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Chair

Mr. David Christopherson

Standing Committee on Public Accounts

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• (1100)

[English]

The Chair (Mr. David Christopherson (Hamilton Centre, NDP)): I now call this 67th meeting of the Standing Committee on Public Accounts to order.

Welcome, colleagues, to our hearing, and also welcome to our guests today.

First of all, welcome back to Mr. Byrne. You've been off on some personal matters. It's good to have you back, sir. Mr. Allison is joining us today, subbing in. We hope you have an enjoyable time with us today.

With that, we'll get under way. We're holding a public hearing on chapter 5, Oversight of Civil Aviation—Transport Canada, of the Spring 2012 Report of the Auditor General of Canada.

Of course, Mr. Ferguson is here today. I will welcome him and invite him to introduce his delegation. Then we'll go to Madam Biguzs, who is the associate deputy minister. I would ask her, when Mr. Ferguson has concluded, to introduce her delegation and then give us her opening remarks.

Colleagues, if there are no interventions, I will proceed with the hearing.

Seeing none, I pass the floor to you, Mr. Ferguson.

[Translation]

Mr. Michael Ferguson (Auditor General of Canada, Office of the Auditor General of Canada): Mr. Chair, thank you for this opportunity to discuss chapter 5 of our spring 2012 report, "Oversight of Civil Aviation-Transport Canada".

Joining me at the table are Maurice Laplante, Assistant Auditor General, and Lucie Talbot, Director, who were responsible for the audit.

The overall responsibility for aviation safety rests with the aviation industry. Transport Canada is responsible for developing and administering the policies, regulations and standards required for the safe conduct of civil aviation within Canada's borders. It is also responsible for overseeing whether aviation companies have complied with this safety framework.

[English]

We examined whether the department had risks associated with overseeing its civil aviation safety program. We focused on Transport Canada's surveillance of air carriers, aircraft maintenance organizations, and airports in the national airports system.

Transport Canada has made progress in adapting its regulatory framework to one based on safety management systems. It has moved to an approach that puts the onus on aviation companies to develop safety management systems in accordance with regulations. The goal of this approach is to allow for more consistent and rigorous surveillance of aviation companies' compliance with safety regulations.

While Transport Canada has implemented a regulatory framework that is consistent with international requirements, we found that in some cases it was taking a long time to address some emerging safety issues.

[Translation]

We found that some aspects of surveillance are working well. For example, the department has developed a standardized methodology to enable consistent inspections of companies' compliance with regulations across Canada.

This surveillance approach is consistent with the safety management system-based approach in the aviation industry, and inspections are carried out under the department's instructions. However, we found weaknesses in critical areas in how Transport Canada plans and conducts its surveillance activities.

We found that risk-based planning lacks rigour. The information for assessing risks used by Transport Canada to identify the high-risk aviation companies that should be inspected is not always available or kept up to date.

In addition, a minimum acceptable level of surveillance has not been clearly established to provide the necessary coverage of civil aviation companies.

• (1105)

[English]

In 2010-11, only about two-thirds of planned inspections were completed. That is significant, considering that only the companies and the operational areas with higher risks are to be selected for inspection in any given year.

Most inspections did not fully comply with the established methodology and were subject to little management oversight.

We found that inspection plans were prepared for 35% of the files we reviewed. In these plans, we found little information on the key tests necessary to ensure that the inspection would focus on the greatest risks. We also found that sampling plans were rarely prepared. Because there are no minimum requirements for documentation of work done and reporting of inspection results, the quality of the documentation varied significantly among inspectors and across regions.

We found that many inspections were carried out in 2010-11 by inspectors who had not received training on the new surveillance methodology. Completing training on time is important to help inspectors understand and apply the new surveillance methods. Otherwise, the department will not have the assurance it needs that aviation companies are complying with air safety regulations.

At the end of our audit, we found that about 65% of inspectors had completed the training on surveillance procedures.

[*Translation*]

Transport Canada has developed a national human resources plan for the oversight of civil aviation. However, the plan does not specify the number of inspectors and engineers that are needed, although the department agreed to provide these figures in its response to the recommendation in our 2008 report.

We found, as well, that Transport Canada lacks a quality assurance program to continuously improve its surveillance program. An effective quality assurance program for evaluating Transport Canada's surveillance activities would help management determine whether established methodologies are being followed.

[*English*]

Transport Canada plays a key role in helping to ensure that Canada's civil aviation safety framework meets minimum international safety standards. While Canada's safety record compares favourably with many other countries, any deterioration would have a significant impact on public confidence. This makes it critical that Transport Canada maintain a solid and effective regulatory framework for civil aviation safety, especially since the International Civil Aviation Organization has projected a significant growth in aviation until 2025.

The department's senior management needs to concentrate its efforts on ensuring that staff apply the approved methodology consistently and rigorously, that managers provide the necessary reviews and supervision, and that an effective continuous improvement program is put in place. Otherwise, Transport Canada will not have the assurance that the industry is operating in compliance with the regulatory framework for civil aviation in Canada.

[*Translation*]

Mr. Chair, we are pleased to report that Transport Canada agreed with our recommendations and expressed its commitment to implement them no later than April 2013.

In April 2012, Transport Canada shared its detailed action plan with us, and it appears to be sufficient if implemented. The committee may wish to review the department's action plan and explore the progress made to date to address the issues raised in this chapter.

•(1110)

[*English*]

Mr. Chair, this concludes my opening remarks. We would be pleased to answer any questions that the committee may have.

Thank you.

The Chair: Thank you, Mr. Ferguson.

Now we're over to Madam Biguzs. You have the floor.

[*Translation*]

Ms. Anita Biguzs (Associate Deputy Minister, Department of Transport): Thank you, Mr. Chair.

[*English*]

Thank you for the opportunity to speak with you on the Auditor General's 2012 review of the civil aviation program. With me today are two of my colleagues: Gerard McDonald, assistant deputy minister of safety and security, and Martin Eley, director general of civil aviation.

We take the Auditor General's report very seriously, as we did the 2008 report on the civil aviation safety program. Changing a surveillance program as significant as the civil aviation program is neither a quick nor an easy fix, and we've had to be strategic in how we prioritize our activities.

Following the 2008 report, we initiated measures to strengthen the civil aviation safety program, and we are continuing to build on those actions. Our efforts to strengthen the program led to producing "Improving Canada's Civil Aviation Safety Program: An Action Plan to April 2013", which positions us to implement the Auditor General's recommendations by the end of 2013, in addition to other priority areas we had identified.

[*Translation*]

The plan was provided to the Auditor General's Office, and a copy has been provided to committee members. In two weeks, the department will provide the committee with an update on the implementation of the action plan.

[*English*]

Putting the action plan to work has been a departmental priority this year, with focused attention from me and the deputy minister at the most senior levels of the department as well as from the departmental audit committee. I am confident that the progress we have made has strengthened the civil aviation safety program.

Mr. McDonald will now explain the status and the direction of the program.

Mr. Gerard McDonald (Assistant Deputy Minister, Safety and Security, Department of Transport): Thank you, Ms. Biguzs and members of the committee.

The civil aviation safety program has always focused on addressing the highest-risk areas of the sector, and we feel it has succeeded in improving aviation safety. In fact, in 2011 Canada recorded the lowest number of accidents for Canadian-registered aircraft since 1976. Statistics such as these reinforce the fact that Canada has one of the safest aviation systems in the world.

That said, there is always room for improvement, and the Auditor General's report provides us with valuable recommendations on how to strengthen the risk-based approach that we use.

[Translation]

Transport Canada is working to move away from a "one size fits all" approach, and to make its rulemaking process more responsive to safety priorities, while engaging the right people at the right time on the right issues.

By March 2013, the department will have a new process in place that will accelerate follow-up on significant safety issues raised by stakeholders.

[English]

The Auditor General recommended that Transport Canada conduct inspections according to established methodology and that staff receive all necessary training. I'm happy to report that we have reviewed and updated our surveillance procedure documentation, and we are now in the process of focus-testing these changes with our inspectorate to ensure it meets their needs.

A centralized surveillance information management system will be ready in December, along with associated user training to be completed by March 2013.

All inspectors have been trained to exercise their delegated authority as set out in the department's civil aviation training policy, and they have all completed updated training on new surveillance procedures. A needs analysis is taking place to determine if additional speciality training is required.

The Auditor General also recommended that Transport Canada clarify the information on aviation organizations used in developing risk profiles and surveillance plans. Civil aviation has introduced new tools, such as a risk indicator tool and accompanying employee training, which was launched in April 2012 and now provides a standardized approach to developing risk profiles.

We also have a surveillance planning tool that reflects a move from fixed surveillance frequencies to new risk-based surveillance intervals. Under the new approach, the frequency of planned inspections increases as risk increases. Combined with a five-year planning horizon, this allows resources to be allocated to the highest-priority enterprises while ensuring that all enterprises have a planned inspection schedule. The new planning tool is being piloted now, and the first full year it will be used is 2013-14.

Subsequent to the release of our action plan, civil aviation has focused in more depth on enforcement activities and has identified additional actions to strengthen this aspect of the program.

●(1115)

[Translation]

There is regular monitoring of overall surveillance activity at the national level. The national management team of the Civil Aviation Program reviews activity monthly to determine whether planned activities are being carried out and whether adjustments need to be made.

In his report, the Auditor General called for an internal quality assurance program. Now that work has advanced on key program areas, Transport Canada has developed quality assurance procedures and has prepared a comprehensive quality assurance plan, and implementation of the plan has started. This will ensure that our procedures are consistently followed and continuously improved.

[English]

Transport Canada has always ensured that civil aviation has an appropriate number of inspectors. Even during a time of overall public service downsizing, we are continuing to recruit inspectors to maintain the strength of our workforce. The Auditor General recommended that we identify the resources we will need to plan and conduct inspections under our new surveillance approach and develop a strategy to obtain them.

All this presents the obvious question: do we have an appropriate number of inspectors to fulfill our mandate? Knowing whether we have the right number of resources means knowing whether our resources are being allocated effectively and our surveillance activities are being carried out efficiently.

