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Chair

Mr. Tom Lukiwski

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• (1530)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Colleagues, we're about a minute early, but I think we'll get going. I know we have a lot of ground to cover, and any time we have a minister in our presence, it's a good day.

Colleagues, just so you're all aware, this meeting will be televised.

I'd like to thank Minister Brison and his officials for being here. Minister Brison, we haven't seen you in a while—you never phone; you never write. I thought for a moment you just didn't like us, but we're glad to have you here.

Hon. Scott Brison (President of the Treasury Board and Minister of Digital Government): You know how fond I am of this committee and its members.

The Chair: I do know how fond you are, sir.

With that, you certainly know the drill. I'll ask you, perhaps, to introduce the officials who are with you and then commence with your opening statement.

Hon. Scott Brison: Thank you, Mr. Chair. I'm delighted to be here with you at the committee again.

With me today are Brian Pagan, the assistant secretary of the expenditure management sector, and Karen Cahill, the chief financial officer. I would also like to introduce Glenn Purves, who has joined Treasury Board from Finance. Glenn will actually be replacing Brian.

Brian has announced that he will be retiring, after 33 years of serving the people of Canada exceptionally well, in six departments. Twelve of those years were in Treasury Board. He has done exceptional work on behalf of Canadians. I know he's worked closely with committee members, and he has played a leadership role in reforming the budget and estimates process in a way that I believe will live on as a legacy of his commitment to making a positive difference in the lives of Canadians.

Thank you, Brian, for all your great work.

Mr. Brian Pagan (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat): Thank you.

Hon. Scott Brison: You see, on this side, we really appreciate the public service and the work you do.

Some hon. members: Oh, oh!

Hon. Scott Brison: Mr. Chair and committee members, we have exceptional public servants serving the people of Canada on an ongoing basis, and Brian Pagan is one of the finest with whom I've worked, in two different ministries. I want to thank you, Brian, for the work. Come back any time.

Welcome, Glenn.

[Translation]

Supplementary Estimates present information to Parliament on spending that was either not developed in time for inclusion in the Main Estimates, or that has been refined to account for further development of particular programs and services.

As you will recall, the first Supplementary Estimates were typically presented in the spring.

[English]

However, thanks to recent changes to the sequencing of the main estimates and the budget for the duration of Parliament, the spring supplementary estimates were not necessary for 2018 and 2019. By having the main estimates actually follow the budget, parliamentarians can now understand more clearly how they relate to the big picture set out in the budget forecast.

Moreover, parliamentarians now have online access to more detailed and more accurate information. Thus, they're better able to hold government to account on how it spends tax dollars. We did this because of our belief in Canadians' right to know where public funds are being spent and invested.

[Translation]

That said, Supplementary Estimates are necessary to present the government's incremental spending requirements to Parliament.

[English]

To that end, we are seeking Parliament's approval of funding to invest in a number of important infrastructure projects, and to settle claims and deliver socio-economic programs for indigenous people.

I'd like to highlight a few of the major items: \$827.3 million to provide three icebreakers for the Canadian Coast Guard; \$666 million for compensation to first nations for specific claim settlements; \$438.5 million for infrastructure projects in indigenous communities; \$423.1 million for on-reserve water and waste-water infrastructure, operations, and capacity-building.

As of last week, Mr. Chair, in terms of results, 74 long-term drinking water advisories have been eliminated. We're on track to lift all of these by 2021 in indigenous communities across Canada.

Other items include \$323.3 million to address a wide range of health, social and educational needs, according to Jordan's principle; \$291.8 million for the new Champlain Bridge corridor project; \$283.6 million for the Gordie Howe international bridge, the Detroit-Windsor crossing; \$282.2 million for defence investments, such as acquiring military equipment and upgrading key facilities; \$239 million to settle the Treaty No. 8 agricultural benefits specific claim with the Little Red River Cree Nation; and \$210 million to allow Infrastructure Canada to deliver on the remaining funding agreements that had been undertaken with the former P3 Canada Fund.

[Translation]

I'd also like to draw your attention to the portion of the Supplementary Estimates for my department, although a very small part of these funds is for the Treasury Board Secretariat, or TBS, itself. Nearly all the funding requested is for two central votes.

[English]

Under the vote for compensation adjustments, we are seeking Parliament's authority for \$541.4 million related to agreements concluded between August 2017 and August 2018. These funds are mainly for wage adjustments related to the border services, law and executive groups. After Parliament approves the appropriation act, funds will be distributed to the home departments of these agencies.

Under the vote for government-wide initiatives, we're also seeking \$128 million for the LGBT Purge class action settlement, and \$119 million for the indigenous early learning and child care framework. National Defence and Employment and Social Development, respectively, are responsible for leading these initiatives. They're working with partner departments and non-government organizations to determine the allocation of funding to departments and projects.

Distribution of funding to departments will begin after Parliament has approved the appropriation and these parameters are finalized.

I will take a moment to speak on estimates reform.

Mr. Chair, as you know, our government committed to improving parliamentary oversight of government spending around four pillars, and we have taken action in each area. I am very proud of the work we've done.

First, we've changed the sequencing so that the main estimates are tabled after the budget.

Second, we reconciled the accrual-based budget forecast with the cash-based estimates.

Third, we are piloting a vote structure that shows parliamentarians the purpose of funding provided for grants and contributions.

Fourth, our policy on results lets Canadians know how their tax dollars are spent, what results are achieved, and how they're being achieved.

I appreciate the committee's engagement in the study of the estimates, and I'm always happy to consider what we can do to better support this. For example, when I came to this committee in May to talk about the main estimates, I indicated that in respect of the allocations to departments and remaining balances for the line-by-

line budget measures in the budget implementation act, Treasury Board vote 40, we would update the Excel table on a monthly basis and the text reporting in the next available estimates.

Mr. McCauley, at that time, requested that we update the text reporting on a monthly basis, as we do with the Excel table. I'm happy to say that we started doing this in August, as a result of Mr. McCauley's good suggestion. We're actually listening to the committee, and we're actually doing this.

● (1535)

Mr. Kelly McCauley (Edmonton West, CPC): Is that Lawrence MacAulay?

Hon. Scott Brison: Well, Minister MacAulay is a great fellow, too.

With the changes we made so far, we are again raising the bar on openness and transparency. That was recently recognized in the Open Data Barometer survey, where we ranked number one globally in terms of how governments publish and use open data for accountability, innovation and social impact. It's also reflected in the Government of Canada becoming the lead government co-chair of the Open Government Partnership for 2018-19.

I've had about 21 and a half years as a member of Parliament, and of those, 16 were in opposition and as a member of committees. I respect greatly the work of parliamentarians of all parties and the work of committees. I also believe it's extremely important that members of Parliament from all parties have the opportunity to follow the money, to be able to track how tax dollars are spent. It's one of the most important roles of members of Parliament on behalf of Canadians. Therefore, I look forward to engaging with you and your committee members again today.

Thank you.

The Chair: Mr. Brison, thank you very much for your remarks.

We'll start our seven-minute round of interventions with Madam Ratansi.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you, Chair.

Thank you, Minister, for being here.

Mr. Pagan, I think Mr. McCauley will miss batting with you on issues, but we appreciate the services that you have provided and we wish you the best.

Minister, I'm looking at the supplementary estimates. You're seeking parliamentary approval for \$7.5 billion in voted spending. One of the things that interest me is the monies that are being given to the Department of Indian Affairs and Northern Development for their indigenous services of \$438.5 million, and another for \$423.1 million.

I have just returned from Iqaluit, where we were talking about respecting and reflecting the indigenous presence in Parliament. We have now had 11 parliamentarians of indigenous origin here. I know the cancellation of the Kelowna Accord pushed back a lot of the investments and infrastructure investments in the indigenous communities.

Could you explain to me how that additional money will help in the infrastructure projects? Safe drinking water is a critical issue there, and housing is an issue there. Would you be able to elaborate?

• (1540)

Hon. Scott Brison: We all have a vested interest in the success of indigenous peoples. This is the fastest-growing and youngest population in Canada. If we get this right, this is a huge opportunity for Canada. Having a young population and a fast-growing population can be a good thing. If we get this wrong, it is catastrophic for all of us in terms of the future, both economically and socially. Every one of us, indigenous and non-indigenous, has a vested interest in the future success of indigenous peoples and indigenous children.

That's why we're making these investments, such as the \$423 million to lift long-term water advisories on public systems on reserves. Think about it, just having safe water. We're on track to lift all of these by 2021. In terms of critical infrastructure in housing, we're investing \$287.4 million in capacity and also to address some very critical housing infrastructure needs. We're investing \$322 million to help first nations children have access to the same publicly funded programs as other children, something as basic as that in terms of equality of opportunity, in terms of basic education. These are the kinds of investments that will really move the needle in terms of the future of indigenous peoples.

Minister Philpott has been doing a great job in terms of services. Also, if you look at the changes we've made in the machinery of government around indigenous people, it makes a great deal of sense in terms of the ability not just to invest the money, but to actually see the results.

The work that Carolyn Bennett is doing, in partnership with Minister Philpott, is extremely important. They're both doing tremendous work on behalf of all Canadians.

Ms. Yasmin Ratansi: Thank you.

Having been there, along with MPPs from across Canada, we were absolutely wonderstruck at the way the people were able to survive, at their resilience living there. I didn't even know that Frobisher Bay froze and you could take your Ski-Doo over there.

I am also concerned about climate, and the questions we get at our town hall are on indigenous affairs and climate change. Has the Minister of Environment and Climate Change come before and asked for additional funding in that \$7.5 billion?

Hon. Scott Brison: You're quite right in identifying that many indigenous peoples are extremely concerned about climate change. Many of the communities of indigenous people are, in fact, coastal communities that will bear the brunt of climate change in the coming years.

We are making significant investments not just in terms of measures to reduce our carbon footprint as a government and as a country, addressing long-term climate change, but also in terms of a mitigation strategy and a resilience strategy to help communities become better prepared, including changes that will protect critical infrastructure and working with other levels of government.

