, provincial, and territorial clerks and cabinet secretaries and their efforts to modernize and transform how intergovernmental business is conducted by introducing new and efficient methods of collaboration.

[*Translation*]

Following Budget 2012, which resulted in a 10% reduction in the secretariat's annual budget over three years, we committed to supporting government initiatives to modernize and transform our services and to evolving with the changing needs of our intergovernmental clients.

In the wake of those changes, the secretariat has decided to review its organizational structure and employee workloads and responsibilities, so as to better adapt its structure to the cyclical requirements of intergovernmental conferences. That will help reduce its payroll. In addition, we are actively participating in interdepartmental committees, with the objective of studying, collaborating on and finding innovative solutions to develop shared service opportunities that affect small agencies' internal services.

We have implemented interdepartmental agreements with other agencies and departments to obtain support in areas of special expertise, such as human resources services with the shared services branch of Public Works and Government Services Canada.

Moreover, the secretariat is part of the first wave of Workplace 2.0. We are currently reviewing and replacing telephones and computer equipment to adapt to the mobility principles established by Workplace 2.0 and the vision of Shared Services Canada.

With the goal of aligning our services with the vision of the federal government and the objectives of the federal, provincial and territorial clerks and cabinet secretaries, the secretariat has undertaken a major service transformation program. Special emphasis has been placed on transforming and modernizing our delivery model through projects using new technologies, including videoconferencing and web tools.

We are pleased to announce that, as of April 1, 2013, the secretariat has the capacity to provide videoconferencing services to its federal, provincial and territorial clients. We are currently working on developing virtual conference services, which will be up and running starting in April 2014.

• (1120)

[*English*]

Our agency truly encompasses the spirit of innovation and the essence of shared services in the federal government by offering increasingly important cost efficiencies and economies of scale. In addition, we also offer the clear advantage of confidentiality, continuity, neutrality, and expertise when organizing intergovernmental meetings.

In closing, Mr. Chairman, I'm proud to say that 2013 marks our 40th anniversary. The service we provide assists governments across Canada to move towards more effective and efficient intergovernmental collaboration. Those collaborative relations are an integral part of the successful functioning of the Canadian federation. This is precisely why federal, provincial, and territorial governments have been relying on the unique expertise, experience, and professionalism of the secretariat for four decades.

Thank you very much, Mr. Chairman.

**The Chair:** Thank you, sir, for that overview of the very important work you do. We appreciate that.

Now we'll go right to questioning.

For the NDP, Linda Duncan.

**Ms. Linda Duncan (Edmonton—Strathcona, NDP):** Thank you, Mr. Chair, and thank you very much to the gallery of witnesses. We appreciate your cooperation.

I'll go right into your report on plans and priorities and the estimates. As a committee, we greatly appreciate that we get the RPP now so that we can compare that with the budget. It was one of our recommendations and is very appreciated.

At page 12 of your RPP, you have attributed your reduced spending in part to a decrease in legal costs related to public inquiries. In fact, you allocate zero dollars for the 2013-14 fiscal year for public inquiries. Often what governments think about doing is they might have a holding amount of money in case a public inquiry is called.

How has the stated objective of reducing spending by limiting costs for holding public inquiries factored into any advice you might have provided in response to the call for an inquiry into missing and murdered aboriginal women and children?

**Ms. Michelle Doucet:** I particularly appreciate the focus on one of our five program objectives, which of course is commissions of inquiry.

If you look back into the work that PCO has done over the past number of years, we have supported the establishment and operation of a number of commissions of inquiry, and as I stated in my opening remarks, the last one finished just this last calendar year with Justice Cohen submitting his report at the end of October. The commission then took a couple of months to wind down.

Presently, we have no commissions of inquiry in our work plan, in our estimates process, or in the RPP, and that's what we have reflected in the documents we put before you. However, should the government make a decision that it wished to establish a commission of inquiry, it's part of the Privy Council Office's mandate to support that decision. We would respond accordingly. That would be an in-year decision, and any resources that would be required to support that would have to go through the expenditure management process, including the estimates process, therefore coming before this committee before they would be approved.

• (1125)

**Ms. Linda Duncan:** As a general rule, PCO was not allocated a lump of money in the case that it may have a responsibility for overseeing a commission of inquiry.

**Ms. Michelle Doucet:** That's correct.

**Ms. Linda Duncan:** I notice that in the last year the estimate was \$1.2 million and was reported as \$11.2 million. We seem to be underestimating the actual cost to deliver these.

My second question is about advertising. It's a bit of a puzzle trying to figure out who exactly in the Government of Canada is responsible for advertising. The chart that Public Works and Government Services has provided helps somewhat. I noted in

there that PCO is given a very clear mandate to provide oversight, chair the government advertising committee, secure approval for a government advertising plan, and recommend funding allocations.

Despite the reported 10% reduction to the PCO secretariat over three years, your report on plans and priorities at page 16 reports an increase of \$1.4 million to supply a government-wide communications strategy for the economic action plan.

I would have to say that the feedback I'm getting from my constituents, on viewing the most recent ads, is that there doesn't appear to be a lot of content there.

The Gomery report, of course, which came out of a lot of concern about the spending of dollars for advertising and promotion, recommended that the government amend its definition of advertising, conform to accepted industry standards, and promulgate a new policy. Those recommendations were in response to the Auditor General's report in 2003, where calls were made for mandatory auditing of advertising spending, value-for-money evaluations of all advertising campaigns, and periodic audits by the Office of the Comptroller General and the Auditor General.

My question is this. Have any or all of these measures been instituted, and if so, can you provide us with the audit and the value for money for the War of 1812 ad campaign?

**The Chair:** Sadly, the question took most of the time, so give a very brief answer, if that's possible.

**Mr. Ian McCowan (Assistant Secretary to the Cabinet, Communications and Consultations, Privy Council Office):** Thank you, Mr. Chairman.

My apologies. There were a number of elements to the question. I'm going to try to cover them all, and if I miss anything, please circle back.

First of all, in terms of the overall responsibilities around Government of Canada advertising, as you are probably aware, the communications policy of Treasury Board sets out the roles of the various actors, including our own. So there is a well-established frame that sets all that out, but as you say, there are a number of people who are involved at different stages, so it is a bit of a puzzle.

In terms of the \$1.4 million and the EAP component that's part of this main estimates, which you flagged, that's not related to EAP advertising at all. Virtually all of that relates to the EAP website and is specifically for a relatively small team to run the EAP website. The purpose there is basically to centralize the provision of information. We have more than 275 programs, services, and initiatives involving almost 40 government departments there. It's an attempt to basically do an efficient distribution of information about a variety of things—for example, the apprenticeship grant and stuff like that. In terms of Canadians' interests, things in the zone of getting a better job have a high level of interest. But that's our effort there in terms of that element.

There were a couple of other elements to your question.

**The Chair:** I'm afraid we're going to have to wait. Maybe in the context of answering other questions you can finish your thoughts, but we're well over time for that time period.