Given our understanding of the risk in the system, I believe we do have an adequate number of resources. To confirm this, we're using a more robust method to determine how to best apply resources in conducting surveillance activities. We're improving our understanding of whether the time we spend conducting individual inspections is appropriate and we are assessing whether we are assuming acceptable levels of risk.

[Translation]

In particular, the new approach to surveillance planning allows us to forecast the resources needed to meet unplanned surveillance activities, as well as to allow for planned surveillance needs, up to five years into the future.

[English]

We recognize that we need to continue to improve our program, which is why Transport Canada's civil aviation action plan to 2013 was developed and is now being implemented. The Auditor General's report confirmed that the issues we had identified and the actions we had begun taking were the right ones. We are confident that in the coming years our actions can fully respond to the Auditor General's recommendation and contribute to Transport Canada's strong risk-based aviation safety program. This will ensure that our aviation safety record continues to be one that Canadians can be proud of and have confidence in.

Thank you very much, Mr. Chairman, and members of the committee. We would be happy to answer any questions that you might have in this regard.

The Chair: Very good. Thank you all so much.

We will now begin our regular rotation of five-minute speaking slots, and we will begin with Mr. Saxton.

You have the floor, sir.

Mr. Andrew Saxton (North Vancouver, CPC): Thank you, Chair.

Thanks to our witnesses for being here today.

My first question is for the Auditor General.

Can you explain to us what Transport Canada has done since your audit to address issues regarding surveillance, and what is particularly working well in this regard?

Mr. Michael Ferguson: Mr. Chairman, we presented the audit in the spring; since then, we have received the plan that the department has put together, which, as I said in my opening remarks, seems sufficient if it is put in place.

However, we haven't done any audit work in terms of that plan, so I can't really provide you with any more details, other than the fact that we have received that plan. We have looked at it. It seems it would be sufficient if it's been put in place, but we haven't put it through any audit rigour.

Mr. Andrew Saxton: Thank you.

My next question is for Transport Canada. Can you take us through the action plan? What are the precise deliverables you've proposed and implemented to respond to the Auditor General's report?

• (1120)

Ms. Anita Biguzs: I'm going to open and then turn the floor over to my colleagues.

Just to give you a sense of how seriously we have taken this, we have a very rigorous process. We have a steering committee that meets virtually every two weeks, which I chair. We go through the action plan, which has identified a whole series of measures.

For example, in the surveillance area, we are moving to a risk-based approach. We've put in place minimum surveillance plans. We're improving our documentation, our guidance documents for inspectors. We've been on a cross-country regional outreach with our inspectors to make sure we get feedback from them in terms of being able to ensure that the guidance we prepare reflects their needs as we move to new approaches in how we do things.

As I say, we have a very rigorous process and are tracking timelines very carefully to make sure we're delivering.

I'll turn to my colleagues to walk you through the various initiatives we have identified in the plan.

Mr. Gerard McDonald: As Ms. Biguzs indicated, the plan is fairly comprehensive and comprises some 61 different management commitments we've made to improve the program.

Just briefly, here are some of the things we've done. We developed a new risk indicator tool to allow us to assess companies and the risk they pose to the system. We've refined and developed a national surveillance program that we're regularly monitoring to make sure our surveillance plans are keeping up to date and that we're not falling behind at all.

We've done renewed training for our inspectorate on the new surveillance procedures, so now they have all received that training. It's very important that we engage our employees, so we have a communication and engagement strategy with our employees to make sure they understand the program, how it works, and what we're trying to develop. We've updated the documentation for surveillance.

We've looked at our consultation model. We've been criticized for taking too long to implement regulations, so we're looking at the consultation model we use and how we can fast-track regulations when there are true safety issues. We've completed assessments of airports that had been lagging behind. We've provided additional guidance on surveillance and enforcement.

Also, one of the bigger issues is the reorganization of the entire directorate, which had been going on for quite a number of years. We are fast approaching completion of what turned out to be probably the biggest reorganization our department has ever had to face.

Ms. Anita Biguzs: Can I just add one final point?

The Auditor General also pointed out the issue of management oversight on our surveillance plans, and we have put in measures to enhance management oversight. In fact, senior management has to approve the surveillance plans. Senior management meets monthly and reviews the plans against what we're achieving in terms of actual inspections. Any deviations have to be signed off by supervisors.

In sum, we have ratcheted up the amount of oversight on inspection plans, the oversight on what we're actually doing and whether we're actually tracking against plans.

Mr. Andrew Saxton: Can you tell us how you are progressing with that plan? What percentage of the plan is complete at this stage?

Ms. Anita Biguzs: At this point, I'd say we're roughly at 75% or 77%. We are confident that by the end of March we will be at 99% complete. A lot of this is also continuous work. Now that we've been working on our quality assurance plan, we will be revisiting how we're doing to make sure we're actually achieving the results we say we're achieving. It will be an ongoing process.

Regarding the reorganization that Mr. McDonald referred to, we're confident we will have completed all of the job descriptions and have people in positions and whatever by the end of March. That should be about 99% completed, again. We're confident that we are tracking this. We're meeting regularly on it to make sure we are delivering and meeting our commitments.

Mr. Andrew Saxton: Thank you.

The Chair: Very good. Thank you so much.

Now we will go to Madame Blanchette-Lamothe. You have the floor.

[*Translation*]

Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP): Thank you, Mr. Chair.

I would like to thank all our guests for being here and providing us with so much recent information and documents that help us with our study on this subject.

Mr. Ferguson, I would like you to tell us again why you think it is essential to act quickly to deal with threats to civil aviation safety, as you wrote in your report. Why is it essential to respond quickly?

• (1125)

[*English*]

Mr. Michael Ferguson: Certainly it's important for the department to act quickly on these types of issues, Mr. Chair, to maintain public confidence in the whole aviation system. That is fundamentally the reason that it's important to act quickly.

[*Translation*]

Ms. Lysane Blanchette-Lamothe: Thank you.

I do not know whether Mr. Ferguson or Ms. Talbot could tell me what similarities there are between the 2008 recommendations and the 2012 recommendations, or between the concerns identified in the 2008 report and the 2012 report.

[*English*]

Mr. Michael Ferguson: I will ask Ms. Talbot to deal with the similarities between the two reports.

[*Translation*]

Ms. Lucie Talbot (Director, Office of the Auditor General of Canada): In 2008, our office studied the transition to the safety management system. That was not what was done this year. In 2012, we did a report on how Transport Canada was overseeing civil aviation in Canada.

Our 2008 recommendation was reiterated in 2012. In 2008, we had recommended that the department identify how many inspectors and engineers it needed during and after the transition, and the skills they should have. This recommendation was also made in 2012.

Ms. Lysane Blanchette-Lamothe: So that was because the recommendation made in 2008 had not been....

Ms. Lucie Talbot: ...acted on.

Ms. Lysane Blanchette-Lamothe: Thank you.

Mr. Ferguson, you say that the action plan appears to be sufficient if implemented. I would like to make one thing clear. Are you saying

that the Standing Committee on Public Accounts cannot say at this time that the action plan is a complete response to the recommendations in your report, or that everything has been done and the problem has been solved? Can you confirm that, for now, there is a worthwhile plan, but the committee cannot say that this plan is a complete response, until proved—

[*English*]

Mr. Michael Ferguson: Mr. Chair, at this point we've received the action plan and, as I said, it appears to be sufficient, but we haven't done an audit on the action plan. We haven't done an audit on the work that was done, so I can't say for myself whether the action plan has solved all of the issues. That would require us to do another audit and then report that audit back to this committee.

[*Translation*]

Ms. Lysane Blanchette-Lamothe: You are advising the committee to study the action plan, the progress made and implementation of the plan. I imagine you would maintain that. Do you have details to suggest to the committee, or something specific it should study, in that connection?

[*English*]

Mr. Michael Ferguson: Really, what we were suggesting is that today you have the opportunity to hear from the department to get the details of their action plan and to hear from them about their timeframes and how they are going to go about implementing the plan. What we were suggesting in the opening comments was that today is a good opportunity for the committee to get that information from the department about what the action plan is and how they're going to go about implementing it.

[*Translation*]

Ms. Lysane Blanchette-Lamothe: Thank you.

I have one final question for Ms. Biguzs or Mr. McDonald.

You said the department was going to do an update on implementation of the action plan and report to the committee on the update in two weeks. Are you talking about this committee, the Standing Committee on Public Accounts? Does the two-week time frame still apply? How do you intend to make that report, with what type of information and documentation?

You also talk about objectives to be achieved in March and April 2013. Do you also intend to report to the committee once we reach the spring 2013 deadline?

[*English*]

Ms. Anita Biguzs: We shared the plan with you yesterday, and you'll see that the plan is actually dated April. Our intention is to give you an update on some of our milestones and target dates—things we've already completed, things we are going to be completing in September, October, and December. We can update you and tell you where we are in achieving the milestones that we set out in that document. We still have dates that are further out, taking us into the early part of the new year, so we would be pleased to update the committee at the end of the fiscal year to give you a sense of where we stand.

We believe that we're at about 75% to 77%. Many of the initiatives we're working on were begun in response to some of the issues that the Auditor General identified in 2008, so in that sense we had a foundation and we weren't starting from scratch. We've been building on these things. I think that's why we feel we're quite well positioned to make some of the necessary changes in our systems, our procedures, our training, and our documentation.

We'll be happy to share another progress report with the committee at the end of the fiscal year or the beginning of the new fiscal year to give you an update on whether we've accomplished what we said we would do.

• (1130)

The Chair: Very good. Thank you.

Time has expired.

Mr. Kramp, you have the floor.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thank you, Chair, and welcome to our visitors today.

Mr. Ferguson, you mentioned in your report that Canada compares favourably with many other countries in its aviation safety record. Could you give us a perspective on what you have for comparables and how you arrived at that deduction?

Mr. Michael Ferguson: I'll ask Ms. Talbot to respond to that.