In Nova Scotia, for instance, we've provided funding to the provincial government to make investments in some of the dike systems around the province, including in my riding, which is on the Bay of Fundy, where there are the highest tides in the world.

While we are investing to reduce our long-term emissions, we also recognize the need to invest in climate change resilience. Fortifying and strengthening coastal communities is part of that, and that has a significant impact on indigenous communities in a lot of cases as well.

• (1545)

Ms. Yasmin Ratansi: I have only 30 seconds, so I can't ask you another question.

The Chair: You will have ample opportunities following this, though.

Mr. McCauley, you are up for seven minutes, please.

Mr. Kelly McCauley: Thank you.

Minister, welcome back.

Mr. Pagan, best of luck.

Mr. Purves, good luck looking as young as Mr. Pagan after 12 years at Treasury Board.

Minister, as always, I'm shocked at the size of your entourage. We bug you about how we can find the money, the \$7-billion slush fund from vote 40. I think it's spent on your entourage.

An hon. member: Oh!

Mr. Kelly McCauley: Oh, calm down, Ms. Mendès.

Now, Minister, getting to the estimates themselves, there is \$53.5 million in allotment from TB vote 5 for the three icebreakers, on top of the \$855 million in Fisheries itself. Could you speak to your role in the national shipbuilding strategy?

Hon. Scott Brison: Treasury Board actually plays a role in cabinet committees on an ongoing basis in terms of challenge function. That's one of the reasons the President of the Treasury Board is a member of all cabinet committees, as is the Minister of Finance—

Mr. Kelly McCauley: So you're part of the cabinet committee that discusses defence procurement on major projects.

Hon. Scott Brison: Treasury Board is involved in all major expenditures. Ultimately, on defence procurement, you actually have PSPC, Public Services and Procurement Canada, which leads the charge with National Defence. ISED is also involved.

Mr. Kelly McCauley: However, the Treasury Board president sits on the committee. Is that right?

Hon. Scott Brison: The Treasury Board president does sit on the Treasury Board cabinet committee. He, in fact, chairs it.

However, just on this, it's important—

Mr. Kelly McCauley: Briefly, please....

Hon. Scott Brison: The mandate of Public Services and Procurement Canada is to get the best value for tax dollars in an open and transparent process. National Defence's mandate is to get the best possible equipment for our brave men and women in uniform. ISED's mandate is to get the best possible jobs and ITBs for Canadians in terms of economic benefit. Treasury Board plays a role in terms of ensuring best value for money, but also in terms of a challenge function for all government expenditures.

Mr. Kelly McCauley: Minister, I will move on to my next question.

Did the cabinet committee on defence procurement, which you are part of or chair, meet on November 19, 2015, to discuss Project Resolve?

Hon. Scott Brison: I don't recall exact dates of cabinet committees, but we can certainly—

Mr. Kelly McCauley: It would have been two weeks after you were named Treasury Board president.

Hon. Scott Brison: Yes, we formed government in early November, as you'll recall, and I think cabinet was sworn in on November 4. That's the point at which I became President of the Treasury Board.

Mr. Kelly McCauley: Give or take a day, were you at that meeting?

Hon. Scott Brison: I sat on.... In fact, it's a matter of public record that I've been the vice-chair.

Mr. Kelly McCauley: Did you recommend delaying Project Resolve?

Hon. Scott Brison: I've been vice-chair of that. I'm not going to speak on matters of cabinet confidence. You'll understand that there are cabinet confidences that apply to cabinet meetings, and I'm not going to violate those.

Mr. Kelly McCauley: Okay. Why was the cabinet committee on defence procurement ultimately disbanded?

Hon. Scott Brison: You'd have to ask that question of the Prime Minister, who makes those decisions in terms of cabinet committees.

In the last changes made to cabinet committees, Treasury Board actually took on additional responsibilities, including, for instance, in the oversight of the development of the new pay system, the next-generation pay system, and also some additional responsibilities in terms of defence procurement.

Mr. Kelly McCauley: On the discussion to delay Project Resolve, of course we're all aware of that. Did that stem from any input, advice or information you received from private sector officials?

Hon. Scott Brison: I'm sorry. What was that?

Mr. Kelly McCauley: Did the discussion to delay Project Resolve stem from conversations outside of cabinet with private sector officials?

Hon. Scott Brison: Actually, I've already addressed this in the House of Commons—

Mr. Kelly McCauley: But I'm asking it now.

Hon. Scott Brison: I will say very clearly that as a new government with a \$670-million untendered contract, we had a responsibility, which I exercise as President of the Treasury Board, to do due diligence and to ensure value for money. That is something —

● (1550)

Mr. Kelly McCauley: Did you do that based on any information you received from private sector officials?

Hon. Scott Brison: I did this in my capacity and my responsibility as President of the Treasury Board.

Mr. Kelly McCauley: Was any of it due to input or information received from private sector officials?

Hon. Scott Brison: I was briefed by my department on this issue, and I've also said in the House of Commons—you can check Hansard—that the only interaction I had during that period of time with, for instance, Irving shipyards, was being copied on a letter that was sent to two other ministers.

I was copied on a letter that was sent to two other ministers.

Mr. Kelly McCauley: Did you interfere with any other contracts that had been granted under the previous government?

The reason I ask is that we have about a 2,000-page ATIP that I'd be happy to table. It's to your briefing papers. I'm reading from the overview of the legislative mandate of the TBS president. It doesn't really discuss anything about specific interference or opening up previous contracts, etc. You did that as your role to interfere with Project Resolve. Did you do that to any other contracts that had been signed by the previous government?

Hon. Scott Brison: Mr. McCauley, Treasury Board's responsibility on expenditure management extends on—

Mr. Kelly McCauley: Did you do that to any other contracts, or was Project Resolve the only one that you got involved in?

Hon. Scott Brison: Mr. McCauley, Treasury Board's responsibility to provide due diligence and to work to ensure good value for tax dollars extends to every government department and agency, and it is exerted at all cabinet committees in which I participate.

Mr. Kelly McCauley: I have two last questions for you.

Did you get involved in any other reviews of previous contracts of the previous government, as you did with Project Resolve?

Hon. Scott Brison: Actually, one of the areas that we've become very involved in is the area of digital, for instance. One of the situations—

Mr. Kelly McCauley: Are there specific contracts that you got involved with at the same level as you did with Project Resolve upon taking over the Treasury Board two weeks into your mandate?

Hon. Scott Brison: Mr. McCauley, this was a—

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): On a point of order, Chair, my understanding is that we are here to review the estimates. There are billions of dollars being spent here, and this is supposed to be the open and transparent mechanism whereby parliamentarians can review the expenditures of the government through Treasury Board.

It just seems to me that Mr. McCauley's line of questioning isn't relevant to the topic of today's meeting. I'm sure his constituents, as well as many taxpayers in Canada, want to know why these funds are being expended—

Mr. Kelly McCauley: I'm sure you could ask—

Mr. Kyle Peterson: —and I just wonder why he's missing his opportunity and not asking those questions of the minister.

The Chair: Thank you for your point of order.

In response to that, Mr. Peterson, I can tell you that certainly in my capacity as chair I have the discretion to determine what is and what is not relevant. I have been listening fairly intently to the testimony. I can tell you that there is some relevance that I can see, certainly in the sense that even in the minister's opening comments he mentioned the massive expenditure at Fisheries and Oceans for three ice-breakers.

There were also other references to procurement within the government and within the supplementary (A)s, and Mr. McCauley's line of questioning, while it is perhaps walking a bit of a narrow line, is still dealing with those issues. I do see that there are relevant issues here.

Mr. McCauley, you have about 20 seconds left.

Mr. Kelly McCauley: I have 23 seconds. Do you want to answer that?

Hon. Scott Brison: Mr. McCauley, I've said, as I've said in the House, that I do my job—

Mr. Kelly McCauley: The question is—

Hon. Scott Brison: —as Treasury Board president, and I do it—

Mr. Kelly McCauley: —did you discuss or interfere with any other projects—

Hon. Scott Brison: When we—

Mr. Kelly McCauley: —signed by the previous government? I'm not asking about what you spoke about in the House, Minister.

Hon. Scott Brison: I would—

An hon. member: Could he finish up?

Mr. Kelly McCauley: I'm not talking to you, Ms. Ratansi.

The Chair: Gentlemen, what I'll try to do in my role as an impartial referee is to ensure that both the questioner and the minister have adequate time to give proper questions and adequate responses. I take my role extremely seriously in that, so in this case I will be certainly adjudicating. If I think the minister is rambling on and not speaking to a direct question, I will interject myself, but at this point in time I think he's been doing an adequate job of providing the information that he's been asked for.

We'll now move to Mr. MacGregor.

Welcome to our committee, sir. You have seven minutes.

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): I appreciate it, Chair. Thank you very much.

Minister, thank you for appearing today. I want to go to the subject of vote 40 and recognize the work of Mr. Blaikie in highlighting this issue during the main estimates.

Parliament did authorize \$7 billion, but in what we have before us we can see that about \$2.7 billion has been spent, leaving \$4.3 billion unspent. One of the chief reasons that we heard from your government for this vote 40 was that you wanted to authorize the spending so it could be used as soon as possible once the plans were ready and a Treasury Board submission was complete.

We see in the supplementary estimates (A) that you're not even close to allocating all the money. These items that have been allocated since the main estimates, couldn't they have come under the supplementary estimates through the Treasury Board submissions process so that we parliamentarians could have had better oversight and better-informed authorization of where the money is actually going?

• (1555)

Hon. Scott Brison: Thank you very much for your question, Mr. MacGregor.

Actually, so far, \$2.9 billion has been allocated. That's 45% of the amount of the total vote 40, as Brian has informed me, which is on track. If you look at where we are in the fiscal year, that is, we are on track in terms of that.

Further, for the detail on this, you can go to the website sources and the uses of the budget implementation vote by department and see this information. The granularity of this is very significant.