**Mr. Ian McCowan:** Sure.

**The Chair:** Next, for the Conservatives, is Mr. Jacques Gourde.  
[Translation]

Mr. Gourde, you have five minutes.

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

I want to thank the witnesses for joining us today.

My first question is for the Privy Council Office representatives.

Could you explain to us the key points of your report on plans and priorities and your expenditure planning for the current year?

**Ms. Michelle Doucet:** Thank you for the question.

I will begin by explaining our plan. I will then yield the floor to my expert on figures, Marc Bélisle, who will be able to tell you about our planned expenditures.

[English]

The RPP is the Privy Council Office's expenditure plan. The committee is probably well aware that it's based on the program alignment architectures of the PAA. Using the PAA, it provides details of the Privy Council Office's main priorities by our strategic outcome. We're a relatively small department, so we just have the one strategic outcome.

We have five program activities, and then we also try to give you a sense each year of what our planned or expected results are. As well, we try to give you a sense of what we think our risks are going to be. Obviously, we give you some details on resource requirements, including planned spending and other financial information.

The RPP talks about the three main roles at the Privy Council Office. It does that every year. Those roles have not changed. I've spoken about those in previous appearances, that we provide non-partisan advice to the Prime Minister and cabinet. We support the smooth functioning of the cabinet's decision-making process, and we foster a high performance and accountable public service.

I spoke of PCO's one strategic outcome, which is that the government's agenda and decision-making are supported and implemented and that the institutions of government are supported and maintained.

What gives life to our PAA are our four priorities. The four priorities that were in last year's RPP are the same this year. They are to support the Prime Minister in the exercise of his overall leadership responsibility, to focus on key policy and legislative areas and strengthen medium-term policies and planning, to support the management and accountability of the government, and to strengthen PCO's internal management priorities.

I spoke of risk. Risk is always contextual, and PCO's context is complex, fast-paced, and rapidly changing. This year we've made slight adjustments to our risk profile. It's similar to last year's, but perhaps a bit more succinctly stated. We talk about risks to the policy and legislative agenda, to security and economic management, and other risks to PCO operations. We talk a bit about how we're going to deal with that.

Then the RPP takes us to the planning highlights of the PAA framework. In these highlights you will see the continuation of much of PCO's core work. You'll also see, in terms of what's new and notable, the work of the Business Transformation and Renewal Secretariat—my colleague Mr. Filipe Dinis is here today, in case you're interested in that—as well as that of the border implementation team. Of course, there are PCO's ongoing efforts to implement the strategic review that was announced in budget 2011 and the deficit reduction action plan, DRAP, announced in budget 2012.

The last thing I would note that's mentioned in our RPP, in terms of the overall plan, is that the Cohen commission of inquiry has concluded. I've already spoken about that in answer to Ms. Duncan's question.

Marc, did you want to speak a bit about the numbers?

• (1130)

**Mr. Marc Bélisle (Executive Director, Finance and Corporate Planning Division, Privy Council Office):** Yes. Thank you.

By the way, maybe just a little snapshot: as you see in our RPP, we had forecasted spending of about \$138.8 million in 2012-13. We're going down in 2013-14 to \$126.8 million.

Just to give you a quick overview of that difference, it's basically our strategic review cut. The third year of application is being put into full force. We have our second year of DRAP cuts. There's human smuggling. As we mentioned in the opening, at the time of the writing of the estimates the funding had not been confirmed for future years, so that was a decrease. We also had the RCC program, where we also had funding only for one year and not for future years at the time the estimates were prepared. Also, some of our eligible refundable salaries are a bit lower in future years.

As you know, in collective agreements there's a clause that people can have a choice, when they renegotiate collective agreements, to get the payout of their severance pay. We had a couple of prior years of some peaks when people did take their cash, but that will be going down in time. That's also being reflected in our figures.

There are smaller differences in future years. When you compare 2013-14 to 2014-15 and 2015-16, our differences are much smaller. If I only take 2013-14 to 2014-15, that's basically the budget 2012 cuts that are coming into play in the third year. That's the biggest difference. Then in the third year we have sunset programs, which will be the economic action plan and the border action.

That just quickly explains our financial situation.

• (1135)

**The Chair:** That's very helpful. Thank you.

I'm afraid that uses up all your time as well, Jacques. Thank you.

Next, for the NDP, we have Mr. Denis Blanchette.

[Translation]

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

I want to thank our guests.

My first question is about your forecasts. There is a small difference between the forecasts you presented at the beginning of last year and this year's forecasts. The actual spending was much higher.

What guarantee do we have this year that you will be closer to your forecasts than you were last year?

**Ms. Michelle Doucet:** Thank you for the question.

[English]

It's an excellent question. Forecasting is a practice that we and all Government of Canada departments take seriously. Every year we have a sense of the central battle rhythm of our operations. I spoke earlier about the core work of PCO not being fundamentally changed from last year over this year in terms of its essence to support the Prime Minister and the clerk and cabinet.

With respect to doing our best to adhere to forecasts, first we put together a plan for the year that also looks forward to their internal spending plans for the next couple of years. Marc and his team visit on a regular basis with all the folks who are in charge of what we call responsibility centres—the folks who manage the budgets within the department—to go over what they're planning to spend their money on: how many people are they going to hire, what's their planned staffing, will they have to travel to further the government's objectives, and will there be key gatherings of provincial, territorial, or international officials that need to be supported?

We put together a forecast based on that. We do that at the beginning of the year, and then we check in at a minimum on a quarterly basis. As the year progresses, that gets a bit more intense.

[Translation]

**Mr. Denis Blanchette:** I understand all that, as those are principles of healthy management, but some organizational history needs to be taken into account. Administration cannot be based only on sound management principles, as in your case. You also have to take into account who you are, what you do and your mandate. In addition, you said in response to another question that the context was complex.

If we look at your actual spending compared with what you had planned for this year, we see a reduction of 7.5% in adopted budgets, and that is a fairly significant drop.

Are you relatively certain you will be able to reach that target?

[English]

**Ms. Michelle Doucet:** I will begin with a bit of a bureaucratic answer, but I'm a bureaucrat, so I can say that.

**The Chair:** It isn't a dirty word.

**Ms. Michelle Doucet:** We always try to do our best, but particularly within the context of the PCO's complex environment, certainty is a bit elusive at times. We do take into account the behaviour of the organization more and more, and, as you say, the past historical context, particularly when we adapt quickly to new initiatives that are added mid-year. If a new priority arises in June, for instance, that would require the organization to adapt.

[Translation]

**Mr. Denis Blanchette:** Last year, I asked a representative of the Business Transformation and Renewal Secretariat what kind of results could be expected in the secretariat's case. At that time, I was told that it may be a bit too soon to speculate, since the activities were just beginning.

Has an initial report on those activities been produced? Can we see it?

• (1140)

**Mr. Filipe Dinis (Assistant Secretary to the Cabinet, Business Transformation and Renewal Secretariat, Privy Council Office):** Thank you for the question.