[*Translation*]

Ms. Lucie Talbot: Mr. Chair, in our chapter, at point 5.1, it says:

Statistics from the International Air Transport Association show that North America has one of the safest aviation industries in the world.

As exhibit 5.1 says, the number of accidents in 2009 and 2010 represents the lowest accident rate in the last 10 years.

[*English*]

Mr. Daryl Kramp: Thank you very much.

I'd like to pose a similar question to our officials from Transport.

Obviously it's a competitive world out there, with global demands and responsibilities, and it's imperative to have a safety record that's up to par. A good record is one of the marketing tools for Canada and our carriers, and we'd like to exceed the expectations and demands. I'd like your perspective on how we compare with global carriers around the world. Are we near the top? Are we at the bottom? Are we somewhere in the middle? Can you give us a broad perspective on that?

Ms. Anita Biguzs: Canada is very highly regarded in respect of the safety of our systems. The move to safety management systems, which the International Civil Aviation Organization is promoting globally, is built on a lot of the work that Canada initiated. We're trying to change the culture to make industry more proactive in identifying risks before incidents happen. Globally speaking, Canada is seen very positively, but I'll turn to my colleagues and let them speak to this point.

Mr. Gerard McDonald: Unfortunately, a country-by-country comparison is not something we have available to us. IATA amalgamated all of North America in those safety statistics. However, our accident rates have decreased by 25% over the past

10 years or so, and I would be quite confident in saying that Canada is among the world's top countries in aviation safety.

Mr. Daryl Kramp: Thank you.

I have another question, but before I get to it, let me take this opportunity to commend Transport Canada. That's rare from this committee, frankly, because we generally deal with problems and situations, and it's unusual for a department to be absolutely proactive in dealing with a problem, not only during an audit but before, and having a handle on the whole situation. Quite frankly, it gives me, as a member of this committee, a bit more confidence that we're going to see an action plan that will have deliverables that will be recognized, and in a timely manner, so I thank you for your work on the file. It is reassuring not only to this committee but to the travelling public.

I'll come back to the Auditor General. You've obviously done a pretty intensive SWOT analysis on this. It's great if we can build on the strengths and then make recommendations for our weaknesses.

If you were to pick out a couple of strengths that we can build upon—whether the process that Transport is undergoing now or other things—what are we doing correctly that we can build upon?

If there is a major, glaring weakness, what should we be addressing as an immediate concern?

• (1135)

Mr. Michael Ferguson: In general, I would characterize the audit—and remember that this is at the point in time that we did the audit and reported on it, and things have happened since—by noting that the department had put in place a system that was consistent with international standards, and that was a good thing. At the time of the audit they had put in place such things as some manuals and procedures that seemed to be complete, so at that general framework level, we found that things were in pretty good shape.

We found issues in the implementation of the framework: the training wasn't complete, the documentation wasn't always consistent, the management oversight wasn't always there. Really, it was more a matter that overall we found the framework was all right, but that there were problems in many areas of the actual implementation.

Mr. Daryl Kramp: Thank you very much.

The Chair: Thank you.

Now we go on to Monsieur Giguère.

You have the floor, sir.

[*Translation*]

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Thank you, Mr. Chair.

The Auditor General's current report said that Transport Canada was not adequately managing the risks associated with oversight of its program based on self-regulation by the companies. That comment had been made before, in May 2008.

This makes twice that you have been told the same thing about risk assessment. What is the value of the self-regulation program if there is no compliance audit?

[English]

Ms. Anita Biguzs: Mr. Chair, I can assure the committee that Transport Canada provides oversight and does oversight over the industry. The industry is not self-regulated; Transport Canada is the regulatory authority.

Some of the changes we made in moving to safety management systems were basically to make sure that we had a more proactive, robust industry that put in place systems that would identify risks before they became incidents. Our role is one of assessing whether those systems meet our Canadian regulations.

As well, we not only assess the systems of the operators; we also undertake inspections. We do what we call “program validation inspections”, which are broad and comprehensive inspections in which we have a multidisciplinary team of inspectors. We also do process inspections and we do sampling, so we still do regulate.

[Translation]

Mr. Alain Giguère: The problem is that the same Auditor General's report says that the number of inspectors and engineers the department needs in order to carry out its program has not been identified. It also says that only 67% of inspections are actually done in the general plan, and that of that percentage, only 35% of them follow the new methodology.

Will Transport Canada have the necessary resources to remedy this situation in the climate of budget cuts? Keep in mind that the human resources plan is already insufficient and that the department has not responded to the recommendations regarding human resources shortfalls that the Auditor General had already made in the 2008 report?

[English]

Ms. Anita Biguzs: Mr. Chair, in response to the question, what we have put in place in Transport Canada is a risk-based process. In terms of undertaking surveillance, it's a recommendation of the Auditor General's report that we should ensure that we're focusing resources in the areas in the highest risk.

As part of that process, we have established a risk-based surveillance process that is using risk indicators and looking at risk exposure to plan surveillance. We are developing five-year plans. All companies will be inspected regularly. Higher-risk companies will be inspected more frequently than lower-risk companies. This is consistent with a risk-based process and in fact responds to what the Auditor General had recommended.

I don't know whether you want to add to that, Gerard.

• (1140)

Mr. Gerard McDonald: No. I think you hit all the major points.

It's important to note that what the Auditor General pointed out was that we weren't appropriately overseeing our plans and making sure that we followed through on them. Since that observation, we have implemented more rigorous planning and oversight of our inspection procedures and will ensure that we stick to them.

[Translation]

Mr. Alain Giguère: Yes, but the Auditor General had already said that you had never clearly stated how many inspectors you needed. He pointed that out in 2008 and in 2012. In your report for 2013, it is still not stated. His 2008 report referred to 890 inspectors. We know that is not enough inspectors. You say in your report for 2013 that you have 799 inspectors. Although you have lost 100 inspectors, you say you can do all the inspections. And yet with 100 more inspectors, you were completing only 67% of your mandate, and of that 67%, only 35% of inspections complied with your general plans in this area. There is a human resources problem.

[English]

Ms. Anita Biguzs: Let me open, Mr. Chair, by saying that we haven't reduced the number of front-line inspectors. In fact, we have more than 880 inspectors. We've made sure, despite having to look at some administrative—

[Translation]

Mr. Alain Giguère: Excuse me, Ms. Biguzs, but the figures I gave come from your own documents. The 799 figure is at page 39 of your report, and the 890 figure is cited at point 3.38 of the 2008 report. I am relying on the information you have provided to us. These are not figures I am making up. You have lost 100 inspectors.

[English]

Mr. Gerard McDonald: I'm sorry; I can't locate the number you have quoted in the report, but what I suspect you're doing is using two different numbers: one is the number of inspector positions we have, and the other number is the actual number of inspectors on staff.

We still have the same number of positions, but as with any organization that large, there is a regular turnover of employees—people retiring, people moving on to other jobs, and what have you. The total number of positions is never fully filled, because as soon as you fill one, someone else may retire or move on.

Our occupancy rate is somewhere in the high 80% range right now, and we're doing everything we can to bring us to full staffing, but the number of positions at Transport Canada has not changed. We continue to have 881 inspectors in our A-base.

The Chair: Thank you. Time has expired.

We go over to Mr. Shipley.

You have the floor, sir.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you very much.

I'd like a quick clarification, just to help.

In the Auditor General's report, Mr. AG, in April 2012, you said Transport Canada shared its detailed action plan with you and that it seems to be in place. Transport Canada's response says they are hoping to be positioned "to implement the Auditor General's recommendations by the end of 2013". The Auditor General's report says there's a commitment to implement them no later than April 2013.

I think there are two components to this. Maybe you can help us understand a little bit why we have April 2013 and then "by the end of 2013".

I'll go first to the Auditor General and your report. This is in paragraph 15, Mr. Auditor General. Then in the Transport Canada response, it's on page 2, where it says they hope to implement the Auditor General's recommendations by the end of 2013.

• (1145)

Mr. Michael Ferguson: I'll ask Mr. Laplante.

Mr. Maurice Laplante (Assistant Auditor General, Office of the Auditor General of Canada): Thank you, Mr. Chair.

The information we provided in the report is based on the information the department provided to us at the end of the audit, so it is based on the action plan the department provided to us in April 2012. The proposed calendar for almost completed implementation was the end of April 2013.

Mr. Bev Shipley: Maybe Transport Canada can just talk about what was in your presentation.

Ms. Anita Biguzs: Mr. Chair, in our plan, which was very ambitious and consists of a number of different measures in a number of different areas, we basically set ourselves target dates in terms according to our capacity and how quickly we could work through some things, setting priorities.

We certainly have, as I say, set ourselves largely the April 2013 timeframe to deliver. There will be some initiatives that will continue on, as I was saying earlier. An example is the quality assurance program to ensure that we apply continuous improvement in what we are doing. If we have to make some adjustments, whether it's our procedures or our surveillance planning, we will build that in, but we have set ourselves a milestone of trying to conclude the majority of our action plan measures by April 2013.

Mr. Bev Shipley: Just so the public will clearly understand, we've had the 2008 report and we have the one that we're looking at right now, but in terms of Canada's safety in aviation, we recorded the lowest number of accidents in modern aviation history.

I want to make certain as we get into a time when people are going to be travelling a lot that we know that Canada's system, if you are going to fly in Canada, is one of the safest, if not the safest, in the world. We can always have improvements, and we're now asking for a response; both have said they will come back and talk about where they are at and how they are going to get to the end fairly quickly, because there has been a fair bit of work done since the report was actually commissioned.

I think what we're trying to do here is to make sure, as aviation continues to grow, that it is a safe way in Canada to travel. How do we know that we are actually going to be able to keep up? This goes to Transport Canada: how do we make sure that we keep up with that growth that we see in aviation, not only with the planes but also with the monitoring of the airports?

Can you give confidence to us that you are going to be able to meet the requirements they have with the number of inspectors and what those inspectors are required to do at the airports and with the aviation companies?

Ms. Anita Biguzs: Mr. Chair, the move to safety management systems, I think, is certainly a move to try to address what we know is growing volumes in the industry.