For instance, the “Combatting Aggressive International Tax Avoidance” budget funding was \$4,885,000. Allocated so far is \$3,966,360. You can take a look at “Protecting air travellers”, where you can see that the \$240,612,000 has been fully allocated. For “Strengthening Canada's Food Safety”, with \$15,700,000 in budget funding, so far \$12,700,000—

Mr. Alistair MacGregor: Sorry, Minister, excuse me. I realize that.

Hon. Scott Brison: The level of granularity and transparency on this is actually very significant.

Mr. Alistair MacGregor: The crux of my question was that in order to give better parliamentary oversight, given that so much money is still left unspent, could not this have come through supplementary estimates to give us, as a parliamentary body, the chance to have better oversight, rather than approving a \$7-billion fund for your department to spend as necessary? It seems to me that they could have been introduced right here and now for us to actually have a look at the needs of each department and then to approve them on each line item.

Hon. Scott Brison: There are a couple of things on this.

One is the fact that we're updating this information on a monthly basis, so it's being updated in real time, accessible to parliamentarians.

With this level of granularity, I'll just give you the example in terms of CRA:

This funding will be used to increase capacity to enhance GST/HST compliance activities and to address tax obligations of non-residents on rental income earned in Canada. Up to 170 full-time equivalents are planned to be renewed or hired over the next five years. These initiatives are expected to generate roughly 70 million dollars in federal revenue each year.

That's the level of granularity for one unit. I'm using that as an example. I can provide you with that.

I may ask Brian to also speak to this as somebody who has been extremely involved and has played a leadership role in this, but in terms of parliamentarians having the opportunity to follow government spending and the results of that government spending, this is unprecedented.

Brian, would you like to speak to this?

Mr. Brian Pagan: Thank you, Minister.

Thank you, Mr. MacGregor.

As the minister noted, the intention of vote 40 was to provide more and better information to parliamentarians so that they understood how the budget was being implemented. We had a budget delivered by the Department of Finance at the end of February, and the main estimates, delivered April 16, were the first opportunity to present budget requirements to Parliament.

We did that in the form of vote 40 with the detailed annex and, as a result of exchanges at this committee, we undertook to update that information monthly. There have been seven updates, and I would suggest to the committee that presenting that information on a monthly basis is an advance over the minister and I appearing here on November 1.

This is the first time we've been back to talk about estimates requirements. In the meantime, there have been updates on June 5, July 9, August 10, September 11, October 12 and October 31. As the minister said, it's a level of detail that is designed very much to inform parliamentarians and Canadians on the progress that the department is making.

Mr. Alistair MacGregor: Thank you for that.

Minister, can you guarantee that all of the \$7 billion that was approved is going to be allocated before this fiscal cycle ends and before we see the next main estimates?

It's a yes or no question. Can you guarantee that all of the \$7 billion will be spent before the next main estimates?

•(1600)

Mr. Brian Pagan: Thank you, Mr. MacGregor.

Mr. Alistair MacGregor: If the minister could answer, would that be okay?

Hon. Scott Brison: I'd like Brian's input on this.

Mr. Brian Pagan: Estimates provide up-to amount authority. With this vote, we have the ability to allocate up to \$7 billion, if departments come forward with their submissions.

At this time, we are approaching halfway in terms of allocations of that vote, and we will continue to update parliamentarians and Canadians monthly on our progress. Anything that is not allocated means that the department did not come forward with a TB submission. It could be because they are involved in contract negotiations or developing the parameters of a program with their partners.

If it is not accessed through the estimates this year—and this was a commitment we made back in the spring—it reverts to the fiscal framework. The Department of Finance will then re-profile that money into a future year, and it will be drawn down in subsequent estimates exercises. Anything that is not accessed this year, and that we know won't be accessed, will be highlighted to Parliament in our final supplementaries of the year.

Those amounts will be frozen. They won't be available for allocation. They'll be drawn down in future years, and we will tag those in future estimates documents as a budget 2018 commitment.

The Chair: Thank you very much.

Madame Mendès, you have seven minutes, please.

Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.): Thank you very much, Mr. Chair.

Thank you, Minister, and all of you, for coming today.

I have two questions, Minister, and I'll ask both at the same time so that you have ample time to answer them.

One of them is more general, and it goes back to when you were last here and we talked about the estimates reform. Some people were waiting to see if you would really publish the monthly updates, which we've heard are being published. You also have the sources for what this budget implementation vote has been dedicated to. I want to give you an opportunity to expand on that.

My second question is much more specific to my constituency. It's about the new Champlain Bridge and the \$291.8 million that was provided in the budget for the office of Infrastructure Canada. I'd like to know how those monies are meant to be spent on the new Champlain Bridge. Is that outside of the planned budget, or is it within the planned budget? I would appreciate it, because it touches very specifically on my constituency. Thank you very much.

Hon. Scott Brison: First of all, on the estimates reform and the amount of detail we are now providing to parliamentarians in real time, again, any parliamentarian can verify the sources and uses of the budget implementation vote by department on an ongoing basis. We're providing a level of detail and explanation that is really important in terms of parliamentarians doing their jobs.

In terms of the sequencing, it was asinine, in many ways, in the past to have the main estimates before the budget. The sequencing change we have made actually aligns the budget and estimates in a way that is much more meaningful. In the past, what would happen is that once the budget came in, the relevance or pertinence of the main estimates was largely eliminated. All of the work parliamentarians did on the main estimates was really not as meaningful as it ought to have been.

It will take time, both within Parliament and within departments. The work between Finance and Treasury Board and with departments is actually seeing results now. Over time, I think, we'll see a much more integrated approach to both the budgeting process and the estimates process. You'll see a lot more work around—

Mrs. Alexandra Mendès: I'm sorry to interrupt, Minister, but if I and others understand this correctly, vote 40 was meant to be a transition vote until we got to the new process fully.

Hon. Scott Brison: Certainly, it was important in terms of this year—the first year we do this—but again, there has been no diminution of reportage or detail or accountability to Parliament. On the contrary, in fact; it has seen an increased level of detail provided to parliamentarians and to Canadians.

In terms of the Champlain Bridge and some of the initiatives, there was an amount of \$291.8 million for the Champlain Bridge corridor project. This is important, as you have referenced, to your riding, but it's also important to Canada. With 40 million to 50 million vehicles and 11 million public transit commuters every year, it is one of the busiest bridges in Canada. It also facilitates \$20 billion annually in international trade. This is an important investment.

Part of that is working through the P3 Canada Fund, a Crown corporation mandated to promote the adoption of a public-private partnership model across Canada at the time. This investment will be very important to the economy of Montreal, the economy of Quebec, but also the Canadian economy and the quality of life of Montrealers and all Canadians.

• (1605)

Mrs. Alexandra Mendès: But this specific fund, was it just part of the overall budget? I'm wondering if it was just one portion of it, allocated in the lining of this specific budget, or if it was added in the budget for the overall project.

Hon. Scott Brison: Brian may want to add something on that.

Mr. Brian Pagan: There are two elements to the amounts being brought forward for the Champlain Bridge in the supplementary estimates (A). The first is a settlement agreement that was announced by the Government of Canada back in April as a result of negotiations with the builder of the bridge, Signature on the Saint Lawrence, to cover the transport of particularly large pieces of steel and bridge structure. There was an agreement on a way forward for that. Then there was an agreement to accelerate some of the work. As a result of that, some additional costs were incurred. So that formed a portion of the monies sought through these supplementary estimates (A).

The other portion of the amounts in these supplementaries is the re-profiling that I mentioned earlier. Every large project such as this will have a contingency reserve, monies that are available should there be changes in foreign exchange, in inflation, in the value of our

dollar, etc. To this point, those funds have not been utilized for the project, but they're available. They were re-profiled from previous years when they were in the estimates into this fiscal year. They exist to enable the close out of the project.

The Chair: Thank you.

Colleagues, I should have mentioned at the outset of the meeting that Minister Brison is with us for this first hour. We have approximately 20 minutes left, which should get us to the end of our first round of questioning.

With that, we'll move on to Monsieur Deltell.

[*Translation*]

You have the floor for five minutes.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you very much, Mr. Chair. Your French is improving by leaps and bounds.

Ladies and gentlemen, Mr. Brison, welcome to the committee.

Mr. Brison, on October 16, 2018, you said you were doing your job. We are glad to hear that, because we are here to do our job.

Now I would like to know the following. On November 19, 2015, you unilaterally halted Project Resolve to analyze it and do your job, as you said. Is that the only time you “did your job” by halting a project to analyze it, as you did with Project Resolve?

[*English*]

Hon. Scott Brison: Mr. Chair and Mr. Deltell, I will not violate cabinet confidences, but I have said that, on an ongoing basis, my responsibility as Treasury Board president involves expenditure management, playing a challenge role, ensuring the integrity of government procurement practices—

[*Translation*]

Mr. Gérard Deltell: Mr. Brison, I am not asking you...

[*English*]

Hon. Scott Brison: It's not unique to one cabinet committee or another. That is my job. It is actually the job of the secretariat at the public service level, and we work with other departments and agencies to do that.

• (1610)

[*Translation*]

Mr. Gérard Deltell: You commented publicly on this project. My specific question is whether you stopped other projects to do your duty and analyze them. Yes or no.

If you did, I am not asking you which projects, but I would like to know whether you did or did not become involved in other projects as you did with Project Resolve.

[English]

Hon. Scott Brison: I have already said, Mr. Chair, that our government inherited a contract worth \$670 million that was a sole-source contract.

Mr. Gérard Deltell: And you did your job on that.

My question is crystal clear: Did you do your job on other projects

Hon. Scott Brison: Mr. Deltell, I do my job on an ongoing basis at cabinet committees, as President of the Treasury Board but also as a member of cabinet. It's something that we all take very seriously on an ongoing basis—

[Translation]

Mr. Gérard Deltell: Okay, since you take this seriously...

[English]

Hon. Scott Brison: —to ensure good value for tax dollars and that our procurement practices are maintained at the very highest standards.

Mr. Gérard Deltell: I can tell you, Mr. Chair, that it was a really good value, the *Asterix* and the Resolve project.