I will begin by letting the committee know that

[English]

the secretariat has a responsibility. One of its mandates is to provide policy and secretariat support to the priorities and Planning Sub-Committee on Government Administration. Over the last seven months or so, the committee has met approximately 13 times. The result of those deliberations was seen in the recent budget announcement wherein certain decisions were reflected in terms of efficiencies and cost savings.

I'll flag a few of them that were as a result of the deliberations of the committee, and in particular the reduction in travel costs across government, the increased use of video conferencing to enable that reduction to occur, and decisions around the centralized procurement of end-user devices.

There was also a targeted review—

[Translation]

**Mr. Denis Blanchette:** If I may, I would like to add a quick comment. It is common sense to use videoconferencing and rationalize expenditures. Did you go beyond that for the millions that have already been invested?

**Mr. Filipe Dinis:** Yes, all our actions have resulted in savings of about \$618 million over five years.

[English]

Those concrete decisions—for example, the travel reduction was approximately \$43 million per year in reduced travel costs—will be enabled and facilitated by an increase in vehicles like video conferencing, telepresence, etc., so there are concrete actions that will be taken to effect those savings.

**The Chair:** Mr. Dinis, I have to stop you there. Thank you very much.

Thank you, Mr. Blanchette.

For the Conservatives, Kelly Block.

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

I would like to welcome you to the committee as well. It's always good to get the testimony of individuals from the Privy Council.

My question will focus on the report on plans and priorities.



I note in your report on page 6 that you talk about other risks to PCO operations. You highlight the fact that, as announced in Canada's economic action plan, part of the government's agenda is to refocus government and its programs, and that in order to support this objective you will undertake several deficit reduction measures, including reviewing business processes across the department to achieve administrative efficiencies and redefining internal service levels accordingly. You go on to highlight a number of other things you will do.

In a previous appearance you talked about implementing deficit reduction measures, so could you tell us how that has impacted on PCO employees? Do you have any updates you could give us in that regard?

**Ms. Michelle Doucet:** I'd be pleased to do that. Perhaps I'll start with the impact on the Privy Council Office's workforce.

In my appearances before you in 2012 and 2013, I tried to keep you up to date as we were going through the WFA process. I was careful to caveat my responses with "this is ongoing" and "this is a snapshot in time". The last time I was here, I talked about some of the best practices we used to try to support our employees during that process. I'll talk about those a little bit again.

We are now at a point, one year into it, when I can give you I think quite a clear snapshot of what workforce adjustment has meant to us at the Privy Council Office. Of course our budget is mostly people, employees, so that's where we felt the greatest impact of our deficit reduction measures.

We began this last April. We told 141 employees in total that their jobs might be affected. That was over the course of the past year. Of those 141 affected employees, 79 of them received opting letters, or were offered career transition measures. This represents about 9.3% of the Privy Council Office's indeterminate population of public servants. Of those who received the opting letters—i.e., we're eliminating your job, and you now have the following options to choose from, with four months to make a decision—all but seven employees were either placed or left the government.

The remaining seven employees now have a legal surplus priority status with the Public Service Commission. They're being supported, on an employee-by-employee basis, by our human resources staff to find continued employment in the public service, because that's what they said they want to do. By October of this calendar year, all of those folks will either have been placed or will have left the public service.

As I said, we had a number of best practices. We had a special committee, with bargaining agents, to keep them up to date every two weeks. I chaired that committee and met with them. We also had an ADM-level champion to help folks—those who said "Look, I'd like to stay"—find jobs.

Finally, we had a plan for every person who got an opting letter on how we would support them. There was a plan for every employee.

I think, as a result of that, we were able to support folks well and keep conflict to a minimum. We only had three public service staffing tribunal complaints, all of which were resolved successfully through informal conflict resolution before they went to tribunal.

That's the people aspect of what it meant.

I believe there was another aspect to your question.

● (1145)

**Mrs. Kelly Block:** No, I think it was really about getting an update on how it impacted your employees.

**Ms. Michelle Doucet:** The last thing I would say, then, is that the numbers I have given you might shift a little bit, but minimally now. We're actually a little bit ahead of schedule, because folks who got the opting letters made decisions quickly. Many of them made decisions to take one of the options and to leave the government, or were able to find a job.

So we're ahead of schedule in terms of the impact on people, and we're now at a place where we're able to start to take stock and move forward.

**Mrs. Kelly Block:** Okay.

Thank you.

**The Chair:** Thank you, Kelly. I'm afraid your time is up. Five minutes go very quickly.

Next, for the Liberals, we have John McCallum.

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

I'd like to thank you all for being here.

To Mr. McArdle, your job is to arrange intergovernmental conferences. To my knowledge, in the last seven or eight years there has not been one formal first ministers conference.

I know there are others, but I would imagine that first ministers conferences require more effort and planning. Does this mean you've had a fairly dramatic reduction in your workload over the last...well, since the arrival of this government?

**Mr. André McArdle:** There has been a reduction in the number of conferences we've been serving. If we look, for instance, at 2005-06, that year we did 115. This coming fiscal year we're predicting about 70-odd conferences. But it's not necessarily due to.... There are circumstances that go beyond the policy of the federal government that have an impact on meetings. For instance, two years ago there were seven provincial elections, and obviously when that happens there is less intergovernmental activity.

We still do first minister-level conferences, but they're at the provincial-territorial level. We do the western premiers' conference, and we do the conference when the New England governors meet with the eastern Canadian premiers.

**Hon. John McCallum:** Thank you.

My next question is about the Business Transformation and Renewal Secretariat. I believe this is a relatively new addition to PCO. Does it fall under "Program Activity 1.3: Public service leadership and direction"?

**Mr. Filipe Dinis:** Mr. Chair, it is indeed a new organization. It was established in September of 2012.

The responsibilities fall under three different PAA structures, the first one being that the government's agenda and decision-making are supported and implemented. The second PAA structure it falls under is cabinet committees' advice and support, and the third one is public service leadership and direction. So there is a distribution among those three.

• (1150)

**Hon. John McCallum:** Thank you.

I notice that the public service leadership and direction budget has been cut in half, more or less, from \$4.5 million to \$2.4 million, or something like that. If at least a part of this transformation and renewal was added to that budget, that would mean an even bigger cut for the rest of the people.

I'd like to know, first of all, what is the budget of the Business Transformation and Renewal Secretariat? And what was cut to achieve that reduction, which looks as if it's at least 50%?

**Mr. Filipe Dinis:** Mr. Chair, I have a two-part response.

First, the budget for the 2013-14 time period is \$3.8 million.

The second part of the response is the fact that the whole budget for the public service renewal component was reflected in the third PA structure I referenced—public service leadership and direction. At the time, in 2012-13, because it precluded the creation in the main estimates, it was all reflected under that third PA structure. It precluded the creation of the organization, which came about in September.

As a result of the creation of the Business Transformation and Renewal Secretariat, there was a redistribution of the budget that previously was reflected in only one of the PA structures. So in essence there wasn't necessarily a reduction or a cut to the public service renewal envelope per se; it was redistributed among the other three.