As I was mentioning, the idea is that we put a lot of onus on industry to be systems-based, to put in place systems that are proactive in identifying risks. Our job is also to assess those systems that carriers and operators have in place to make sure they meet our regulations, and we use a risk-based approach.

The work that we've been doing to address some of the gaps or the weaknesses that the Auditor General has identified was intended to help to focus us those efforts on making sure that we have the tools and the documentation and the consistency across the system, and that our inspectors, from one region to another, have the guidance they need in terms of implementing the plans and doing the inspections.

Mr. MacDonald, do you want to add to that?

Mr. Gerard McDonald: I think it really is a matter of us working in partnership with the industry and making sure that we both undertake to improve the safety culture in the system.

That indeed was one of the major driving forces at Transport Canada in moving to a systems-based approach to regulation, to make sure that the carriers played their part in ensuring the safety in the system while at the same time allowing ourselves adequate oversight of the system to ensure that if any intervention is needed, we take it, we take it quickly, and it has the desired effect.

• (1150)

Mr. Bev Shipley: Thank you.

The Chair: Thank you. Your time has expired.

Now we go over to Mr. Byrne. You have the floor, sir.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Thank you very much, Mr. Chair.

Mr. Ferguson, you noted in your report that there are 5,000 aviation companies operating within the Canadian jurisdiction that are subject to federal oversight as part of Transport Canada's civilian aviation authority, that are its responsibilities.

Mr. Ferguson, you also noted that only the highest-risk companies within the Canadian jurisdiction are targeted for on-site surveillance of safety management protocols and inspections at the hanger level. Based on your notes, can you inform the committee how many Canadian companies are categorized by Canada's civil aviation authority as high-risk companies?

If that information is not available to you through your notes, may I ask the associate deputy minister?

Ms. Anita Biguzs: Mr. Chair, I'll turn to my colleague, but I will just open by saying that the risk-based process that we have put in place is basically looking at risk indicators, criteria—

Hon. Gerry Byrne: With all due respect, I understand that. I'm asking a very specific question. Only Canadian civil aviation companies that are deemed as high risk, according to the Auditor General's report, are subject to on-site surveillance and inspection at the hanger level.

How many Canadian aviation companies are deemed high risk?

Mr. Martin Eley (Director General, Civil Aviation, Department of Transport): I'm not sure I have the specific numbers.

I would like to clarify that the comments made by the Auditor General were appropriate in the sense that we were not managing it well. A lot of work that has gone on, particularly in the last year, was to put in place a consistent approach to make sure that all companies are managed according to risk across the country in a consistent way, so I believe that we have a much better plan.

Hon. Gerry Byrne: That's not my question, though. I appreciate your discussion around it, but it's not the discussion.

I would have come to a parliamentary committee with that information if I were reviewing an Auditor General's report on civil aviation and had noted that only high-risk companies are actually inspected by Canada's civil aviation authority and that only two-thirds of the number of inspections that were designated to occur actually occurred. It is a piece of information that Parliament should have available to it.

The second piece of information—I'll move to the next issue—that Parliament should have available to it is the national human resources plan for civil aviation oversight. As a human resources plan, that was promised in 2008. I understand it has been somewhat partially provided; however, as the Auditor General pointed out, the plan does not specify the number of inspectors or engineers that are needed to do the job.

May I ask Transport Canada, through you, the associate deputy minister, if you will provide Parliament with an updated national human resources plan for civil aviation oversight that includes specific numbers for inspectors and engineers, as per the Auditor General's findings and recommendations on that human resources plan?

Ms. Anita Biguzs: For the first question, I think I will turn the floor to Mr. McDonald and Mr. Eley.

Do you want to respond to that, please?

Hon. Gerry Byrne: Madam, with all due respect, you are the lead here for Transport Canada. I need to know if you will update that plan. Will you commit to this committee to updating that plan, to

providing it? I need to hear that from you as the senior here at the table.

Ms. Anita Biguzs: Mr. Chair, we do have a human resources plan for civil aviation. We have updated it. It's updated regularly.

In our view, we feel that we do have a sufficient number of inspectors to perform the functions—

Hon. Gerry Byrne: What is that, number then? What is the sufficient number?

Ms. Anita Biguzs: We have 881 inspector positions—

Hon. Gerry Byrne: Is that a sufficient number?

Ms. Anita Biguzs: As Mr. McDonald was saying, because of things like people retiring and attrition, we are even currently now in a process of always looking at recruitment and hiring, trying to make sure that our complement is fully achieved, but we feel that the number we have—880 inspector positions—is sufficient for us to be able to meet the requirements of the program.

• (1155)

Hon. Gerry Byrne: Has the Department of Transport and the civil aviation authority provided the Parliamentary Budget Officer with any information regarding budgetary cuts to that particular function, specifically to the inspection function, in the number of personnel? Have you provided that to the Parliamentary Budget Officer?

Ms. Anita Biguzs: We have responded to the request of the Parliamentary Budget Officer, I believe, as every department has, in terms of the information requested with regard to the reduction measures.

Hon. Gerry Byrne: What did you report to the Parliamentary Budget Officer in terms of the civil aviation authority for cuts?

Ms. Anita Biguzs: We reported based on our organizational structure. It was not down at the level of the civil aviation program, but I can certainly say, as I think I indicated already, Mr. Chair, we have not reduced any front-line inspector positions in the civil aviation program. There have been some reductions to the program, but these reductions have been done through things like administrative measures, such as streamlining the accounts payable processes.

We transferred some \$1.9 million to Shared Services Canada for IT services. We consolidated certain administrative functions. We've reduced some travel expenditures and professional services. While there have been reductions in the civil aviation program as part of our deficit reduction measures, it has not impacted front-line staff. We have not reduced any front-line inspector positions. It has been done through, as I say, administrative measures and streamlining.

The Chair: Thank you.

Sorry, time has expired. You'll have one more opportunity, Mr. Byrne, in the second rotation.

Mr. Dreeshen, you have the floor, sir.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you, Mr. Chair, and thank you so much to our guests for being here today.

I'd like to expand the discussion on the safety management systems. As someone who flies hundreds of hours a year, I do thank you for the safety record we have.

When I look at the report you have presented to us, on page 12 you are talking about our position in the world and things we're dealing with. It says:

The department was later recognized as an early SMS implementer by ICAO. ICAO is now implementing SMS Standards and Recommended Practices (SARPs) globally, and the close working relationship with ICAO has ensured that...

Then there are a bunch of other acronyms that are associated with that, but basically we are talking about it exceeding the standards that there are globally, and basically that it was a model of what we could expect to see.

I'm wondering if you could expand a little bit on that. I'd like to know as well if this audit, to your mind, offers insights into the utility of the safety management approach used by civil aviation oversight.

Mr. Gerard McDonald: The audit itself doesn't assess the utility of safety management systems, but I think I can quite readily state that safety management systems are accepted worldwide as a best practice, not only in the aviation industry but also elsewhere in the transportation industry. It's used in the shipping industry. We have it in the rail industry as well, and in other industries. It actually started with the chemical industry, subsequent to the Bhopal disaster in India.

It's definitely seen as the most progressive way forward for improving safety and improving safety culture.

Mr. Earl Dreeshen: Could you expand as well on the goals and the intentions so that people really recognize what the system is about, how you are able to monitor what is happening, and the benefits that exist because of the SMS?

Mr. Gerard McDonald: I think the best way to describe a safety management system is to say it's a way of forcing operators to develop a system to ensure they are meeting a regulatory requirement.

When I'm talking about this, I often use a very basic example of, perhaps, a taxi company. We might have a regulation that says the brakes on your taxi have to be a minimum of five millimetres thick. In the past we might have been able to ensure that by taking off the

tire and looking at the brakes all the time. With a safety management system, what we would do now is to say to the operator that you have to have a system in place to ensure that your brakes never reach below that level of thickness. We would go into his organization and say, "Show us you have the system developed, that you inspect your brakes at a given interval, and that you have it inspected by a person who is duly qualified", and we would check all those records. We might even take off the wheel and look at the brakes while we're there, simply to make sure that everything falls into place. If we see anything that is out of place, that gives us an indication that maybe we have to dig down deeper into the system to see what the problems might be.

The other advantage of a safety management system is that it's incumbent upon the company, if there are deviations in their plans from what they're supposed to be doing, to come up with a plan to improve it and to convince us that the plan they're presenting will truly meet the requirements of the regulations.

I don't know if you want to add anything, Martin.

● (1200)

Mr. Martin Eley: I think the example is a very good one.

The emphasis is on being proactive. In the past the systems were reactive: operators would react to a problem, and we would also react to that. When it came to our level, our expectation is they're proactive in managing safety along the lines of what Mr. McDonald just explained by way of example, to look for problems and to identify solutions so that, generally speaking, they're generally ahead of the problems.

The research basically shows that by doing that, you deal with all the little things. Hopefully, they'll never build up to the point where you get a critical situation. In the past, that level of attention was not being paid to details on a regular basis. The industry people who get it really make a huge difference to us in terms of their performance.

Mr. Earl Dreeshen: How is the stakeholder uptake in this? Are you finding that you have some industry-wide programs that are expanding, and that there's improvement on a year-to-year or a month-to-month basis? How are the industry and the stakeholders associated with it tying into the system?

Mr. Martin Eley: Where it's already been applied in the sectors, we've had feedback. The companies recognize that it's good for business as well as good for safety. Things like workers' compensation have had relief from payments for a couple of years because their workplace safety has gone up.

If you generally improve the culture of an organization, that gets reflected in other areas, not just in the aviation side. As for the sectors that are not yet regulated, some of those are already asking us to move forward because they do believe it's the right thing. They've seen how it works and they're ready to move forward in some areas. We believe that the industry supports the notion. They just want to make sure we get the right type of solution.

The Chair: Sorry, time has expired. Thank you.

We are moving on to Mr. Ravnat.

You have the floor, sir.

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

Thanks for the presence of the witnesses. It's very appreciated.