[Translation]

It was done on time and on budget. That is a great source of pride and honour for the workers at Davie. It is quite a feat. We are very proud to have done that while we were in power.

[English]

Hon. Scott Brison: And I'm—

[Translation]

Mr. Gérard Deltell: Mr. Chair, it is unfortunate that the President of the Treasury Board is refusing to answer such a simple question: did he halt other projects to analyze them, as he did with Project Resolve?

For the third and final time, minister, I am giving you the chance to answer. Did you do your job with other projects as you did with Project Resolve, yes or no?

[English]

Hon. Scott Brison: I'm not going to violate cabinet confidences, Mr. Chair.

Mr. Gérard Deltell: You did that for the Resolve project.

Hon. Scott Brison: What I am being very clear on is that on an ongoing basis, day in and day out, Treasury Board has a responsibility to oversee expenditure management for the Government of Canada. We do that as Treasury Board Secretariat at the public service level.

[Translation]

Mr. Gérard Deltell: Mr. Chair, it is unfortunate that the President of the Treasury Board is willing to comment publicly on a specific file, but will not answer my question.

[English]

Hon. Scott Brison: And I do it as the minister responsible for Treasury Board.

[Translation]

Mr. Gérard Deltell: Mr. Chair, let me say again that it is unfortunate that the President of the Treasury Board is willing to comment publicly on a specific file, Project Resolve, which by the way is a huge success for workers and taxpayers in Canada, but is unwilling to say whether or not he halted other projects.

Now, here is what I would like the minister to tell us. With regard to this specific project, he said that he had just one contact with a private company and that it was disclosed. I assume he is referring to a copy of the letter that Radio-Canada obtained and reported on on November 20.

As a member of Parliament, did he have any contacts in August 2015 when the previous government announced Project Resolve?

[English]

Hon. Scott Brison: Mr. Chair, I can tell you that what the honourable member is doing, what the Conservatives are doing, is shameful.

This is a case that is before the courts, and to be engaged in—

Mr. Gérard Deltell: To be crystal clear, Mr. President—

Hon. Scott Brison: —mudslinging compromises the ability for that case to be tried effectively.

Mr. Gérard Deltell: The reality and the facts are anything but mudslinging.

Hon. Scott Brison: This is very important, Mr. Chair.

My colleague, the Minister of Public Safety, has repeated in the House quite clearly, and he's right—

[Translation]

Mr. Gérard Deltell: In your 16 communications with Irving, did you or did you not talk about Project Resolve?

[English]

Hon. Scott Brison: This is known as *sub judice*. It has been cited in the House by governments of different stripes over the years.

[Translation]

Mr. Gérard Deltell: In your 16 communications with Irving, did you or did you not talk about Project Resolve?

[English]

Hon. Scott Brison: This case is before the judiciary [*Inaudible-Editor*] extended, and the prosecution—

The Chair: Colleagues, the chair is having great difficulty with two people speaking at the same time. I appreciate the fact that you have the ability and the right to ask questions, just as the minister has the ability and the right to answer questions. My job is to try to ascertain whether or not courtesy and all of those elements of committee work that go into this committee are respected. I take my responsibility very seriously. I would suggest that in the future, if there are answers that I think are being a little too long-winded, I will interject myself and ask the minister to wrap it up or allow the next question to be posed.

In this particular case, I found that the minister, in my opinion at least, was attempting to answer a question.

Monsieur Deltell, you were interjecting; I couldn't hear what your question was and I could not hear what the minister was attempting to answer. I would encourage all members to try to work together. You may not like the answer, as the Speaker of the House often says, but at least we should afford the witnesses the opportunity to provide an answer.

Unfortunately, Monsieur Deltell, your five minutes are up. We will now go to Mr. Peterson for five minutes.

Mr. Kyle Peterson: Thank you, Mr. Chair.

Thank you, officials, for being here.

Mr. Pagan, good luck in the future. We appreciate your contribution to the Treasury Board and your public service over those years, so thank you for that.

Minister Brison, thank you for being here with us once again. I just want to touch briefly on vote 40 and this process. I've spoken about it in the House before, as well as here in committee. One way of looking at the new process, and at vote 40 specifically, is that, in my opinion, it provides a better quality and a better quantity of information for parliamentarians to review. Do you agree with that assessment?

• (1615)

Hon. Scott Brison: Well, I think that's one of the wisest things I've heard in a long time. I wish I could have summed it up as well as you did, Mr. Peterson.

In terms of the detail of the information, but also in terms of the accessibility and the usability of it.... I recently became Minister of Digital Government, in addition to being President of the Treasury Board. The ability for us to put information out there in real time today, for parliamentarians but also for all Canadians, is unprecedented. We're doing that. In fact, we're moving toward more proactive disclosure, as an example, writ large in government.

Over time, I think that strengthens not only the ability of members of Parliament to do their work but also the ability of Canadians themselves, as citizens, to hold government accountable. I think that establishing the clear link between the budget and the main estimates is an important step. Making the tracking of public expenditures and investments more transparent is extremely important for Parliament and for accountability writ large.

Mr. Kyle Peterson: Thank you.

You also mentioned that there were four components to the improvement: Generally, the sequencing has improved, and we have the main estimates after the budget now; there's the accrual basis versus the cash basis, which has been improved; you piloted the vote structure; and then the fourth pillar is the policy on results.

I want you to maybe let the committee members know what form that takes, this policy on results. Why is that important? Is that public information that Canadian taxpayers can access as well?

Hon. Scott Brison: Well, one thing we're doing for investments we're making is establishing, through the new departmental results frameworks, indicators that will help us measure results and help Canadians track results. We're focused not only on the investment but also on what the investment actually achieves over time. The

departmental results frameworks have actually had an impact, I think, within the public service, in terms of focusing both ministers and officials on tracking the results of government investments.

Brian may want to speak to that in terms of the experience, but over the last two years, we've seen a significant change in terms of the transparency around the results achieved by investments, not simply on the expenditure but in terms of what is actually achieved as a result of the expenditure.

Brian, go ahead.

Mr. Brian Pagan: Thank you, Minister.

Thanks for the question, Mr. Peterson. As the minister says, the results policy is aimed at helping parliamentarians understand how programs fit with the broader mandate and objectives of the department and the specific indicators that will be used to measure progress.

Above and beyond these departmental results frameworks, we have regular reports to Parliament. In the spring, we have the departmental plan. This year, it was tabled on the same day as the main estimates. It lays out the specific targets or objectives of the program, with the indicators. In the fall, in the coming weeks, we will be tabling the departmental results reports, which conclude the reporting exercise and show what was actually achieved with the money spent.

We have had these sorts of reports for some years and we've made some efforts recently to make them more readable and lighter. The real advance over the last three or four years has been TBS InfoBase. We were at this committee in the spring. We showed you not only how InfoBase exists for all of spending, but how we were going to be using it to follow the budget implementation vote—a budget tracker.

Again, I commend the tool to the committee and to anybody watching this appearance, because it contains a wealth of information about the structure of programs, the amount of the spend, the personnel delivering the programs—

• (1620)

The Chair: Thank you very much.

Now, for the final five-minute intervention, we'll go back to one of your favourite committee members, Mr. Brison, as you've stated on so many occasions.

Mr. McCauley, you have five minutes, please.

Mr. Kelly McCauley: Even on Facebook, I'm sure....

The PBO has asked repeatedly for the RFP for the combat ship program. Repeatedly, the government has refused to release it to him, even though he believes, and I believe, that it is required to release it to him under an act of Parliament. We've asked the minister over at PSPC if they will release it and got hum and haw: "Yes, we should get around to it." Just last week, releasing it was refused for the fourth time.

Can you guarantee to us, because you're the overseer of financial management, that the Parliamentary Budget Officer will finally receive the RFP for the combat ship program? I'm sorry, but it's a simple yes or no. If you want to say no, fine, and I'll move on to the other question, but I'd like a quick answer from you, please.

Hon. Scott Brison: I would say that I'd like to speak to my colleague Minister Qualtrough on this. I've not been asked that question before. I'd like to actually speak to Minister Qualtrough about the issue and—

Mr. Kelly McCauley: Do you mind getting back to us, then?

Hon. Scott Brison: I'll speak to the minister. I'll get back to you after I speak with Minister Qualtrough about it.

Mr. Kelly McCauley: Perfect.

Next, did you discuss Project Resolve in any of the 16 communications you've had with the Irving group since 2016?

Hon. Scott Brison: Mr. Chair, once again, this is a matter before the courts. I've been clear in terms of Treasury Board's role—

Mr. Kelly McCauley: You've mentioned that it's before the courts.

Hon. Scott Brison: —on an ongoing basis. Again, I will not compromise that, and I think it's irresponsible for the honourable member to be speaking of a matter that is before the courts now. The independence of the judicial process is important—

Mr. Kelly McCauley: Minister Brison, you say that it's before the courts—

Hon. Scott Brison: —and Parliament has a responsibility. This is known as the *sub judice* convention. It's—

The Chair: Minister, I take my role very seriously, but I also make sure that I only interject when I think it's absolutely necessary. I appreciate the response that you were giving. We have heard this. I've certainly heard this in the House, as many others have. I think we know the position. I'm not suggesting that it's right, wrong or indifferent, but I think now that is on the record.

Mr. McCauley, I would ask you to pose another question, please.

Mr. Kelly McCauley: Thank you.

You've mentioned that it's before the courts. I accept that.

Before Admiral Norman's trial even started, the Prime Minister went public and said that it would “inevitably” come before the courts, suggesting that he was perhaps briefed by the RCMP on the status of the investigation.

Considering your engagement with Irving, did your department receive any briefings from the RCMP on the state of Admiral Norman's investigation?

Hon. Scott Brison: Again, Mr. Chair, my answer to that would be identical to that which I just delivered—

Mr. Kelly McCauley: Okay. I'll move on.

Hon. Scott Brison: —and that is that there is a matter before the courts. Parliament has a responsibility to respect the *sub judice* convention, which is there to ensure the integrity and independence of a judicial process. I wish the honourable member would behave responsibly and understand—

The Chair: I will interject again and for the record note that the question has been posed and answered.