**Hon. John McCallum:** I don't understand. The budget of public service leadership and direction was \$4.6 million in 2011-12 and now it's \$2.4 million, so a reduction of \$2.2 million, almost half.

My question is, what was cut?

**Mr. Marc Bélisle:** In part, the million dollars for public service renewal was moved. There is \$1 million that came out of PA 1.3, and that was moved to either PA 1.1 or 1.2. So out of that \$2 million you're talking about, there is \$1 million that is just for that.

On top of that, in our budget 2012 savings there was an initiative called the Canada-Australia exchange program, which was eliminated. That program was over \$500,000, and it was all in PA 1.3. There were some further little cuts in those areas.

But the bulk of the reduction is the move of the PA, because of the new structure of the BTRS, and the Canada-Australia program. Those are the two biggest elements of reduction for PA 1.3.

**The Chair:** John, I'm afraid your time is up.

Thank you.

**Hon. John McCallum:** Okay.

**The Chair:** Next, for the Conservatives, Bernard Trottier.

**Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC):** Thank you, Mr. Chair.

And thank you for coming in this morning.

I'm looking at the report on plans and priorities. We're in the business of supply today; we want to approve some estimates for the 2013-14 fiscal year, but I find that the report on plans and priorities is a more useful document if we're trying to ask strategic questions, in a sense. We can view three years back and three years forward.

Looking at the total reductions in Privy Council Office spending, we see 2010-11 at \$160 million and a steady trend going up to 2015-16 at \$119 million; these are nominal dollars, too. It's a pretty significant trend.

The lion's share of those reductions across that six-year period is really internal services, item 1.5, where I see spending going from \$55.7 million in 2010-11 all the way down to \$37.9 million in 2015-16. I want to understand something about the internal services. To what extent are some of those expenditures migrating to Shared Services Canada, for example? Does that mean there'll be some increase in expenses somewhere else within the overall function of government?

**Ms. Michelle Doucet:** Let me first of all define what internal services means to the Privy Council Office, and as the ADM for corporate services branch, I'm uniquely placed to do that. It includes finance, planning, HR, IT, information management...I'll just stop at information management for a bit, because at the Privy Council Office that includes all of the correspondence to support the Prime Minister, the portfolio ministers, and the department itself. Then it includes all of the record keeping, including the cabinet document system—information management. It includes the administration division, so it's in charge of the 16 buildings in which we are located, contracts, mail room, and of course access to information and privacy. Those are internal services, all of those areas that fall under my purview, plus at the Privy Council Office it includes legal services and security operations, which report up through other structures.

• (1155)

**Mr. Bernard Trottier:** If I could interrupt, these look like terrific numbers, by the way, for the Privy Council Office when it comes to expenditure management. I just want to get a sense of whether these are true bottom-line savings or if the costs are appearing somewhere else, in somebody else's estimate.

**Ms. Michelle Doucet:** They are true bottom-line savings for the Privy Council Office. I spoke, in an earlier appearance, about the transfer of our funds to Shared Services Canada, which I believe was in the order of magnitude of \$7 million, Marc, if I recall. That was at the April appearance last year on our main estimates where we transferred that money. That money is gone; the folks who are a part of that are gone as well. We have adjusted and we are carrying on. The other reductions you see, which I've talked about, come out of that.

When you look at the analysis of the multi-year reduction in the Privy Council Office's budget from \$160 million down to \$119 million, in addition to the reductions for strategic review and deficit reduction, there are transfers including that \$7 million for Shared Services Canada. But it also includes the completion of what we call the priorities of the government—so the Afghanistan task force money comes out of that, commissions of inquiry money gets backed out of that. As those projects are finished, that money gets backed out of it.

It's really a combination. The decrease is a combination of our deficit reduction efforts plus the conclusion of work on the government's priorities.

**Mr. Bernard Trotter:** There's a common theme here. For the Privy Council Office, and other departments, it's really been focusing on unnecessary duplication, various support services, doing things more intelligently based on 21st century principles, removing some of the silos that are in the organizations. Yesterday the President of the Treasury Board was in and described that phenomenon, and that's really been driving some costs out.

If I have some time, Mr. Chair, I'd like to ask specifically about the Beyond the Border initiative. You mentioned in the RPP that the costs are going to be falling fairly significantly in the next couple of years. Can you give us an update of why that is? I presume there are some good measures that have been implemented now. Is it finished? Obviously we want to have this reduction in friction to trade, to tourism, and to travel, and it just seems that it's really been implemented very quickly.

Can you give us a sense of where things are at?

**Ms. Michelle Doucet:** I'd be pleased to do so.

With respect to the Beyond the Border team, I will refresh your memory: the Privy Council Office sought \$1.3 million in the 2012-13 supplementary estimates (B), and we're seeking \$0.9 million for this year and another \$0.9 million for fiscal year 2014-15, for a total amount of \$3.1 million, or \$3.4 million, if you consider EBP. That money is going to be used for salaries, professional services, and travel.

There is a decrease in the funding this year. That's explained by the nature of the work and the support required. The first year of this work was a very big year for the team, because they had to get all of their proposals developed to implement the action plan and put through the approval processes—cabinet committee, cabinet, and agents of Parliament—for instance, conversations with the Privacy Commissioner around the privacy principles that were developed. They also had to do all the coordination with the American counterparts.

They've made tremendous progress on that. That progress is detailed in the December 2012 update, which is available online. This year, the decrease in funding is explained by a bit of a reduction in the workload. They got a small reduction in salary and consequential corporate costs and accommodation charges to reflect the change in the nature of the work, so I've talked about what they had to do that first year. This year there's going to be a need for ongoing coordination with the United States.

The focus for the Privy Council Office this year is going to be on supporting the lead departments in implementing the measures that have now received approvals. Also, as a result, travel costs will go down, partly because a lot of work got done this past year, but also because we're going to be using video conferencing facilities more efficiently.

• (1200)

**Mr. Bernard Trotter:** Thank you.

**The Chair:** Thank you, Bernard.

That concludes our first round of questioning. I'd like to ask one point of clarification on some of the testimony.

I'm still not clear how many FTEs took the buyout and left the public service and how many were transferred internally. Looking back a few years, to 2011-12, you had a component of 341 full-time employees. In 2013-14, your report on planning and priorities says 280, but by 2014-15, it's 251, and by 2015-16, it'll be 249.

I'm looking at "internal services". Is that the right terminology?

**A voice:** Yes.

**The Chair:** I'm unclear. You tried to tell us how many were given notice that their jobs might be made redundant. How many took a buyout? How many were relocated within the public service? It's not a savings to the government if the person is simply reallocated somewhere else in the public service, so how many left?

**Ms. Michelle Doucet:** I'm not sure what pages you are referring to, but I certainly could speak to the PCO numbers having to do with employees who were affected.

**The Chair:** In the interest of being clear, page 25 of your report on plans and priorities has a spreadsheet of human resources, FTEs. If we go back one year to 2011-12, it was 341, 280, 251, 249.