My question is for Transport Canada. You're saying that about 880-odd inspectors are sufficient to fulfill your mandate, yet you've also admitted that you're short of that 880-odd inspectors.

Can you reassure Canadians who are watching right now that safety hasn't been compromised from the lack of a full contingent of inspectors?

Ms. Anita Biguzs: I can assure you that we are actually performing the functions that we set out to do. We have robust plans. We mobilize our resources as they're needed. As I say, we're actively recruiting inspectors to make sure that vacancies are filled as individuals retire.

Mr. Mathieu Ravnat: On that point about actively recruiting inspectors, in 2008 there were about 130 vacant positions. There are still 100-odd positions that are vacant.

Are you really actively recruiting? If you're not, because clearly the numbers say that you're not, is it because you've been given a directive with regard to the cutbacks that you shouldn't be recruiting?

Ms. Anita Biguzs: No. As I say, we are actively recruiting inspectors. There is normal attrition and turnover. We try to recruit from the industry in terms of people who are coming in at second careers. I think our demographic is an older demographic, so it is a challenge we have in terms of people retiring and moving out of the system. As I say, we have certainly not ceased our efforts in actively hiring and recruiting new people to come in to fill any vacancies.

Mr. Mathieu Ravnat: If I may, are you allowed, with regard to the context of the cutbacks, to actually function at full contingency at 881 inspectors?

Ms. Anita Biguzs: That's correct.

Mr. Mathieu Ravnat: Okay. Then is the lack of inspectors at this point just the in context of it being difficult to find individuals who are qualified?

Ms. Anita Biguzs: That's correct.

Martin, would you like to add to that?

• (1205)

Mr. Martin Eley: The comment I'd offer is that the organization is 1,400 people altogether. With a natural turnover rate, it ends up giving you a significant number. In one area, during the course of 12 months we recruited 36 people and we lost 37, so there is active

recruitment going on. The baby boomers are part of that trend. We clearly need to staff the positions, and it isn't for lack of trying.

[Translation]

Mr. Mathieu Ravnat: Right.

At point 5.63, Transport Canada's response to the Auditor General is: "By July 2012, all current inspectors will have been given surveillance procedures training."

My question is very simple: have all inspectors in fact been given this training?

[English]

Ms. Anita Biguzs: Mr. Chair, I can advise you that 99.2% of our inspectors have been trained on the new surveillance procedures. All of the new procedures have been documented and distributed, and training has been updated and provided. It's 99.2% because we have a few individuals who have been away on leave, and they haven't received the training. Effectively, however, we have met the target that we had set for training.

[Translation]

Mr. Mathieu Ravnat: Right.

I am now going to talk about Transport Canada's work plan for prioritizing safety problems. It seems that the department has not communicated those priorities to the aviation industry or the principal stakeholders.

Could you tell us whether there has in fact been an oversight, and if so, what the consequences have been?

It is at page 13 of the English version.

Mr. Gerard McDonald: Right.

[English]

It's with respect to communicating the risk to industry that you are talking about, is it not? Yes.

I mean, this is an area in which we accept that our risk-based planning didn't have the rigour it should. We have undertaken, as we indicate in our action plan, the steps to develop a comprehensive system, a national-based system, one that assesses various factors consistently across the country with respect to the risk that a particular operator might pose. We then factor that into our surveillance plans.

The Chair: I'm sorry, time has expired.

We go over to Mr. Allison. You have the floor—no, it's Mr. Hayes. Very good.

Mr. Bryan Hayes (Sault Ste. Marie, CPC): Thank you, Mr. Chair. I appreciate it very much.

I need to seek clarification, because everybody seems to be asking the question. Can you confirm, please, if Transport Canada has cut any front-line inspector positions as a result of the deficit reduction action plan?

Ms. Anita Biguzs: We have not cut any front-line inspector positions.

Mr. Bryan Hayes: In your opinion, have the measures through DRAP in any way at all put the health and safety of Canadians at risk?

Ms. Anita Biguzs: No, they have not. We have put our focus on administrative measures—in streamlining, reducing travel expenditures, in accounts payable systems, in consolidating certain administrative functions—but they have not affected the front-line service regulatory requirements that we have to fulfill. We have not reduced any of that.

Mr. Bryan Hayes: Thank you.

Mr. Byrne was perhaps leading in this direction. We have talked a lot about high-risk areas of the sector and risk in general. I suppose the higher-risk companies are profiled. I just need to get an understanding of this. How can Canadians know that the companies that aren't being inspected are safe? Is there any confidence in that? Can Canadians have confidence in that?

Mr. Gerard McDonald: First of all, I should clarify that no companies that are carrying fare-paying passengers are not being inspected. We have established a risk-based system that will assign an inspection interval of between one and five years for a company, based on the detailed risk analysis that we have done of that particular company.

• (1210)

Mr. Bryan Hayes: Yes.

I want to get a little better understanding of the inspection process, and specifically inspection tools. What are in place? What are they about? Have they changed as a direct result of the Auditor General report, or is there a reason to consider changing them? Are they the best in the industry? Are you still searching for better inspection tools?

If you could elaborate on that for me, on the inspection tools and the whole inspection process, I would really appreciate it.

Mr. Gerard McDonald: That will be a real challenge in the short time we have available.

Mr. Bryan Hayes: Just do your best.

Mr. Gerard McDonald: Very quickly, have we improved our tools? Yes, we have. As a result of the AG's report? Obviously. The AG's report has helped us inform ourselves as to the areas that we need to improve.

We have also improved them as we move to a system-based methodology. We had to change the methodology that our inspectors used to undertake the inspections. We have a very comprehensive set of instructions for our inspectorate on how to undertake various inspections, whether it's an assessment, which is a large audit of a system, or whether it's a program validation inspection, which is a fairly comprehensive review of a particular program of an area, or whether it's a process inspection, which is looking at one particular thing in an organization.

Martin, I'm not sure if there's anything you want to add on the inspection process.

Mr. Martin Eley: We've developed a surveillance plan that looks at the intervals and also the right tools to use. Maybe you don't need a major activity, such as an assessment, a program validation inspection, or a process inspection for the very simple operations. The five-year plan we've put in place in the last year brings a combination of the risk exposure and the appropriate tools to use. We believe we're reaching a fairly good stage of maturity in having a complete tool box and instructions on how to use it.

Mr. Bryan Hayes: This is in fact an audit. You're auditing whether the company has these processes in place. Are you speaking to staff and management? Help me with that a little.

Mr. Martin Eley: We've found that in dealing with the companies and looking at the systems and talking to staff, we've learned a lot more about the culture of the company. This has given us insight into that proactive piece, as opposed to focusing purely on the compliance piece, which was the past practice. In a lot of companies we have a much better sense of when they're doing well and when they're not doing so well.

Mr. Bryan Hayes: Apparently Canada is world-renowned in terms of health and safety. Again, and this was part of my initial questioning, how do we know that your inspection tools are the best in the industry? What have you done to analyze yourselves versus other companies in terms of best practices?

Mr. Martin Eley: That's a work in progress. Certainly looking at the surveillance program is the focus of the quality assurance we're introducing this year to see how well people are using it, and then the results. We're focused on the first two pieces at the moment, but certainly we have a lot of sense and feedback from other authorities that what we're doing is progressive. We've yet to prove that. It's one of those things; if we're successful, it's going to take a long time to prove it, but we're working toward that.

The Chair: Thank you.

We'll move over to Monsieur Giguère. You have the floor, sir—sorry, my apologies. I made a mistake. It was Mr. Byrne.

Mr. Byrne, you have the floor.

Hon. Gerry Byrne: Thank you very much, Mr. Chair.

Just a few moments ago, the Auditor General told us that the OAG audit found that “risk-based planning lacks rigour” at Canada's civil aviation authority, and he said further: “For example, information for assessing the risk indicators that Transport Canada uses to identify the high-risk aviation companies that should be inspected is not always available or kept up to date.”

You were not able to provide me with an answer, but I've asked you a very basic question on a very basic piece of information, which is how many civil aviation companies in the Canadian jurisdiction are assessed by Transport Canada as being within that high-risk category that the department itself uses to determine who should be more actively engaged in surveillance for compliance. Can you now give me a short answer as to how many companies are under surveillance as high-risk?

• (1215)

Mr. Gerard McDonald: I'm sorry, Mr. Chair, I don't have that information available to me at this point.

Hon. Gerry Byrne: Thank you very much.

I'll move to another topic. The Auditor General pointed out that in 2008 a very specific recommendation was made by the OAG, which was accepted by the Government of Canada and in particular by Transport Canada. It was that the national human resources plan for the oversight of civil aviation should and must specify the number of inspectors and engineers needed to perform the role.

The department agreed to provide that in 2008, but as the Auditor General pointed out again this morning, it has never been done. The human resources plan does not specify the number of inspectors or engineers and put that as an accountable standard for Parliament to determine whether or not Transport Canada is meeting its obligations.

Will you refine and rewrite the national human resources plan for the oversight of civil aviation and include a specific number of inspectors and engineers that are needed to do the job, yes or no?

Ms. Anita Biguzs: Mr. Chair, certainly our plan is based on identifying how we will allocate our resources to meet our responsibilities, and in that regard we are prepared to indicate the number of resources we require, including human resources, to be able to fulfill our functions.

Hon. Gerry Byrne: So we will see these figures, as pointed out by the Auditor General, in a plan that will be tabled before us very shortly. When can we see that plan?

Ms. Anita Biguzs: I'll get back to you on the timing, Mr. Chair. We would be happy to share that with the committee at the soonest available opportunity.

Hon. Gerry Byrne: Thank you very much.

Finally, I'd like to reiterate that we take this matter very seriously, because human health and safety are at risk.

I'll ask the Auditor General, and maybe your colleagues, Mr. Ferguson, about the civil oversight.

We've had issues with civil oversight, which has basically been sent back to the companies involved. We've had a major issue with XL Foods in terms of food safety. We have major issues with aviation safety when we see that two-thirds of all inspections that are planned for high-risk companies are not conducted.