Mr. McCauley, I would ask you to move on to your next question.

Mr. Kelly McCauley: If only the Prime Minister showed such responsibility before he publicly condemned Admiral Norman...

In February of this year, you and this committee agreed that you would appear before this committee to discuss whistle-blower protection.

Hon. Scott Brison: Yes.

Mr. Kelly McCauley: We've repeatedly invited you. It was supposed to be before summer break. You have not returned to deal with whistle-blowers. Considering your involvement in the ongoing Norman case and the Irving issue, we have a simple question for you: whether you're avoiding the briefing because you're implicated in a case against a whistle-blower yourself.

Hon. Scott Brison: Actually, your committee has done some work on this. You've done significant work on it.

Mr. Kelly McCauley: We've asked you to appear, and you have not shown up.

Hon. Scott Brison: Actually, just on this, Mr. McCauley, we have made improvements to the whistle-blower regime that reflect some of the work of this committee.

Mr. Kelly McCauley: You agreed to appear before the summer, and you have refused. Is it because of the ongoing whistle-blower issue with Admiral Norman?

Hon. Scott Brison: Mr. Chair, may I finish?

These are some of the improvements we've made to the administration and operation of the internal disclosure process: for instance, the protection from acts of reprisal against public servants. This includes greater guidance for the internal disclosure process; increased awareness activities; training for public servants, supervisors and managers; and enhanced reporting relating to the internal disclosure process and acts of founded wrongdoing. This reflects recommendations made by this committee. So we have actually listened to the committee and we've made changes to strengthen the whistle-blower regime.

• (1625)

Mr. Kelly McCauley: It's unfortunate. You committed to appear at this committee about a whistle-blower study, which is very important. We have the worst whistle-blower protection for public servants in the OECD, and you've refused to come back.

The Chair: Mr. Peterson, do you have a point of order?

Mr. Kyle Peterson: Yes, thank you, Mr. Chair. I certainly agree with your initial ruling that you were being very deferential to the relevant, but I really don't see how rehashing the whistle-blower study, which we've already done, is relevant at all to this.

Mr. Kelly McCauley: I can address it.

The Chair: I think there is relevance there. The question has been asked.

Mr. McCauley has about 24 seconds left.

Mr. Kelly McCauley: The Integrity Commissioner receives supplementaries, and thus it is relevant.

There are negotiations—it's been reported—going on with the public service unions about a payoff for inconveniences and other issues with Phoenix. How far along are we? When will we actually get an announcement for that? Can you give us a ballpark estimate of what the hit will be for the treasury?

The Chair: Minister Brison, please give us a very short answer, if it's possible, sir.

Hon. Scott Brison: We're working with the public service. First of all, stabilizing the Phoenix pay system is being led by Minister Qualtrough. It's a tough job. We inherited from the previous government a pay system that was badly designed and poorly scoped out. We are working to fix that, but we're also leading the development, at Treasury Board, of the next-generation pay system. We're using an agile, digital procurement approach that is actually going to see working prototypes being tested by public servants in the coming months—

The Chair: Thank you very much.

Hon. Scott Brison: —and we're making a great deal of progress on that.

The Chair: I'm afraid we're running out of time, so we're going to have to go to Mr. Jowhari.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair.

I'd like to welcome the minister and the department here. Actually, I'm going to follow up on what Mr. McCauley was asking the minister, who didn't get a chance to complete his response.

Really, about \$18.1 million in funding is allocated as part of the back-office transformation initiative, which is aimed to replace a number of different human resources management systems and financial management systems. Can you shed some light on where this money is being spent, as well as finish the statement that you were making regarding the pilot project that's going on for the pay system?

Hon. Scott Brison: On the back-office transformation initiative, since fiscal year 2014-15 a total of \$130 million has been invested in it. In fiscal 2018-19, we'll complete the build of the Government of Canada finance and materials management solution, and we will develop a cloud-based infrastructure with a secure connection to the GC network.

Just on that, because I know you have a background in and an understanding of digital transformation, several months ago we undertook a “cloud first” strategy as a government. We're seeing significant take-up now by departments and agencies, which is helping us become more agile in our development of digital solutions to serve people better. That has been helpful in the back-office transformation as well. So the work is ongoing, and we've made some significant progress.

Mr. Majid Jowhari: Okay, thank you.

Minister, Madam Mendès talked about the economic benefit of the new Champlain Bridge. I would be remiss, being from Ontario, if I didn't touch on the Gordie Howe bridge, and how the investment of

\$283 million is going to add to the economy of Ontario and all of Canada, especially with the hope that the USMCA will be ratified in the near future.

Hon. Scott Brison: The Gordie Howe bridge is important, of course, to the people of Windsor and Ontario, but it's also important to the whole country. If you look at the percentage of Canada-U.S. trade at the Detroit-Windsor crossing, it's staggering. We believe it's in our national interest to see the construction of the Gordie Howe international bridge. Of course, there are funds in these estimates that will continue that process. This is a very significant project involving a lot of stakeholders and a lot of challenges, but we believe it's incredibly important that we get this done.

You mentioned particularly the USMCA, the trade relationship with our biggest trade partner, and the jobs that depend on that. The logistics of being able to serve that market are essential to the broader Canadian economy. We're pleased with the progress, but there's still a lot of work. There are a lot of moving parts with this project. It's a very complex infrastructure project, but we are committed to moving it forward.

• (1630)

Mr. Majid Jowhari: Is there any way that you can give me some of the major breakdowns of that \$283 million for the Gordie Howe bridge and some of the economic benefits? When you were talking about the Champlain Bridge, you were quite clear in terms of saying how many cars would be moving through. Are there some indicators that you could share with us or that you could get back to the committee with?

Hon. Scott Brison: We could get back to you on that.

With the reliance on the current structure and not having an alternative, I think it makes a great deal of sense to ensure that we have the ability or that we guarantee the ability of Canadian exporters to get their goods to the United States. Take the auto sector; you can see the importance of the Detroit-Windsor crossing in terms of the auto sector and the supply chains, which are inherently shared between Canada and the U.S., Detroit and Windsor.

For all of these reasons, making sure we have a secure link for trade, commerce and people between Detroit and Windsor is in the interest of all Canadians.

The Chair: Thank you.

Minister, I know you were scheduled here for an hour only. It's been the practice of this committee, where possible, to try to get a complete round in, which means there would be one three-minute round left for your colleague Mr. MacGregor. Would you be willing to stay at the committee to provide answers to questions for an additional three minutes?

Hon. Scott Brison: I think I can do three minutes....

Voices: Oh, oh!

The Chair: Can you manage that? Thank you so much.

Mr. MacGregor, the floor is yours.

Mr. Alistair MacGregor: Thank you, Chair.

Thank you, Minister, for indulging me.

Neither the main estimates nor the supplementary estimates includes the \$4.5-billion purchase of the Trans Mountain pipeline. Your government took a loan, through the Canada Development Investment Corporation, from Export Development Canada to create a new Crown corporation, Trans Mountain Corporation.

We've heard all this talk of parliamentary oversight. Why would you make such a large purchase and not use the estimates process to get this money approved? If you have so much money floating around from Crown corporations, why on earth is your government spending it on a diluted bitumen-exporting pipeline and not addressing the needs of the housing crisis or climate change adaptation and mitigation?

Hon. Scott Brison: Mr. MacGregor, diversifying our markets for our energy is critically important to—

Mr. Alistair MacGregor: It all goes to the United States currently, so you can't use that argument.

Hon. Scott Brison: Diversifying our energy exports is critically important: 97% of our energy goes to the United States right now—

Mr. Alistair MacGregor: Through the existing pipeline, it does.

Hon. Scott Brison: —and finding new markets for Canadian energy is important. Right now, we are selling our Canadian energy at a deep discount as a result of not having the ability to get our—

Mr. Alistair MacGregor: Why was this purchase not made through the estimates process?

Hon. Scott Brison: Actually, it's a non-budgetary item. Brian can expand on that, but I can tell you that we believe it's in our national interest to complete the TMX project, because we need to expand our markets for our energy. Right now, Canadian energy is being sold at a deep discount as a result of not having those markets.

Mr. Alistair MacGregor: I understand that. Will—

Hon. Scott Brison: That is good for all Canadians.

Mr. Alistair MacGregor: Thank you, Minister.

Hon. Scott Brison: That is good not just for the people in the energy sector.

Mr. Alistair MacGregor: Will you be able to find \$4.5 billion for other Crown corporations—

Hon. Scott Brison: It is right now the—

Mr. Alistair MacGregor: —like the CMHC to provide housing?

Hon. Scott Brison: Right now, the deep discount we're selling Canadian energy at costs us \$15 billion—

The Chair: Colleagues, as I mentioned once before, I'd like to be able to hear both the question and the answer.

Hon. Scott Brison: It costs our economy \$15 billion per year.

The Chair: Thank you, Minister.

I think Minister Brison said that Mr. Pagan could expand upon the answer directly to your question about the supplementaries.

Mr. Alistair MacGregor: I would like to get one more question to the minister.

I don't want to hear any more on this line of questioning.

The Chair: You have one minute left.

Mr. Alistair MacGregor: Minister, I've heard all of your reasoning.

Will your government commit to finding \$4.5 billion for other Crown corporations, such as the Canada Mortgage and Housing Corporation, to spend on housing immediately, if you can do the same for a pipeline?

• (1635)

Hon. Scott Brison: Actually, we're making unprecedented investments—

Mr. Alistair MacGregor: Right now? This year?

Hon. Scott Brison: —in housing as a government. In fact, our national affordable housing strategy—

Mr. Alistair MacGregor: It's all being back-loaded in 2020.

Hon. Scott Brison: —has very significant partnerships that the federal government has clearly backed—

Mr. Alistair MacGregor: It's not addressing the crisis.

Hon. Scott Brison: —but Brian can answer on the non-budgetary item of Trans Mountain.