**Ms. Michelle Doucet:** I understand now. Thank you for that clarification. Those are the numbers of the employees in my branch only. We spoke earlier about making a significant number of cuts to internal services in the Privy Council Office. Those cuts have been implemented in my branch, so the size of my branch has gone down and will continue to go down as a result.

**The Chair:** I understand that, but we're looking globally. It's no savings if 40 people get transferred from your branch to somewhere else in the public service.

**Ms. Michelle Doucet:** I understand your question.

**The Chair:** Your costs go down, but the government's costs don't go down.

**Ms. Michelle Doucet:** I understand the question, and it has a two-part response.

The first part is that, both in my branch and across the Privy Council Office, the majority of the employees who received opting letters have left the Government of Canada. They chose the option to leave the Government of Canada, and they have left.

**The Chair:** What would be the number?

**Ms. Michelle Doucet:** I would be happy to get back to you with the specific number. But off the top of my head, of the 79 whose jobs were affected, we had about 12 who decided to stay with the government and were able to get jobs elsewhere. When I say “jobs elsewhere”, it’s meant after cuts. There were still jobs available with funding attached to them. So they weren’t new jobs; it wasn’t new money. There was a vacancy and they could be absorbed into the system.

There were also 20 other people who were able to alternate with people who wanted to leave the public service. I’ll use Marc and me as an example. Marc has decided he is going to work in the private sector, but his job is not affected. My job is affected and I don’t want to leave; I want to stay. So Marc and I say, let’s switch. The manager has to approve that, but we switch. The person who wants to leave, leaves, and the person who wants to stay, who is suited for the job and for which there is money, stays. We had about 20 people who did that.

•(1205)

**The Chair:** That’s helpful. Doing the math, then, about 67 people were laid off, to give you this reduction in cost of FTEs.

**Ms. Michelle Doucet:** Yes, and I’d be happy to give you the precise numbers around those. I’ll get back to you with those.

**The Chair:** That’s fair enough. Thank you.

Mathieu Ravnagat.

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

I’d like to come back to a question my colleague Linda Duncan asked you about advertising. What exactly is the PCO’s role in dealing with advertising? More specifically, do you have a say in content and content review? Do you approve content, for example?

**Mr. Ian McCowan:** The PCO role in advertising is set out in the policy. Ultimately, at the end of the day, for the government set-aside it’s a cabinet decision in terms of priorities. But to get there, we gather suggestions from around the government. In any given year, there could be departments that have something they want to pursue. We certainly provide advice headed into the cabinet decision-making, and we provide—

**Mr. Mathieu Ravnagat:** On content, on the actual message of the advertising.

**Mr. Ian McCowan:** The actual decision about programs and the frame of the content is ultimately a cabinet decision. But in terms of the details of how that looks in any given advertising campaign, sure, we give advice. We give advice on the full range of communication matters that the Government of Canada—

**Mr. Mathieu Ravnagat:** Presumably, this \$1.4 million of increase is because you’re expecting you’ll have to provide even more advice, and provide even more procedural support for new advertising coming.

**Mr. Ian McCowan:** No, it’s unrelated. Let me explain the context.

Almost all of the \$1.4 million is actually for the EAP website. It’s not related to the television advertising component at all. It’s for a small team that basically runs this website. The objective there is to try to—

**Mr. Mathieu Ravnagat:** Perfect. That’s all I needed to know. That’s a very clear answer. Thank you for that.

I’ll go on to my next question. Yesterday I was with the President of the Treasury Board and his staff. We got into a discussion about the difference between internal services, savings to internal services and savings to backroom issues. You’ve been asked to do your part. What’s your understanding of the difference between backroom savings and internal services savings?

**Ms. Michelle Doucet:** I spoke a few minutes ago about what internal services are at the Privy Council Office. Because we don’t have programs per se, we don’t have back-office costs associated with programs.

**Mr. Mathieu Ravnagat:** Can you tell me what you consider those back-office costs to be?

**Ms. Michelle Doucet:** In fact, I can’t, because I’m not involved with them; that’s why I’m not in a position to speak to them.

The only thing I will add is that back-office costs associated with programs would involve an element of internal services costs, because internal services costs are common to everything we do.

**Mr. Mathieu Ravnagat:** Okay.

[*Translation*]

Is there a correlation between the \$2.4-million increase for operational activities carried out by the Business Transformation and Renewal Secretariat and the cuts in the public service? I assume that, the more cuts are made to funding, the more need there is to readjust and plan the work involved. Is there a correlation?

[*English*]

**Mr. Filipe Dinis:** Mr. Chair, there isn’t a correlation. The \$2.4 million that is reflected are funds related to the creation of the transformation organization. There is no impact on the fiscal framework. This is funding that is coming from 27 or so departments. They’re making a contribution to the organization. It’s also a component of our budget.

Just to reiterate, there is no impact on the fiscal framework. It is a contribution, and it leads to our efforts in working with all departments in the federal public service in advancing the agenda of providing services to Canadians more effectively and more efficiently, and also looking for opportunities to find some savings in our operations in the federal public service.

•(1210)

**Mr. Mathieu Ravnagat:** Thank you. That’s good.

**The Vice-Chair (Mr. Peter Braid (Kitchener—Waterloo, CPC)):** Thank you very much, Mr. Ravnagat.

I actually have the next round of questions, so I will proceed from this position of supreme control.

I’d like to start with you, Mr. McArdle, if we could. You mentioned that with the Intergovernmental Conference Secretariat you’re helping facilitate 75 to 100 conferences per year. I presume these are conferences at the ministerial level, the deputy ministerial level, among bureaucrats across the country. There’s a lot of work going on under the radar screen, without the need for a photo-op necessarily.

Could you give us a recent example of some positive public policy change that has resulted from intergovernmental meetings that you've helped facilitate and organize?

**Mr. André McArdle:** Obviously the secretariat is involved in the process side. We are not involved in the results of the discussions, other than helping out with the communiqué. But if you're looking at the number of sectors that we do serve, and there are approximately 30 sectors of intergovernmental activity, a lot of it is in, for instance, energy, mines, with environment ministers, with agricultural ministers. There are many agreements that come out of these meetings. We are proud to be able to assist them in reaching those agreements by offering the necessary administrative support services to those conferences.

**The Vice-Chair (Mr. Peter Braid):** Very good. Thank you.

Madame Doucet, an element—formally or informally—of the PCO mandate is also intergovernmental relations. I'm curious to know whether the PCO and the intergovernmental secretariat complement each other as opposed to duplicate each other.

**Ms. Michelle Doucet:** Of these myriad preparations that I did to come before you today, I'm afraid I don't have that one in my little basket of tricks. It may be that Mr. McArdle is better placed to answer that question.

**Mr. André McArdle:** Thank you.

In light of the neutral and impartial nature of the secretariat, we do have a very efficient link with the Privy Council Office. For instance, I report to Parliament through the President of the Queen's Privy Council, not through the Minister of Intergovernmental Affairs. In essence, the message we wanted to send from the central agency is that there is that neutrality factor.