Is there any key insight you could provide as to whether this kind of passing of the buck or delegation of authority is working or not? Are there any recommendations you could give us about this particular practice?

Mr. Michael Ferguson: This audit was not intended to answer the question about whether this approach is the right approach or not. What we identified was that the approach was consistent with what the international community was recommending. It was also taking into account, in this instance, that for Transport Canada to have the responsibility to go in and check every single item itself rather than having this type of a system would be onerous.

In our estimation, the most important thing is that if this is the approach that is going to be used, then the way it's put in place needs to be rigorous and in accordance with the framework, so that all of the necessary inspections are done.

Hon. Gerry Byrne: When you delegate this authority, the companies themselves have to use their own resources.

I'll ask the associate deputy minister a question. If there is a sudden economic downturn and the civil aviation industry faces a negative impact, therefore creating an incentive not to do the necessary inspections, do you have the capacity to respond immediately by staffing more inspectors? The risk obviously increases as a result of that. When an economic downturn increases the risk and inspections are not occurring, it's your responsibility to ensure that happens.

Do you have the capacity built into your plan to respond immediately by getting more than 880 inspectors?

Ms. Anita Biguzs: Mr. Chair, in terms of the risk-based process, it's an evolving process. We are continuously looking at companies. The profile of a company may change from one month to the next, because we look at different criteria. We look at management practices. We look at labour difficulties. We look at their product line, facilities, turnover, key personnel. We look at this. We are always adjusting the risk profiles of companies, and we're trying to provide clarity to our inspectors to make sure they understand what that means.

If we identify companies that are falling into a category of high risk or higher risk, we have various measures we can take not only in terms of our inspection activities but also in terms of enforcement. If we became aware that there was an immediate threat, that a company was basically in a higher-risk category, there are various powers we have under the legislation and the regulation. We can either cancel the certificate, issue a notice of suspension, call for corrective action plans, or suspend operations. There are a number of measures we have in the tool kit for addressing these kinds of issues.

Mr. McDonald, would you like to add to that?

• (1220)

The Chair: I'm terribly sorry, but we're way over time. I wanted to give that exchange an opportunity, but maybe you could give your answer in something else.

Madam Biguzs, you mentioned in a response to Mr. Byrne that you could provide some information, but you said you couldn't give a timeframe. You said "at the soonest available opportunity". I would ask that you mull that over during the course of the meeting and come up with a timeframe you can commit to and then see whether the committee accepts it. Leaving it that open is not all that helpful.

Ms. Anita Biguzs: I take your point.

The Chair: Thank you so much. I appreciate that.

Mr. Aspin, you have the floor, sir.

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

Welcome to our guests. Thank you for being with us to enlighten us on such an important topic.

I'd like to return to the matter of safety management systems and continue the discussion started by my colleague Mr. Dreeshen.

These safety management systems intrigue me. Basically, it's a very proactive approach. Mr. McDonald, could you provide us with an example, and maybe an elaboration, on how this type of approach will strengthen the culture of safety?

Mr. Gerard McDonald: I'm sorry...?

Mr. Jay Aspin: Could you provide us with an example and perhaps further elaboration on how the safety management system approach will strengthen the culture of safety?

Mr. Gerard McDonald: Essentially what it does is force the companies to constantly, from day to day, look at their safety issues to ensure that they're meeting the regulatory requirements or, indeed, exceeding the regulatory requirements. What we do is go in and verify that they have the systems in place to show us that they're doing that.

As Mr. Eley pointed out, it's a much more proactive system. Instead of waiting for Transport Canada to find some flaw in their system, the safety management system actually forces them to go out and look for the flaws, to look for the deficiencies in their system, and also to develop plans to rectify those flaws.

Mr. Jay Aspin: Very good.

What would be the next steps for SMS implementation? Are the stakeholders supportive of this approach?

Mr. Gerard McDonald: With respect to SMS—safety management systems—right now, obviously, operators can apply them on a voluntary basis, and we support that very much, but they apply to air carriers of 20 passengers and above, which we classify as the 705 carriers. The next step for us, which we're assessing right now, is whether or not to introduce a regulatory requirement for SMS in the smaller carriers, the 10- to 20-passenger operations, and the 0- to 10-passenger operations, the air taxi operations.

What we're trying to assess first is industry's capacity to implement those types of systems. Obviously, a smaller company doesn't have the same resource base that an Air Canada might have to implement the system. We're also assessing what our resource requirements are or would be to oversee an introduction of those regulatory changes, should they be brought about.

•(1225)

Mr. Jay Aspin: Where do we stand on safety management systems internationally? Are we at the forefront in the world? Are we in the middle of the pack? Are we trailing? Could you give me a relative idea of where we stand?

Mr. Gerard McDonald: I'll let Mr. Eley handle that one.

Mr. Martin Eley: We were certainly at the forefront in introducing the concept. We slowed things down a bit in 2009, as a conscious decision, to make sure that we were ready for the initiatives that Mr. McDonald just described, but we're doing a lot of work with those other authorities. They're learning from some of the things that we learned along the way. We're also learning a lot from where they are.

I would say that we're with the pack. In some areas, we're ahead, and in some areas we're not as advanced, but we're certainly in the lead group. There's no question about it.

Mr. Jay Aspin: You mentioned that this safety management system basically started with the chemical industry in terms of its initiation. How widespread is it in the aviation industry?

Mr. Martin Eley: In areas where we haven't regulated SMS to date, we find companies that are already doing it, particularly those in Canada. There's a lot of work in the energy sector. You can't get a contract in the energy sector unless you have an SMS in place, irrespective of our regulations; it's very much that certain sectors of the industry, outside of aviation, require that of their aviation components, whatever we do. It's very much present in a lot of our industry, even where it's not regulated.

Mr. Jay Aspin: But how prevalent is it worldwide in terms of other countries? Could you give me a feel for that?

Mr. Martin Eley: I think the energy sector is one of the leads, and worldwide you will find the same thing, so for Canadian companies working on contracts in other parts of the world, exactly the same requirements are in place. More and more businesses.... The medical industry is moving into that area. Many in industry realize this, and a lot of the literature talks about the "organizational accident" and dealing with all those little things so that they don't become an accident. That really is the culture that's spreading to many, many industries. I would say that SMS is a worldwide phenomenon in many industries.

The Chair: Thank you.

Your time has expired, Mr. Aspin.

Mr. Jay Aspin: Thank you.

The Chair: We'll move on.

Now Monsieur Giguère has the floor.

[*Translation*]

Mr. Alain Giguère: Thank you, Mr. Chair.

I would like to talk about inspection and risk characterization at Transport Canada. The Auditor General had already said that in a majority of cases, inspections do not indicate the scope of the records reviewed in the company or, most importantly, whether the findings could have a significant impact on safety. How can we hope that a situation will be remedied if the dangers observed are not included in the report?

I would like to make an important comment. I do not want to ambush you, but from the research I did, I have files on an airline company whose flight authorization was suspended because of a problem that was two years old. It took the department two years to realize there was a major risk.

Can you answer the question, please? How can a situation where there is a risk be remedied if the dangers observed are not reported?

[*English*]

Mr. Martin Eley: There was a mention in the introductory remarks today about some of the work we're doing in the enforcement area. That's precisely to make sure that our enforcement tools are properly aligned with our inspection tools so that when we see a risk, we will have consistency across the country in how to address that risk. We've not necessarily had that ability in the past. We certainly have that ability today, because we're seeing the information across the country on a regular basis.

We have enhanced monitoring, the inspection programs we talked about from a planning point of view. If we see any sort of risk in a company, we have clear guidance on stepping up to enhance monitoring, which may expedite a solution, or it may expedite some sort of enforcement activities.

I believe we already have some tools in place. There will be more work done between now and the end of this fiscal year to address exactly that issue, to make sure we are consistent in the way we deal with that.

[*Translation*]

Mr. Alain Giguère: Doing inspections is a good thing, but if the inspector goes somewhere and has not been told about the relevant risks, the inspector does not know what specific points to inspect. This is particularly the case in the files that I have: there were inspections, but because he was not told there was a major risk, he continued to authorize the company to fly for two years, when there was a significant danger. That is the problem.

On page 21 of your report, you listed 10 of the key hazard areas. Your department has no complaints office. A passenger, a crew member, a ground mechanic, a NAV CANADA staff member or someone working at an airport may observe a danger or a risk relating to a company, and your department has no complaints office. In saying this, I am relying on the documents you provided to us. An inspector is not told there is a risk that he or she should examine more closely in the next inspection. That is problematic.

That is what happened in the cases I referred to. There were official complaints made to a high-ranking employee in your department, and that official did not put them in the file. As a result,

your inspector went out and did not see anything. It was not until two and a half years later that you decided to say that what had happened in 2009 was unacceptable, to the point that you withdrew the flight authorization. That is a major error.

Why do you not have a complaints office? That in itself would mean that your inspectors, who test an adequate number of cases, are interviewing the right people to reach the right conclusion from the right information that they have received.

• (1230)

[*English*]

Mr. Gerard McDonald: Mr. Chair, I don't know the specifics of the particular company that the member is talking about, but I would point out that in addition to interacting directly with inspectors, we have at least two ways in which the public or a member of a company can advise us of issues in the system.

One is our civil aviation incident reporting system. That number is widely available through our website and is made available to industry in general. That's how an issue can be reported to us. We have a system in place to make sure it is followed up on.

I would also point out that the Transportation Safety Board of Canada has a system called Securitas, in which incidents in the aviation industry—or anywhere in the transportation industry, for that matter—can be reported to the Transportation Safety Board. The identity of the plaintiff is guarded. It is not revealed to Transport Canada. That information is passed to us by the TSB, and we take appropriate action to follow up.

The Chair: We'll go over now to Mr. Saxton for the end of our natural rotation.

You have the floor, sir.

Mr. Andrew Saxton: Thank you, Chair. My question is for Transport Canada.

In response to recommendation 5.63, you indicated that by July 2012, all current inspectors would have been given surveillance procedures training.

I'd just like to ask if this was done.