Mr. Brian Pagan: In the estimates document, at the front end, you'll see that we break out spending by budgetary voted and statutory, and non-budgetary voted and statutory. Non-budgetary items are those items that go to the bottom line of the Government of Canada. They affect the underlying composition of our assets—loans, recoveries, investments and advances.

In this case, there is no appropriation authority. We don't need the cash to make this purchase. It is a loan from one Crown corporation to another Crown corporation. It's recorded on the books of the Government of Canada as an asset with an offsetting liability for the amount of that loan.

The Chair: Thank you.

Mr. Brian Pagan: When it is sold, we will either make money or lose money on that transaction, and that will be recorded in the underlying statements of the Government of Canada.

The Chair: Thank you very much.

Minister, we thank you again for being here today.

I have just one quick comment, an observation from the chair, if I may. We as a committee have invited you to appear before this committee to discuss specifically the whistle-blower protection act and the report that this committee worked very hard to develop and present in Parliament. We have yet to hear back from your office. I'm not going to try to put you on the spot, but certainly, sir, I hope you would take it under your most serious consideration to attend the next time you're invited to this committee to discuss that specific issue.

Hon. Scott Brison: Thank you very much, Mr. Chair.

Thank you to the committee. I was pleased to be able to refer to some of the changes we've made in terms of that regime, which were informed by the work of this committee. Thank you for the interest of some of the members in the supplementary estimates as well.

The Chair: Thank you on behalf of the committee.

Colleagues, we will suspend while the minister departs the room, and we'll resume in about three minutes.

• (1635) _____ (Pause) _____

• (1640)

The Chair: Colleagues, I'll call the meeting back to order.

Before we begin with a brief opening statement by Mr. Pagan, I want to address my remarks directly to him, hopefully on behalf of all of our committee members, to underscore what Minister Brison was saying.

Thank you so much, sir, for all your years of service. It is a thankless job many times to do what you do, and to do what public servants do.

I want to publicly thank you, since we are televised, for your many years of service, and wish you a great future. I hope retirement treats you well, and I hope we have an opportunity sometime in the future to see you back here on Parliament Hill.

Once again, thank you for everything you've done on behalf of Canadians coast to coast.

Mr. Brian Pagan: Thank you, Mr. Chair.

It's been my pleasure to represent Treasury Board and to serve this committee.

I very much look forward to presenting my final supplementary estimates.

The Chair: That's a nice segue, Mr. Pagan.

I understand that you have a brief opening statement, and following that we'll go directly into questions.

Colleagues, I think we will not have enough time for an entire first round, but we will have about 40 minutes. That should give us enough time for at least one or one and a half rounds of questions.

Mr. Pagan, the floor is yours.

Mr. Brian Pagan: Thank you, again.

The president, in his opening remarks, provided a broad overview of the supplementary estimates and the major items therein. There has been a PowerPoint presentation circulated to committee members. I simply want to take a very few minutes to speak to where we are in the supply process.

What we see in front of us, on slide 3, is the supply calendar. As the committee will know, the House calendar is broken into three supply periods. This period here, for supplementary (A)s, ends on December 10, then to March 26 in the fiscal year, and then from the start of the next fiscal year to June 30.

What we see in this period—September to December of the supply period ending December 10—is that we have the conclusion

of last fiscal year. We have the annual financial report and the public accounts for the Government of Canada. We're tabling our first supplementary estimates of the year, and we look forward in the next few weeks to a fall economic statement, which may result in additional priorities. We would bring those to Parliament in subsequent supply periods. So that is the supply period.

Slide 4 is just a reminder that we have the tabled document in the House that provides a summary of the supplementary estimates seeking \$7.5 billion in voted authorities. We have details on a large number of horizontal items this year in these supplementaries. We have 21 horizontal items. We have detail by each and every organization—the 76 organizations seeking money—through the supplementary estimates (A), and then the proposed schedule to the appropriation bill that will be introduced in December. That's all part of the tabled document.

In addition to that, there is a wealth of information available online. This information has been generated, in large part, by interactions with this committee over the years. They have asked for additional details on statutory expenditures, breaking out the estimates by program or by purpose, and breaking out the details by standard objects of expenditure: salaries, professional services, travel, etc. We have a detailed listing of all of our central votes. We have a detailed listing of transfers between organizations.

Then, most importantly, there is InfoBase. I've said in the past that as we continue to make improvements to InfoBase, it's my expressed hope that some day we'll become irrelevant and everything you would want to know about the estimates will be available online.

Mr. Chair, that's the overview of where we're at. There were a number of questions in the previous round. I'd be happy to follow up on any of those, or any new questions that the committee may have.

I should mention that I'm joined at the table by executive director Marcia Santiago; our new CFO at the Treasury Board, Karen Cahill; and Mr. Glenn Purves, who is taking on the responsibilities of secretariat expenditure management.

• (1645)

The Chair: Thank you very much for your statement.

We'll go directly to seven-minute rounds now, starting with Madame Yip, please.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Thank you very much for coming.

How do the estimates help provide a better infrastructure for Canadians?

Mr. Brian Pagan: Madam Yip, that's a very interesting question because it's one of the challenges that we're grappling with now with regard to InfoBase. Government is organized vertically, so we have departments. We have the Department of Infrastructure. We have the Department of Fisheries and Oceans. We have the Department of Environment, etc. The estimates presented to you, for the most part, present that information according to those departmental structures.

Over the years, we've come to realize that the departments, in and of themselves, are often not able to address all of the policy and programming goals of government, and that to achieve the objectives of the government, they need to work together. At the very front end of the document, we have a listing of all of the horizontal items, and I mentioned there are some 21 items in this document. That's an example of how we have interacted with the committee to present information in a new way.

In addition, through InfoBase, people are looking.... They don't know how government is organized, and they may not use the term "infrastructure". They may use "construction" or some other term, so we are using data tags to allow for searchable online access to spending. You can use InfoBase to query—as you could query in Google—seniors, aboriginals, youth or infrastructure, and you'll see all of the different programs and spending of government. This is something that is iterative, and we will make it better year in and year out.

Specifically, with respect to infrastructure, I mentioned horizontal initiatives. The very first horizontal initiative is funding for infrastructure projects in indigenous communities. What we see through that very first initiative is that we have three departments joining up to address infrastructure in indigenous communities: the Department of Indian Affairs and Northern Development, the Department of Indigenous Services Canada and the Department of Public Safety and Emergency Preparedness. Each is doing its part to address infrastructure needs in aboriginal communities.

Specifically, with respect to major infrastructure, we had questions in the previous round about the Champlain Bridge, about money being sought by the Office of Infrastructure of Canada for that large project. The Gordie Howe international bridge—the Detroit bridge crossing—is another major item in these supplementary estimates.

Then there is federal infrastructure: labs and property of individual departments. We see major investments in departments, most notably the Department of National Defence and the Department of Fisheries and Oceans for the Coast Guard ships that we spoke of.

• (1650)

Ms. Jean Yip: What kind of property is part of the Department of National Defence that you just mentioned?

Mr. Brian Pagan: To my recollection, the Department of National Defence is the largest property owner in Canada. It has testing facilities, bases and depots across the country. The funds being sought in these supplementary estimates—some \$282 million—cover a range of capital projects in the department.

A capital project can be a major equipment system—such as a ship, tank or airplane—but it also encompasses the department's real property. The \$282 million for DND through these supplementary estimates includes funding for some of its facilities across the country: upgrades to barracks, training facilities, and bases.

Ms. Jean Yip: Thank you.

Shared Services Canada has requested \$14.6 million of funding for the 2018-2020 immigration levels plan. What is Shared Services' role in the immigration levels plan, and what will the \$14.6 million of funding be used for?

Mr. Brian Pagan: Thank you. I'm just checking my notes on this one.

Shared Services Canada, as we know, provides the physical infrastructure backbone for government departments. In this particular case, it's seeking operating and capital expenditures to provide core IT services, including systems overseas. So, a large part of the request for Shared Services Canada includes working with departments to install infrastructure overseas.

Ms. Jean Yip: With respect to the Border Services job classification comparability study, there's \$500,000 put towards that. Can you explain what this study is about, how it will help Border Services, and whether it is on schedule?

I'm referring to the Treasury Board Secretariat on page 2-105.

Mr. Brian Pagan: Right. I'll defer to—

The Chair: If you could find it in under a minute, I'd appreciate it.

Ms. Karen Cahill (Assistant Secretary and Chief Financial Officer, Treasury Board Secretariat): Normally we do studies to be able to compare jobs between different classifications. As the core public service administration employer, we are undertaking a study to ensure that the job wages are comparable for both the border services and the correctional services officers. The study has not yet started, but we will commission the study in the upcoming months.

The Chair: Thank you very much.

Ms. Jean Yip: Thank you.

The Chair: We'll now go to Mr. McCauley for seven minutes, please.

Mr. Kelly McCauley: Ms. Santiago, welcome back.

Minister Brison referenced the sources and uses of the budget implementation vote by department on the website. I'm just wondering—you cannot track month by month any new spending. You update the total spent but not by month.

How are Canadians and parliamentarians supposed to actually follow the money? We can only do it because we actually printed the very first one that came out in April, so we can actually compare. We print it every month, but the month-by-month new money that comes out is not reflected or shown separately.

• (1655)

Mr. Brian Pagan: Thank you, Mr. McCauley.

You're quite right that the monthly updates do not show a delta from one month to the next. That's something we'd be happy to look at, to show what the difference is.

The key advance, from our perspective here, is in the quantity and the quality of the updates. In fact, there have been seven updates for this committee and for Canadians since the original posting on April 16.

Mr. Kelly McCauley: I appreciate that, but just opening it up... I can't imagine that anyone across the table has actually looked at it, but if they were to look at it today, they would not know how much was spent last month or how much was rolled out a month ago.

Mr. MacGregor brought up the fact that vote 40 was supposed to replace, basically, a supplementary estimate, and yet less than 60% of that has actually gone out. Canadians actually can't tell. Parliamentarians can't tell.

I appreciate that you're going to look at it. Maybe we can get a commitment that you can just add a simple line showing how much is going out every month so that we can actually see.