But we do complement each other. We are involved in process and they are more involved in the substance side of things with regard to intergovernmental strategy and relationships.

**The Vice-Chair (Mr. Peter Braid):** That's a very helpful clarification. Thank you.

Mr. McCowan, the EAP—the economic action plan—website portal sound like a very good and positive initiative, and one that perhaps consolidates and streamlines information across government departments. Could you elaborate a little on that and give some specific examples of the information that's provided to the portal?

**Mr. Ian McCowan:** Yes, I'd be happy to.

As you alluded, it's an attempt to consolidate and integrate information about programs, services, and initiatives that would otherwise be scattered across the government, to put it in one spot for citizens so they can effectively do one-stop shopping. We're talking about everything from apprenticeship grants to hiring credits for small businesses. There are lots of programs and initiatives out there, as you're aware. This allows citizens to go to one spot and see it all in an organized and integrated way. I was on the website yesterday in anticipation of today's appearance. To give a couple of other examples, they're featuring the volunteer firefighter tax credit and the Canada job grant.

Again, it's a question of trying to do it in a way...knitting together almost 40 government departments' worth of information. As I think

my colleague Michelle mentioned in her opening comments, it's about 275 programs, services, and initiatives that we're up to right now.

• (1215)

**The Vice-Chair (Mr. Peter Braid):** That's great. Thank you.

A final question, Madame Doucet, with respect to the important work that's happening vis-à-vis human smuggling. Could you elaborate on that particular initiative, the status, and some of the follow-on work that will continue?

**Ms. Michelle Doucet:** In my opening remarks I spoke about the decision that's been taken to continue to support for another two years the work of Ward Elcock as the special adviser.

Mr. Elcock took office on September 15, 2010, with an overall mandate to coordinate the government strategy in response to migrant smuggling. So what is he doing? He's been working with key domestic and international partners to coordinate Canada's strategies to prevent human smuggling. He's demonstrating Canada's commitment through engagement with foreign governments in transit countries, in particular, and partner states to facilitate those relationships and to facilitate cooperation.

He provides advice and recommendations to the national security advisor to the Prime Minister, Stephen Rigby, and implicated ministers in terms of advancing Canada's strategy. You might be curious which ministers are implicated: the Minister of the Department of Foreign Affairs and International Trade; the Minister of Defence, in his capacity as the minister responsible for the Communications Security Establishment; and the Minister of Public Safety, in his capacity as the minister responsible for the RCMP.

So together with those departments, Mr. Elcock essentially works to try to reduce the likelihood of boats showing up full of illegal migrants.

**The Vice-Chair (Mr. Peter Braid):** Thank you.

I have exceeded my time.

Madam Duncan.

**Ms. Linda Duncan:** Thank you very much.

I appreciate all the information that's provided—we're provided with information backwards and forwards—but I have to admit I'm still having difficulty going back and forth between the way you're reporting in your reports on plans and priorities, where money is allocated, and what your mandate is.

I'll give you an example. If I go back to page 10 of your RPP, you gave a really good summary, and under 1.4, "Commissions of inquiry", you say that's aligned to the government's outcome of transparent, accountable, and responsible federal government. So zero dollars are allocated for the next three budget years, obviously anticipating there will be nothing, because there's something allocated for everything else.

Yet when I go to page 17 of your RPP, you have a separate heading, 1.1.4, "Legislation, parliamentary issues and democratic reform", where it says you were carrying out a mandate on that, and yet I don't see any specific dollars allocated.

So my specific question on that is, in light of the recent decision of the Federal Court on the requirement to provide information to the Parliamentary Budget Officer, do you foresee that there might be some role for the PCO to be advising the various ministries under that mandate? I can't see clearly where money is allocated to that, but maybe it's somewhere in the budget. If so, and if there are PYs and money is allocated, can you tell me if you foresee...? Under that mandate for the PCO, would that be a role that the PCO would be doing across ministry advice?

• (1220)

**Ms. Michelle Doucet:** I will do part of the answer to your question. I am going to talk about the mandate of the Privy Council Office. With respect to numbers, I'll ask my numbers expert to jump in, as I always do.

I'm not in a position to speak about what the role of the Privy Council Office would be in response to requests from the Parliamentary Budget Officer. We, like other departments, take those as they arrive and deal with them on the face of them. My understanding is that there are none immediately before us at the moment, but when they arrive we will deal with them as a department, as the Privy Council Office, as do other individual departments.

**Ms. Linda Duncan:** So you don't provide cross-ministry advice on how to respond.

**Ms. Michelle Doucet:** No. The Privy Council Office would respond as its own department, the Privy Council Office per se, in the way that we did to his request in September. We put our response on our website.

With respect to your question, I think your question was around the number, the money, the funds allocated for 1.1.4?

**Ms. Linda Duncan:** Yes.

**Ms. Michelle Doucet:** I'll ask Mr. Bélisle to answer that question.

**Mr. Marc Bélisle:** Those funds are all integrated within our PA 1.1, in which, when we report, we always roll up all of these funds together. They are funds for that particular area, but they're all within the PA 1.1 that we're reporting on. It's all embedded.

**Ms. Linda Duncan:** Okay. The two don't quite seem to match up.

On 1.1.3, "Intergovernmental affairs", I've noticed that you provide that your role is professional non-partisan advice, support, and maintaining effective federal-provincial-territorial relations. I'm a little bit surprised that, in light of the two summits with the first nations, where there was an undertaking that there would now be a dialogue on a nation-to-nation level, it doesn't seem to fall under that. Is the PCO provided with no supervisory or advisory role in that direction?

**Ms. Michelle Doucet:** The Privy Council Office indeed participated vigorously in both summits. There were a number of places in the Privy Council Office that supported the Prime Minister in the most recent meeting in early January, including the operations secretariat, where the policy experts on aboriginal issues would be housed, including many people in my own branch, to support the meeting actually taking place, to facilitate it—everything from the room, to food, to access to the building.

**Ms. Linda Duncan:** Does it not seem appropriate that it would be listed as one of the orders of government that you do intergovernmental relations? Is it just a mistake that it's not included there?

**Ms. Michelle Doucet:** I'm not in a position to speak to the question of whether summits with first nations should be listed as having to do with specific orders of government, but I can assure you that the Privy Council Office took a whole-of-department integrated approach, including with Ian's folks, to support the Prime Minister in his very important meeting with first nations in early January of this year.

**Ms. Linda Duncan:** So are there dollars allocated for your continued role?

**Ms. Michelle Doucet:** We are using our existing operating dollars to do that. There were no incremental resources allocated. We were able to use the folks and resources we had on hand and to respond effectively, I believe and I hope, to first nations' needs and the Prime Minister's needs in this regard.

**Ms. Linda Duncan:** Thanks. That's all.

**The Chair:** Next we have Mr. Jay Aspin. You have five minutes, please, Jay.

**Mr. Jay Aspin (Nipissing—Timiskaming, CPC):** Thank you, Chair.

Welcome to our officials. I must say, as a new MP, that this is the first time I've had exposure to PCO work. You do important work; you do it very well. Congratulations. I'm impressed with the efficiencies you are creating.