Ms. Anita Biguzs: Yes, Mr. Chair. We actually are now at 99.2%. We have a few individuals who have been away on leave, but we have effectively completed all of the training on surveillance procedures for our inspectors.

Mr. Andrew Saxton: Thank you.

Can you explain how often companies are inspected?

Ms. Anita Biguzs: Under our action plan, we are moving to a five-year surveillance plan, which ensures we will be inspecting every company over that five-year timeframe. Higher-risk companies will of course be inspected more frequently. I was speaking earlier of some of the criteria we look at in terms of risk profiling, but the intention under our five-year surveillance plan is that every company will be inspected.

Mr. Andrew Saxton: Okay, thank you.

In Transport Canada's response to recommendation 5.29, the department indicated that it will have identified ways to accelerate follow-up on significant safety issues raised by stakeholders.

Can you tell us what that process will look like, and what the current status is?

Ms. Anita Biguzs: We have been making a lot of effort to streamline our process, working with stakeholders in the industry to make sure we can respond in a very timely way to incidents as they emerge. Under the regulations, we have an advisory committee process that engages stakeholders. We're working diligently to make sure it is as efficient as possible. In fact, we have revisions to the system that we're presenting this December to that committee. We hope to move forward very quickly so we can respond in a timely way to issues as they may emerge.

We've already had a number of examples over the last year or two where, in response to incidents that arose, we were able to move forward very rapidly with regulatory measures to address issues.

Maybe I'll turn to Mr. McDonald to add any further information on that.

•(1235)

Mr. Gerard McDonald: I think that's pretty well covered. The idea of pulling the right people together at the right time on the right issue is really the mantra we're using in trying to adjust our consultative process and make sure that when there are critical safety issues, we respond in as timely a fashion as possible.

Mr. Andrew Saxton: Thank you.

Finally, traffic is poised to increase dramatically over the next 10 to 15 years. I just want to ask if Transport Canada is ready to take on that extra work.

Ms. Anita Biguzs: Mr. Chair, with all of the work we've been doing on the implementation of safety management systems in working with the industry and putting more onus on it to have proactive, systems-based processes in place, and with the changes we are bringing about in the department in the delivery of our programming for improving the tools and making sure our inspectors have clarity, standardized products, and information they understand about what they have to do, certainly we feel we're well positioned to address the increases in traffic that are forecast over the future.

Mr. Andrew Saxton: Thank you, Chair.

The Chair: Very good. Thank you.

Colleagues, we have a little over 20 minutes remaining in the meeting. Our custom is that when we have time remaining, the committee has the option of adjourning, doing committee business, or continuing the questions for another couple of rounds. We would be able to get in another three or four questions. I am in your hands.

I've had some indication from the government members that they're flexible in terms of those options, so I am seeking some input from the two opposition lead representatives, starting with the official opposition, Monsieur Ravignat.

Mr. Mathieu Ravignat: I think things are going well. Why not continue with our questions? I think we're getting to some interesting testimony.

The Chair: Thank you.

Mr. Byrne, would you comment?

Hon. Gerry Byrne: Thank you, Mr. Chair.

I'd like to continue as well. Also, could you follow up at the end to seek an answer to your question about timing on the—

The Chair: Yes, I'm hoping to have a response to that also.

All right, if there is agreement, do the government members wish to participate in the rotation?

They do; very good, okay. Then we'll begin with the government. Who would like the floor?

Mr. Kramp, you have the floor.

Mr. Daryl Kramp: Well, thank you, Chair.

Maybe we could have just an update. You said in your report that in 2011 the fewest accidents in modern aviation history happened in Canada. We're obviously delighted and pleased that is the result. How are we doing in 2012? We're coming close to the end of the year. Where are we today, relatively speaking?

Mr. Martin Eley: The statistics are not showing any different trend this year. The accident rate is low. Even a couple of accidents late in the year can make a difference to that number, but at the moment we're not seeing any significant change this year compared with last year.

Mr. Daryl Kramp: I understand that. All we need is one major accident and we have a dramatic difference.

I've been on government aircraft, as have many people. We ride that old Airbus, antiquated beast that it is, and of course the Challengers are going to be phased out.

On helicopters, who does the validation inspection on those? Is that handled internally by DND, or is that subject to the authority of Transport Canada?

Mr. Martin Eley: The aircraft you're talking about are operated by DND—

Mr. Daryl Kramp: Yes.

Mr. Martin Eley: —so they don't operate within the civil system. I know when they operate civil aircraft, they follow many of the same standards, even though we don't require them to. Some of the support for that is actually provided to our own ASD in terms of some of the work they do on those aircraft.

Mr. Daryl Kramp: Thank you very much.

You say we have enough inspectors, but I'm not only concerned with quantity, I'm concerned with quality. For the actual training mechanisms, who trains our inspectors, and how do we honestly know? Are there legal parameters or particular designations that give them qualifying rights, and are there particular grades as to what they can inspect and what they can't inspect?

•(1240)

Mr. Martin Eley: There are really two primary sources for the mandatory training in terms of ministerial delegated authority for the Minister of Transport.

We have policy documents that specify exactly what training the inspectors need to do their work, so that's a requirement for the delegation. In some cases, training may be specified in the contract of employment. Again it's mandatory, but from a different source.

Within civil aviation we have directives in terms of the surveillance training, for example, the inspectors need to have. There's also an ongoing need, not necessarily mandatory, to make sure people continue to be technically competent in their technical field as well as in their inspection field.

Mr. Daryl Kramp: Thank you.

In order to assure the public that the qualifications.... The training is obviously intense. I can recall that when I was a pilot, our simple inspection was the walk-around. Those days are long gone. When our inspectors now go in.... I know it would take hours for you to give an exact detail of all of their responsibilities, but can you give us a quick summation of the main key points they would focus on?

Mr. Martin Eley: It depends on the level we're doing. If we're doing an assessment, we're going in at a high level. Program validation inspection is a part of the overall program and process inspection is in detail, but in each of those levels, we always have the ability to go and sample. Whereas we might have looked at a whole bunch of aircraft at a detailed level in the past, that would now be a sampling to validate what we'd found within the systems. Without sampling, a quality assurance approach doesn't work. There is still a need to go and kick the tires occasionally, if you like to put it at that basic a level, to verify what we're finding with the system, so it's a combination of those things. It's not exclusively at a paperwork level.

Mr. Daryl Kramp: Does the same inspector do, say, a Beechcraft and an Airbus A300, or are there different inspectors who deal with the different levels of demands?

Mr. Martin Eley: If they're looking at the aircraft, it would be different. If we're talking about pilot flight training, for example, then obviously there's less difference. It depends on the area as to exactly what the inspection is focused on and what expertise is needed, and we continue to need expertise. Even though we have a systems-based approach, we still need strong technical competence behind that to make sure we can get into the detail when that's necessary.

Mr. Daryl Kramp: Thank you very much.

Chair, in consideration of the opportunity for my other colleagues, I'll stop at that.

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

We'll go over to Madame Blanchette-Lamothe. You have the floor.

[*Translation*]

Ms. Lysane Blanchette-Lamothe: Thank you, Mr. Chair.

Mr. Ferguson or Ms. Talbot, at point 5.27 of the report, we see that there is a long time between when a safety issue might be identified and when it might be addressed. In some cases it takes up to 10 years.

What kinds of issues are we talking about?

[*English*]

Mr. Michael Ferguson: We have indicated in paragraph 5.28, Mr. Chair, a number of those different issues. They are stated there. There are things like the state of runways in 1999, pilot fatigue in 2001, and so on. They are itemized there in paragraph 28.

[*Translation*]

Ms. Lysane Blanchette-Lamothe: Thank you.

So it is a range of issues. Nonetheless, in your words, we are talking about security issues that may take up to 10 years to be addressed, from the time they are identified. When they are identified, they may have existed for several years already. It would be reasonable for people to be concerned when they see safety issues taking several years to be resolved.

I would like to know whether Ms. Biguzs or Mr. McDonald have taken this finding seriously.

Now, with this new plan you have implemented, how many years will it take before you tackle safety issues seriously?

[*English*]

Ms. Anita Biguzs: Mr. Chair, it's very rare that it's taken 10 years. Some of the issues we have to deal with are very complex and are not easily resolved. These issues require careful analysis and consultations with industry. In fact, we've been working very efficiently to try to improve the processes, reduce the times, and make sure we're focusing on the right priorities in the higher-risk areas.

I'll turn it over to Mr. McDonald to elaborate a little bit more on some of the examples.

• (1245)

Mr. Gerard McDonald: I think one of the challenges is that most of the issues the Auditor General has cited are recommendations that come out of the Transportation Safety Board, which, following aviation incidents or transportation incidents, makes recommendations to the Minister of Transport on how to improve safety in the systems. One of the things we have to do when we receive those recommendations, if we're deciding we're going to regulate, is to justify how whatever costs will be added to the system will offset the benefits—

Ms. Lysane Blanchette-Lamothe: If you don't mind, I will interrupt you. I'm sorry about that.

[*Translation*]

My question relates to the security issues identified in the Auditor General's report that take time to resolve. I do not want to hear that it is rare for that to happen. Even if it happens only once, that is once too often. Nor do I want to hear that it is complex. That is not what I want to hear from you.

I want to know whether you take this seriously and whether you have tried to adopt new ways of dealing with it in your new action plan.

Yes, it is complex; I understand. It may be rare, but once is once too often.

Are you taking this seriously? Have you paid attention to it in your new plan?

[English]

Mr. Gerard McDonald: Yes, Mr. Chair. We take the whole Auditor General's report very seriously, and we take any safety recommendation very seriously. We have implemented processes to make sure that if there are serious safety issues, we have a fast-track process to deal with them.

[Translation]

Ms. Lysane Blanchette-Lamothe: Thank you for your concise answer, Mr. McDonald. We will await the results of the implementation of the plan very eagerly and impatiently.

I have one last question, which relates to the number of inspectors. Ms. Biguzs, you said earlier that your objective is to have about 880 inspectors to meet the requirements. However, you have not managed to fill those 880 positions. Probably you are trying to do that; I do not want to question that. But what you are doing to fill those positions is plainly not sufficient.