Mr. Brian Pagan: I'd welcome the suggestion, Mr. McCauley. That's something we'd be glad to look at.

I would simply caution that the estimates are intended to provide information about the authorities available to departments, and so we have focused on how we have made allocations from that vote. Making the allocation is a different kind of fish from the money being spent.

Mr. Kelly McCauley: Okay. Unless I'm wrong, I heard Minister Brison very clearly saying that Canadians and parliamentarians could actually follow the funds with this. Again, it's a simple change. I hope you can fix it. You understand that you can't follow it unless you print it every single month and spend the time making your own Excel spreadsheet.

I'm going to move on.

Once the vote 40 budget initiatives are approved, some go across to our government departments. Are these considered horizontal items, or are they all individual initiatives for each individual department?

Mr. Brian Pagan: Thank you.

That's a very good question, Mr. McCauley, because, in some instances, an item in the budget implementation vote is in fact a horizontal item.

Mr. Kelly McCauley: Right.

Mr. Brian Pagan: An example would be Phoenix and the work that TBS and PSPC are doing to support the existing systems.

Mr. Kelly McCauley: So vote 40 will go across as a....

Is it considered horizontal like the rest of the estimates?

Mr. Brian Pagan: No. I will just be very clear here. Allocations from vote 40 can be horizontal items if we are advancing money for the same budget item to a number of different departments.

Mr. Kelly McCauley: Let me ask you about central vote 5. There's a \$1.1-million contingency emergency fund to enable ESDC as grant payments for support for labour market information.

I'm just curious. It's an \$800-million-a-year department. Why is there an emergency \$1 million? They couldn't find it.... They use it for labour market opinions. What's the big rush for it? Is that \$1 million linked in any way to the Stats Canada issue going on right now with the deep dive StatsCan is doing into banking accounts?

Mr. Brian Pagan: Thank you, Mr. McCauley.

Vote 5 exists, as the committee knows, to allocate funding to departments in advance of supply. In those cases where departments have existing cash authorities, they won't need the vote—

Mr. Kelly McCauley: Is it linked in any way to the Stats Canada issue?

Mr. Brian Pagan: —but when it comes to making a grant payment, they need the authority to do that. In this case, it is the allocation—

Mr. Kelly McCauley: I think Ms. Santiago is shaking her head.

Ms. Marcia Santiago (Executive Director, Expenditure Strategies and Estimates, Treasury Board Secretariat): No, we don't believe it's at all related to the Stats Canada issue.

Mr. Kelly McCauley: Perfect. Thanks.

I want to go quickly because I'm running out of time.

On the departmental plans that Minister Brison spoke about, we have discussed them recently, and there is a framework that sets out very clear policy objectives and very clear requirements. If Treasury Board is supposed to be the oversight of the departmental plans, I'd like to know just how much oversight you give.

I want to give you some statistics. There are something like 1,600 targets set out in the various departmental plans. We've read through them all and counted them all. Fully one fifth have no actual measurable targets set. It's odd that we're spending \$300 billion a year and there are no targets set. Twelve per cent, or one out of every eight, have no date set for the target. Fully 48% have no target compared to.... It's left as "not applicable" for the 2016-17 numbers.

I have to ask Treasury Board, are you satisfied with what I think is a complete failure of the departmental plans? What is Treasury Board's role in ensuring that this is addressed and doesn't continue? We have massive spending and ministers signing off on plans that are completely unacceptable and do not set out any direction as the framework requires them to do.

● (1700)

Mr. Brian Pagan: Mr. McCauley, I think this is one area where in fact we would share a common interest. Treasury Board certainly has a role in terms of the results policy, and we work with departments to clarify—

Mr. Kelly McCauley: We heard from the parliamentary secretary that it's okay because it's a learning process and government is complicated. Do you share that view, that 48% is acceptable and one fifth of all goals...?

Mr. Brian Pagan: I agree that government is complicated, and I do believe that this is a journey and that suggestions from this committee in terms of improving results indicators would be very helpful to departments.

The Chair: Thank you very much.

Mr. MacGregor, you have seven minutes.

Mr. Alistair MacGregor: Thank you very much, Chair.

Mr. Pagan, I too want to revisit vote 40. I understand, going through the different departments, that these are just the monies that have been allocated, not necessarily spent.

Mr. Brian Pagan: That's correct.

Mr. Alistair MacGregor: Okay. I want to revisit the issue of parliamentary oversight, because one of the most important roles we have is that Her Majesty cannot spend any funds that Parliament does not first approve.

Now, I appreciate that the Government of Canada is listing these items. The problem I have is that vote 40 has already been approved by Parliament. The \$7 billion was approved, so even as we see these items come up, our ability to talk about where the money is actually going is a moot point because the funds have already been approved.

When I go through the list, I see \$9.5 million allocated for aquaculture growth. Well, on the west coast, we have huge problems with fish farms and their impact on wild salmon.

I see \$10 million allocated for rural broadband. Do you know how big this country is? Is \$10 million even enough to cover that? At the agriculture committee, we were hearing a lot that this is necessary.

Again, my ability to influence or to have any say in the oversight of this spending is limited because the funds have already been approved.

There's \$22 million going to protect the southern resident killer whale. Again, it's an issue that my constituents have great concern about.

In terms of my ability to oversee these funds, they have already been approved by Parliament. Do you see where my particular problem is here? The money has already been approved.

At that time, we had no idea of where it was being allocated. That's the issue I have. I'm wondering if you can comment on that.

Mr. Brian Pagan: Mr. MacGregor, this is a tremendously important issue. There was a great deal of debate, within this committee and elsewhere, in the spring. I don't know that a short answer will do it justice.

The starting point is about improving transparency so that parliamentarians understand how the estimates process supports the budget. In the minister's own parlance, we had it completely backwards before. We submitted the estimates. Then we followed up with a budget. Then we brought budget items, a piece at a time, over many years. In some cases, it was five or six years from a budget announcement until the time it showed up in the estimates.

The intention of vote 40 this year was to essentially serve as a report card. The government said in budget 2018 that they expect to spend \$7 billion on a cash basis, so we put that in the estimates. We are reporting, every month, about how that money is being allocated and how it's being used. At the end of the year, we will see how the government has done in terms of allocating money to its priorities as announced in budget 2018.

I think that's a tremendous step forward in terms of transparency and just making the process understandable. Parliament approved the budget, and therefore I don't think it's illogical that Parliament would approve the appropriations to implement the budget. What we are doing through our reporting is providing a level of detail and a pace of detail that have simply never existed before. We're supporting that with additional online material, including on InfoBase.

Mr. Alistair MacGregor: My next question, then, is this. At the time of vote 40, were departmental plans detailed enough to indicate that they had a future need for these funds, or are departmental plans coming into greater clarity now that they know the funding is available?

• (1705)

Mr. Brian Pagan: That's a terrific question. The short answer is no. When the estimates were tabled, when the budget was tabled, departmental plans did not reflect the priorities announced and the funding made available in budget 2018. That is—

Mr. Alistair MacGregor: But do you see the problem there? If departments realize that a rather large sum of money is available, perhaps they can start finding reasons for that money—money that they may otherwise have had to justify in the first place.

Mr. Brian Pagan: Just to be very clear, the budget process is not based on the Department of Finance just doling money out willy-nilly. This is based on expressed needs by departments. The minister has written to the Minister of Finance requesting a certain sum of money to do a certain program or fulfill a certain mandate commitment. That is scrutinized very vigorously by the Department of Finance to make sure that the funding is in fact required and is going to serve the government's objectives.

Departments are not surprised to get budget money. They've asked for it, and they know in some level of detail what they will be doing with it. It does take time to go from finding out that you got money in the budget to actually working with your program partners and negotiating contracts to be able to present detailed terms and conditions. That explains in part why we're at 45% allocated.

Mr. Alistair MacGregor: Thank you.

I want to change topics now and address Phoenix. The Auditor General is still not terribly happy with how this program is being dealt with. We know that since the implementation of this pay system, more than \$1 billion has been spent trying to fix it.

I have a lot of constituents who are affected by this and whose lives have been placed on hold, going through tremendous strain. I'm just wondering. From Treasury Board's perspective, how much farther down the rabbit hole do we have to go before we actually see this problem fixed? I mean, how much longer are we going to have to wait? Do you have an estimate on how much more money will be spent to fix it?

Mr. Brian Pagan: Karen may have some detail on that.

Mr. MacGregor, there are some elements to your question that are well beyond my remit in the expenditure management sector. You mentioned the monies already spent. The comptroller general did a report in the late spring that suggested an amount going forward. To my knowledge, that remains the best number out there in terms of the cost of fixing Phoenix.

Beyond that, as to the timing and where PSPC is at with system upgrades, I think those are questions—

Mr. Alistair MacGregor: Has the department provided some advice as to their best estimates? Is that not a topic of discussion at the upper levels of Treasury Board, about how much longer this could go on for?

Mr. Brian Pagan: I'm not part of those discussions.

Ms. Karen Cahill: Nor am I part of those discussions. It's not something that we're involved with.

The Chair: Unfortunately, we're completely out of time for that. Perhaps you can add to your answer at our next intervention, which will come from Mr. Drouin, for seven minutes.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you, Mr. Chair.

I, too, would like to wish Mr. Pagan a good retirement after long years of service to Canada. Before you go, I do have a few questions for you.

With regard to the budget implementation vote in vote 40, it's my understanding that the Government of Canada is not the only jurisdiction doing this. Is that right?

Mr. Brian Pagan: That's correct. Budget implementation votes in some form or other exist in the provinces. We've looked at, from memory.... Manitoba and, I believe, Nova Scotia have elements of a budget implementation vote.

As the minister has said, there are other models out there. He's especially fond of how Australia does its budgeting process. That's something we continue to study with great interest, in terms of how processes are sequenced and when decisions are made.

Mr. Francis Drouin: Thank you.

I have a quick question on horizontal items. You said that there are 21 horizontal items listed. That was provided to Parliament. What is the process for horizontal initiatives to be determined? I know that it's two or more departments. What kicks off that process? One could make the argument that any initiative in government should involve more than one department. What's that trigger effect?