My question is focused on communications about the EAP. I understand the communications for Canada's economic action plan are according to the communications policy of the Government of Canada. It's the PCO that is responsible for basically the advertising plan. I'd like to ask a few questions in that regard.

According to your numbers, \$1.4 million has been allocated for the economic action plan. I'd just like to ask how the requested funding of \$1.4 million would be used to communicate information about EAP.

• (1225)

**Mr. Ian McCowan:** The \$1.4 million is virtually all associated with the EAP website, and the majority of the expenditure is associated with the small team that runs the thing. The intent of the EAP website is to allow for effective, efficient delivery of information about a wide variety of program services initiatives from across government, to basically knit it together in one spot for Canadians so they don't have to look in lots of different spots. It's an efficient, one-stop shopping approach so that they can go and see what program services initiatives might be of interest to them.

**Mr. Jay Aspin:** Thank you.

How does this amount of \$1.4 million compare to amounts requested in previous estimates?

**Mr. Ian McCowan:** The EAP website was stood up in 2009–10. I can get precise figures to the committee, if that's your wish. I can indicate to you, though, that when it was first stood up, in the first year, it would have been slightly higher than the figure now, because the website was being established, but in subsequent years, when the thing was up and running, resource requirements have been lower.

I'd be happy to undertake to give you precise, year-by-year costing for the website, looking backward.

**Mr. Jay Aspin:** Okay. That would be helpful if you could get that for our committee.

Does the requested amount of \$1.4 million represent the full amount likely to be requested for the communications strategy in relation to EAP for fiscal year 2013–14?

**Mr. Ian McCowan:** It certainly does for the EAP website. As it came up in earlier questions, though, other strands of expenditures tie to EAP. For example, the EAP advertising is a separate component, and money has been allocated to departments, under that strand, for EAP advertising.

In terms of the website, this is the complete picture of the costing required to stand that up.

**Mr. Jay Aspin:** Thank you.

Apparently, when you last appeared before us, you told us about the mandate of the Business Transformation and Renewal Secretariat. Can you tell us about the work your organization has performed since your last appearance?

**Mr. Filipe Dinis:** The secretariat has indeed continued to provide advice and secretarial support to the Priorities and Planning Subcommittee on Government Administration.

Concrete outcomes of that activity and the deliberations of that particular committee were reflected in the recent budget, and I touched on some of those earlier this afternoon.

The second component we've been actively involved in is in supporting the clerk as the head of the public service, in setting the strategic direction guiding the overall management and renewal of the public service, which includes providing support to him in his development of his annual report to the Prime Minister.

We've also been very actively engaged in providing advice and secretarial support to the Prime Minister's advisory committee, which has recently released their annual report.

Lastly, we've been very active in monitoring developments and innovations in the public administration field and providing timely advice to the clerk.

**Mr. Jay Aspin:** Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. Aspin.

Next we will go to the ever-patient John McCallum.

**Hon. John McCallum:** Thank you.

Madame Doucet, you mentioned earlier the various subcomponents of the internal services. You said you went around your management table and their various components.

I'm sure you don't have the numbers here now, but could you provide us, for each of those subcomponents, perhaps the FTEs and the dollars, including up to the 2015–16 forecast? Would that be possible?

• (1230)

**Ms. Michelle Doucet:** My understanding is that you'd like to have a breakdown of the budget in my branch through to the years you have indicated.

**Hon. John McCallum:** Yes.

**Ms. Michelle Doucet:** If it's the wish of the committee, I'm happy to see what I can provide in that regard.

**Hon. John McCallum:** Thank you very much.

My next question is in reference to page 17 of the report on plans and priorities, which says:

In support of the deficit reduction measures announced in Canada's Economic Action Plan 2012, PCO will further integrate its intergovernmental affairs function within the department in order to maximize efficiencies and streamline operations.

I wonder if someone could explain what that means—what function? Does this include the Canadian Intergovernmental Conference Secretariat, or is this other things? What does that proposal mean?

**Ms. Michelle Doucet:** The Privy Council Office has undertaken in the past few years two tranches of deficit reduction measures. The first was our strategic review commitments, which were announced in budget 2011, and then of course the deficit reduction action plan. I highlight both of those because the work on transforming intergovernmental affairs began in the strategic review exercise. At that time the strategic review team within the Privy Council Office sat down and took a look at everything we do, and they asked, where are there opportunities for efficiencies and where are there opportunities for transformation? The intergovernmental affairs structure that was in place at the time was identified as an opportunity for a place for transformation.

One of the members spoke earlier about the problems that operating in silos can create, in terms of not only just efficiencies, but really getting the best policy advice possible. With respect to intergovernmental affairs, work began on looking at how to transform it to find efficiencies, but also to continue to deliver the best policy advice possible.

Some of that work began in the strategic review, and then it was really implemented in the deficit reduction action plan in budget 2012, when the intergovernmental affairs group, which had been a stand-alone secretariat before then, with two assistant deputy ministers, I believe, and reporting on its own to a deputy minister, was integrated further within the Privy Council Office, so that it sits in the plans and consultation secretariat and reports through to that deputy minister, who has a whole-of-government view as a result of the work he does in supporting the Prime Minister on cabinet committees. They are also able to leverage their relationships with colleagues across the Privy Council Office in a much more integrated way.

By doing that, they provide specialized policy advice to the Prime Minister, to the Minister of Intergovernmental Affairs, and to other ministers with respect to intergovernmental affairs. I believe that my colleague, Mr. McCardle, has outlined the process role that is done by his organization. While they're an important partner, that's not per se part of the Privy Council Office's work.

**Hon. John McCallum:** Did this change result in cost savings?

**Ms. Michelle Doucet:** Yes, it did.

**Hon. John McCallum:** Significant savings?

**Ms. Michelle Doucet:** Yes, there were significant cost savings as a result of that transformation.

**Hon. John McCallum:** Okay.

**The Chair:** John, you have 30 seconds.

**Hon. John McCallum:** I'll leave it then because what I have to say is more than that.

**The Chair:** What a great committee member he is.

We'll move on to Bernard Trottier.

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

Again, I'm looking at the report on plans and priorities. We talked about item 1.5 in the report, which is "Internal services". I'd like to focus my attention this time on item 1.1, which is "Prime Minister and portfolio ministers' support and advice".

If you look at the six-year trend, there's a healthy trend if cost containment is your objective. It's not nearly as dramatic as in other areas.

Drilling down into 1.1, there are a couple of items I want some clarification on. It's related to what's called in your report on plans and priorities "International affairs" and assistance for international affairs and security.

Obviously, the Department of Foreign Affairs and International Trade does a lot of work. I'm trying to understand the role of the PCO in assisting those efforts. As you know, there has been a big push within this government around international trade in particular. Is that something the PCO supports? We're the tenth largest economy with the 35th largest population. We can't just rely on our internal market, so we have this aggressive trade agenda. Would you describe that? I saw some mention of trade in your RPP.