Do you have any new strategies or new approaches that you want to implement? You acknowledge that this is the number of inspectors needed to meet the needs. Over the years, we see that in spite of all the efforts you make to fill those positions, you have not succeeded. Do you have anything new to propose, to fill those positions?

[English]

Ms. Anita Biguzs: It's clearly a very important area. We're very concerned as well with making sure we are filling the vacancies. We're actively engaged in determining whether there are additional recruitment efforts that we have to make and in reaching out to the industry. We need to see what additional measures we may be able to introduce to make sure we are filling those vacancies.

The Chair: Sorry, time has expired.

In light of the time, and in an effort to be fair, if people would allow me, I'll go to the third party to give Mr. Byrne an opportunity.

Mr. Byrne, you have the floor.

Hon. Gerry Byrne: Thanks very much, Mr. Chair.

Regarding the criteria used in risk assessment to provide a profile of a particular company and whether or not it would meet the criteria for increased surveillance, the Auditor General points out that financial health is indeed an indicator, but he also points out that it's not clear what type of financial information should be used to assess the risk of a company being in financial difficulty.

Could you confirm to the committee that the financial health or financial well-being of the company is indeed a criterion used in risk assessment? I'll give that to the associate deputy minister.

Ms. Anita Biguzs: In our surveillance plan, we are trying to provide clarity to our inspectors on the information needed to

support our risk-profiling of companies. We are looking at things like labour difficulties, management practices, contracting, turnover, and key personnel. We have identified a series of standard questions for inspectors to follow to assist them in determining whether there are any issues that fall into those categories. We're trying to refine the tools and make sure everything is as clear and consistent as possible for inspectors.

Mr. Eley, do you want to add to that?

• (1250)

Mr. Martin Eley: Yes, thank you.

I'd like to confirm that during the pilot phase of our risk-profiling tool, we had "financial well-being" as one of the factors. We quickly realized that it wasn't something that our inspectors, generally speaking, were qualified to assess, so it is not present. There are a lot of other indicators about the health of the company, but the financial aspect has been removed.

Hon. Gerry Byrne: It's now been removed?

Mr. Martin Eley: Yes. We look at other factors in the company's health, but we're no longer asking inspectors to assess financial well-being, which is something they're not trained to do.

Hon. Gerry Byrne: It was previously deemed to be an element that provided a risk assessment tool, and you dropped it because your current inspectors don't have those skills. Is it being addressed in the human resources plan, and is there any intention to re-incorporate it into the assessment of risk for a particular company?

Mr. Martin Eley: I should clarify. The inspectors' inability to understand this material was one aspect. The other aspect was that this information is not necessarily available for all companies. If they're not publicly traded, it's not public information, so we could not use it consistently. In other words, it wasn't just the ability of inspectors to deal with it; it was also that the information wasn't readily available from all operators.

Hon. Gerry Byrne: But in your opinion, can it be a determinant of overall risk assessment?

Mr. Martin Eley: That was our view when we started the pilot. We've come to the conclusion that there are a lot of other indicators we can assess more directly to get us what we need without going back to that.

Hon. Gerry Byrne: If it applies to individual companies, it must also apply to the industry as a whole, to the sector. You would shift your priority from one company to the next if you found that there was a greater risk incurred as a result of poor financial performance. Given that we now don't do that anymore, let me ask a specific question about the macro look of the industry, of the sector.

If the civil aviation industry is under pressure because of the economic downturn, would it be your assertion that this overall negative economic pressure could affect the risk not just to a particular company, but to the whole civil aviation sector as well, with the tide raising or lowering all boats, as it were?

Mr. Martin Eley: That's a reality we have to look at.

Hon. Gerry Byrne: But do you have the capacity? Do you have the capacity to increase the number of inspectors required? If it's not just one individual company, and the entire industry is under duress, then all companies' risk factors will be increased. Can you increase the number of inspections and inspectors to be able to assess that globally increasing risk?

Mr. Martin Eley: I'd like to answer that in two steps. For the first part of the commentary, the system we've put in place gives us a risk profile across the country. It's developed against standard criteria. We have the ability to look at the industry across the country. It may not be every operator, but if it's a particular sector or region of the country—

Hon. Gerry Byrne: But what if it were to change?

Mr. Martin Eley: We would have the ability to see that trend, which we didn't have in the past. It's important we have that ability.

The second thing is that we deal with the highest risks first. If we have a challenge, then the resources get directed at that highest risk. There is a limit to this, but I don't believe the risk would change simultaneously in every sector in every part of the country. I don't think the industry thinks that way. In the responsible part of the industry, which is the broad part, they respond to those things and they put good measures in place, so I would be surprised to see the whole industry go into high risk at the same time.

Hon. Gerry Byrne: What I'm asking you is—

The Chair: No, I'm sorry, the time is way over. It has expired.

We'll go over to Mr. Shipley.

Mr. Bev Shipley: Thank you.

A couple of colleagues talked about risk assessment in terms of downturn. Can you talk to us quickly about what has changed or not changed since the downturn in the 1990s? How has the safety management system improved since the last downturn in the 1990s to now, in terms of the whole of aviation?

Second, I want to go back to a comment made earlier regarding the safety management system. I think it was left that the carriers were involved. When you have a situation in which the carriers are involved in monitoring, does that mean that we basically stay away from them? In some cases in business, we actually try to be proactive so that a potential problem doesn't become a problem by having those initiatives in place.

Could you address those two questions for me, please?

•(1255)

Ms. Anita Biguzs: In response to your last question, Mr. Chairman, I would say that we have various measures and various ways in which we come into contact with the industry. I think we have described the various inspection processes that we are responsible for. We undertake assessments. We undertake program validation inspections. We do sampling. We do process inspections.

It also means, in keeping a risk profile up to date, that you have to establish some sort of a relationship. You have to have some knowledge of the carriers you're working with. That basically means that inspectors do have to have visits and know the sector that they're dealing with. There are different ranges in the contact we have with and the knowledge we have of various carriers, which is very important in terms of being able to contribute to our risk profiling of companies. I think that certainly all of those elements are there and are part of how we manage the system.

In terms of the evolution of the system since the 1990s, which was your first question, I think that the safety track record speaks very much to the extent to which the system is very safe. Also, the safety management systems is a very proactive systems-based approach that isn't just focused on an inspector going in and finding a problem but rather on putting the onus on the industry.

The Chair: Mr. Dreeschen, do you want to use some of that time?

Mr. Earl Dreeschen: Thank you very much.

I wanted to go back to one other point. The translation from Madame Blanchette-Lamothe came through my ear as security issues, but we are talking about safety issues because we're going to paragraph 5.27. I just wanted to make sure we had that straight. I didn't want someone listening to it in English thinking that we were talking about security in that particular case.

I'd like to go to the presentation that you gave earlier, Madam Biguzs. You were talking about the reviewing and updating of surveillance procedure documentation and you were talking about focus testing. I'm just wondering if you could describe what is involved in focus testing. I'm a former math teacher, so I'm looking at the sampling processes and whether or not that had anything to do with that. Could you tie that in during the short few moments that I have?

Thank you.

Ms. Anita Biguzs: Mr. Chair, if I understood the question correctly, the focus testing I was referring to was making sure that we validate the guidance material and the tools that we're developing with our inspectors.

We have to ensure that the guidance material we're providing to them on how they perform their inspection, the kind of reporting that they have to do, and the worksheets and the data sheets that they have to generate allows them to understand the kind of information that they have to report. The guidance document has to be clear. It has to respond to any questions that they may have. It ensures that we have standardization and consistency across the system.

Basically we're validating everything we do in our guidance documents and in our standards. We're making sure that we bring together working groups of inspectors from the regions as our experts are developing these materials and documents to make sure that those materials respond to the needs of our inspectors, that our inspectors understand what's being asked of them, and that they are reporting consistently. In that way we ensure we have a national system and we ensure consistency from one region to the other.

Mr. Earl Dreeshen: Thank you very much.

The Chair: If I may, we're in the dying moments, colleagues.

First off, we have timeframe commitments. There was a commitment made for an update on the action plan in two weeks, which would be mid-December. A further update on that, as a result of those actions, would be in the new year after the March 2013 deadlines. I would assume it would be not long after that. The third one was the update on the HR plan and the number of inspectors required.

A timeline is what I'm seeking from you. Do you have a timeline for me now, Ms. Biguzs?

Mr. Gerard McDonald: We could commit to June 2013 to have that plan available for you. We have to use the data from this year's surveillance plan to be able to work that in—

The Chair: That's fine. We hear the answer.

The committee will respond in their report as to whether they find that acceptable or not. I appreciate that. That's what I was seeking from you, and I think that takes care of Mr. Byrne's question.

Second, I want to emphasize again—and I think there was adequate discussion here—that this is something the committee historically takes very seriously. If the message hasn't gone out to all

DMs and ADMs, they are going to find themselves in trouble someday.

When previous audits have found things lacking, and then we find in an updated audit that the matter still hasn't been dealt with, that's when we really start to get red-hot. This matter of the number of inspectors and engineers falls under that category.

I think it was adequately dealt with here, but I would point out that when those kinds of things happen, those are red alerts. They are red flags to this committee. When it comes to inspections, given that we are talking about the health and safety of Canadians, I can't think of anything more important. Hopefully we won't see a further audit after this one that makes any reference at all to anything in this audit not done. We had one in the last one; let's get none in the next one, please.

The last thing, colleagues, is we are good to go for one hour on the special examinations of the crown corporations. There were two at an hour each, but we could only get confirmation on one. I would suggest that we go ahead with the one hearing, and then the balance of that time we will use for report writing. Is that agreed from the committee? Very good.

With that, colleagues, we will wrap up.

First of all, thank you all very much for your attendance. I know you had a great time here today. We look forward to seeing you all again.

Mr. Ferguson, thank you, sir, and your office, again, for all your good work.

This committee meeting stands adjourned.

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