• (1235)

**Ms. Michelle Doucet:** It would appear that today is my opportunity to actually explain the organizational structure of the Privy Council Office, and I'm really pleased to have the chance to do that.

There are a number of parts of the Privy Council Office that support the government's international agenda. Let me take you through them.

I'm going to begin with the national security adviser to the Prime Minister, who oversees a branch that includes the foreign and defence adviser to the Prime Minister, which is an ADM-level post, and another ADM, who work closely with the Department of Foreign Affairs and International Trade and also with CIDA to ensure that at the highest level those perspectives are integrated into

the overall PCO advice, through to the Prime Minister. Those are done bilaterally in briefings from the NSA and also from the foreign and defence adviser to the Prime Minister.

They're also done in an integrated way through the clerk, because the clerk, as part of his management team, also has deputy secretaries who are deputy-minister-level officials in charge of operations, which include the subcommittees to cabinet—the operations committee, the economic committee, and the social committee. A number of trade issues come up often through the economic subcommittee, so that deputy minister uses his staff to pull together those perspectives as well.

Another important piece of the work that PCO is doing, in terms of informing the international agenda, is of course the work with our American counterparts. We spoke earlier about the border team. There is, of course, the work of the other piece of the action plan, which was the regulatory cooperation council, to create efficiencies and eliminate irritants in relationships with Americans vis-à-vis trade.

**Mr. Bernard Trottier:** If I could then paraphrase somewhat, DFAIT has to do what it has to do, but the PCO assists by making sure there is a whole-of-government approach. Other parts of government are affected by things that are done in international trade.

**Ms. Michelle Doucet:** That's correct, so we certainly have no wish to get in the way of the individual mandates of departments. They do a terrific job at carrying out difficult mandates.

As you will appreciate, there is a need for the Prime Minister to have that whole-of-government perspective. A core part of PCO's work is actually to facilitate that cooperation and, when there are horizontal cross-cutting issues, to get senior officials into the same room to have the conversations that need to be had so that this integrated advice can be provided.

**Mr. Bernard Trottier:** In the RPP you mentioned international trade and security in the same breath. Those two things go together. Elsewhere in the RPP you talked about a decrease in spending related to the sunset of the Afghanistan task force. This was at the end of 2011-12. So there's a peace dividend, if you will.

Are there other things like that? When you look at the world today, there's no shortage of dangerous situations, and Canada seems to get involved. Would you say there is a peace dividend right now when it comes to Canada's involvement?

**Ms. Michelle Doucet:** I'm going to—

**Mr. Bernard Trottier:** Obviously, I'm not asking the Minister of National Defence right now. I'm asking the PCO, to the extent you get involved in these questions.

**Ms. Michelle Doucet:** In my capacity as the ADM for the corporate services branch of the Privy Council Office, I think I'll be a little bit careful about weighing in on the question of peace dividends. I will tell you that when I look at the nature and quality of the expenditure plan that's set out here in our RPP, it is evident that over the past few years we have put a lot of our resources into security priorities. I think it is for each member of the committee to decide what the outcome of that has been.



There continues to be quite an intense focus within the core function of the Privy Council Office, through the national security adviser, on security issues, domestic and global writ large. It is an approach that appears to be effective.

● (1240)

**Mr. Bernard Trottier:** Thank you very much.

**The Chair:** Thank you, Mr. Trottier.

Thank you, Madame Doucet.

We have time for one more round of questioning. I believe it will be divided between Mr. Ravnat and Mr. Blanchette.

[*Translation*]

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

I would like to come back to the spending projections—but by program. We talked about that overall, but you have a hard time controlling the costs of the program's two main elements—support and advice to the Prime Minister, the cabinet and the committee. We understand the strategic nature and the uncertainties involved in that. However, in your workforce projections, you continue to announce downsizing over the next two years. At the end of that period, you want to have 6% less staff in sectors where budgets are difficult to control.

How are you compensating for the loss of employees? Is there a significant increase in external contracts to address that problem?

**Ms. Michelle Doucet:** Thank you for the question.

[*English*]

Insofar as the question of how we will compensate for the reduction of employees by the Privy Council Office regardless of where it occurs, whether it's in internal services or whether it's in policy advice or communications advice, the approach of the Privy Council Office has been to do it in two ways. First, it is to find the obvious efficiencies where there's duplication and overlap, and we have found that in a couple of places. I talked earlier about the intergovernmental affairs piece—

[*Translation*]

**Mr. Denis Blanchette:** Yes, but I want to know whether you have been using external contracts more to help in that area.

[*English*]

**Ms. Michelle Doucet:** I think globally the answer would be no. The reason for that is because it's actually pretty tricky to hire external contractors to provide policy advice to the Prime Minister. We certainly use them on an occasional basis, but on the day-to-day advice, because of the sensitivity of the subject matter involved in advising the Prime Minister and the security clearances involved, insofar as it pertains to policy advisers, we're pretty careful about hiring from the outside.

Where we tend to rely more on hiring contract help is a bit in my world. The objective there will be to help with surge capacity. If we

have a write-in campaign to the Prime Minister on something, because I have made some reductions in my correspondence unit—

[*Translation*]

**Mr. Denis Blanchette:** Thank you very much.

I yield the floor to my colleague.

[*English*]

**Mr. Mathieu Ravnat:** To the good people who are here from the conference secretariat, could you tell me if the former Minister of Intergovernmental Affairs, Peter Penashue, ever directed you or the secretariat to any particular action during his tenure?

**Mr. André McArdle:** In that context, obviously, he was the Minister of Intergovernmental Affairs. For instance, he signed all our documents and that sort of thing, so basically we had this relationship with the minister's office. It was always very productive, and on occasion we briefed the minister on the situation within the secretariat.

**Mr. Mathieu Ravnat:** But did he direct you with regard to doing anything particular to change and to understand intergovernmental issues? Did he call for a conference? Did he—

● (1245)

**Mr. André McArdle:** No. There were no intergovernmental meetings of ministers during the time he was there.

**Mr. Mathieu Ravnat:** So you would characterize his time there as being mainly passive with regard to approving things that would come to him as minister?

**Mr. André McArdle:** “Passive” is a strong word. No, he would do what he was supposed to do, in the sense of being a minister responsible for signing the documents pertaining to my agency.

**The Chair:** I'm afraid that concludes your time, Mr. Ravnat. Thank you very much.

That is it for the rounds of questioning. We would like to express our appreciation to both the Privy Council Office and the Intergovernmental Conference Secretariat for being witnesses with us today.

As a committee, we're trying to do a more robust and thorough examination of the estimates. We find two things very helpful. I notice committee members referred to the reports on planning and priorities frequently, and also the new website launched by the minister recently, on Monday.

I have here pull-outs from that website, and aligned with the RPPs, they give us a fairly thorough overview of two years past, present to the estimates, and looking forward into the future. I think we are getting better at examining the proposed spending by the government through the estimates, and your testimony helped us a great deal, so thank you very much.

We'll suspend the meeting and go in camera for 15 minutes.

[*Proceedings continue in camera*]





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