• (1710)

Mr. Brian Pagan: To an earlier question, government is complicated, so any one initiative is not necessarily the same as another.

Generally, we're looking at a three-step process where there will be a policy discussion, a policy decision of government to say that this is something we want to do. Then there's a budget decision to say that this is how much we're going to spend on it. Then we see the TB approvals and we bring that to Parliament for approval. That's the general playbook.

What we see here in the 21 initiatives is consistent with that. There would be policy discussions at cabinet about, for instance, the LGBT Purge class action. This is a liability facing the government. We need to do something as a government to respond to this. There was a discussion about how best to formulate that response and what departments would be involved in that response. What you see here before you is that the program is being addressed by National Defence, primarily for legal costs and some of the challenges to date. The Treasury Board Secretariat is holding the money in their central vote and will be allocating that money once the class is settled by the courts.

Mr. Francis Drouin: Thank you.

With regard to the first nations water and waste-water initiative, there's \$423.1 million allocated to that. Do we have a number in terms of how many communities will be affected by this?

Mr. Brian Pagan: I don't have a precise number on the number of communities, Mr. Drouin. We can certainly try to get that for you. The minister mentioned earlier the progress that has been made. I think he mentioned 74 water advisories already cleared, with the expectation that this additional funding will lift all advisories by 2021. I believe that is the time frame.

Mr. Francis Drouin: Thanks.

I probably have time for one more question.

The Chair: You have two and a half minutes.

Mr. Francis Drouin: Regarding capital investments in support of "Strong, Secure, Engaged", you have a number here of \$282.2 million. What's that for?

Mr. Brian Pagan: This is an assortment of what we call minor capital in smaller projects. Typically, anything over \$100 million is classified as a major capital project, such as ships, planes and major weapon systems. Those will have their own profile in the estimates.

Underneath that is just a wide assortment of requirements for the department related to base infrastructure, labs, barracks and minor vehicles to taxi troops back and forth. There's a significant expenditure, as well, related to the upgrade of the new headquarters—the former Nortel building. They're finalizing the retrofit of that, and the staff have already begun to move in. There are elements related to the upgrade of that new headquarters.

Mr. Francis Drouin: Thank you.

The Chair: Colleagues, we have time for two more five-minute interventions. We'll start with Mr. Deltell. I understand you may be splitting your time with Mr. McCauley. I'll give you a signal when there are two minutes left.

Mr. Gérard Deltell: Fantastic. Thank you so much, Mr. Chair.

[*Translation*]

Mr. Pagan, it is my turn to thank you for your services to the country. My best wishes for your future activities. I also extend my best wishes especially to those who will succeed you. I hope they will continue the fine tradition that you have established and applied all these years.

I would like to talk to you about the G7 Summit, held in the Charlevoix region. Page 1-13 reports \$80,577,294 in expenditures. I would like to know whether that is part of the \$605 million in expenditures announced last June or whether that is an additional expenditure.

• (1715)

Mr. Brian Pagan: Thank you for the question, Mr. Deltell.

I will check the exact amounts, but I think that is part of the costs announced by the government. In that case, it is carried forward. The amounts already available are carried forward to the current year so they are available to both departments.

Mr. Gérard Deltell: I see. The \$80,577,294 is part of the \$605 million. So it is not an additional amount. That's good.

I would like to raise another matter with you. Under vote 10a, for the Treasury Board Secretariat, there is an amount of \$275.7 million; in past years, it was \$3 million. I would like to know why the current amount is 80 times higher. What is the reason for this dramatic increase?

Mr. Brian Pagan: Mr. Deltell, that is a good point. Two major projects account for the increase in this vote. First is the

[*English*]

LGBT class action.

[*Translation*]

Until the courts determine the amounts resulting from this action, these funds are held by Treasury Board. They will be paid out later.

Mr. Gérard Deltell: We completely agree with the policy and the approach taken, and the amounts to be paid out, but we are surprised to see a \$3-million vote multiplied by 80. We are surprised to see that this was not planned out better. I am not talking about an estimate to the last cent, but we are talking about an amount that is 80 times higher.

Mr. Brian Pagan: The issue here is simply the amount that will have to be paid out as a result of this action.

[*English*]

The settlement is expected to cost up to \$110 million. It's not clear what the exact amounts will be, so we're holding that money in vote 10 and we will allocate it out. Anything that is not used for that purpose lapses in the vote and will be re-profiled.

The other element is for the indigenous early childhood learning. This is a framework that is being co-developed with the Assembly of First Nations, with the Métis National Council, and with the Inuit Council. Once the parameters of those programs are known, the monies will be distributed to the appropriate programs within the Government of Canada.

[*Translation*]

It is not a Treasury Board expense. In fact, central votes will be used until the amounts are determined and the conditions of the programs are known.

[*English*]

The Chair: Mr. McCauley, go ahead.

Mr. Kelly McCauley: I have a couple of quick Phoenix questions for you, following up Mr. Brison. The National Joint Council had a meeting about compensation for those who've been Phoenixed. Is any of that money set aside, or will it come out of the vote 40 under stabilizing Phoenix? Has it been looked at yet?

Mr. Brian Pagan: No, that is a compensation element that will be addressed separately—

Mr. Kelly McCauley: Just a no is fine, thanks.

Repeated throughout the estimates, there's \$99,196. Why that number, and specifically what for?

To follow up on Phoenix, on the online allocation TBS votes, there's \$7 million for 25 full-time equivalents for Phoenix stabilization. That's like \$250,000 a person. What are they going to be doing for \$250,000 a person?

Mr. Brian Pagan: On your first question, Mr. McCauley, budget 2018 allocated funding, one year only, for departments to hire temporary support to help process and deal with the Phoenix backlog. Our formula was simply based on the size of the department. It was pro-weighted.

Mr. Kelly McCauley: Was that solely for Miramichi departments, or for those still in-house?

Mr. Brian Pagan: It was for Miramichi departments.

Mr. Kelly McCauley: Okay.

What about the \$7 million for the 25 full-time equivalents on page 24 of your online allocation?

• (1720)

Mr. Brian Pagan: I believe we're talking about more than FTEs there. There are professional services and contracting elements to that, I believe.

Mr. Kelly McCauley: Should that not be identified in the online allocation, then, for the sake of transparency and everything?

Mr. Brian Pagan: This is the system fix. We're working with PSPC on some of the business rules that are driving some of the Phoenix challenges, trying to standardize some of the different classifications.

Mr. Kelly McCauley: Should that be identified, then, as full-time equivalents and outside consultants?

Mr. Brian Pagan: In fact, it's more than just consultants. We're looking at regs and some of the legal issues.

Mr. Kelly McCauley: I think I'm out of time, but thanks.

The Chair: Thank you very much.

Our final intervention will come from Mr. Peterson.

Mr. Kyle Peterson: Thank you, Mr. Chair.

Thank you, Mr. Pagan and everyone, for being with us this afternoon.

I want to talk a little bit about the Gordie Howe bridge, because it's important for where I come from, Newmarket—Aurora. Obviously, auto sector manufacturing is very important. Much of the trade that crosses the border either originates or ends up near that part of the province of Ontario.

The supplementaries are \$283.6 million, I think. Why is this number in the supplementaries, and what's changed that this wasn't in the main estimates? This project, of course, has been ongoing for a long time, and it's really starting to pick up speed now. Some hurdles, such as litigation, have now been removed. Construction is now under way or very close to being under way. Was this a timing thing, or was the cash flow not there to start the construction?

Mr. Brian Pagan: Thank you, Mr. Peterson.

This is a regular occurrence with estimates when we are in a world where we are voting appropriations annually, and we will only seek the appropriations once the parameters of a program are known.

The Gordie Howe bridge was planned many years ago, and there was money set aside in the budget, in the fiscal framework for that expenditure. There have been some appropriations over the intervening years to support the procurement process to develop an RFP to purchase some of the land, etc.

The construction of the bridge, the selection of the consortium building the bridge, was finalized this past spring, and a contract was signed with that consortium, I believe, in September of this year. It's a \$5.7-billion project that will run until 2024. These supplementary estimates (A) are the first opportunity to bring forward for Parliament's approval the cash requirements of that contract. It's \$5.7 billion between now and 2024, and Parliament will see the request for that money. Specifically in these supplementary estimates (A), the \$283.6 million is being used to acquire the final properties on the Michigan side of the border and to prepare both sides, the Canada and the U.S. side, for construction, which began last month. Construction began in October.

There will be significant expenditures in the main estimates next year for this department, and then, as the project unfolds, if there are any deviations from the contract and the initial profile of the funding, those would be reflected in supplementary estimates. If the monies requested this year are not utilized, then those will be brought forward in a future year, and we would explain those requirements.

Mr. Kyle Peterson: That's very helpful. The money couldn't flow or couldn't be requested until the contract was finalized, effectively.

Mr. Brian Pagan: That's it.

Mr. Kyle Peterson: Thank you for that.

Just a little bit on the process here.... You state in your deck, on page 9, two significant changes to the supplementary estimates: "A reduction in the number of Supplementary Estimates from three to two"—that's self-explanatory—and then, "A significant reduction in funding from the most recent federal budget in the Supplementary Estimates. The bulk of the funding for Budget 2018 initiatives will be allocated directly from the centrally managed Budget Implementation vote introduced in the Main Estimates."

Why is that a good thing? Can you quantify that? Is that the vote 40 we've always been talking about?

• (1725)

Mr. Brian Pagan: That's correct.

Mr. Kyle Peterson: This is an interim measure, correct?

Mr. Brian Pagan: The changes to the Standing Orders that allow us to table the estimates after the budget are valid for the duration of this Parliament, so a future Parliament will determine whether this is progress to be continued or not. In terms of the budget implementation vote, if we didn't have that mechanism to allocate money as initiatives are approved, then we would have seen that instead of a \$7.5-billion supplementary estimate, we would have taken all that budget implementation money and rolled it into this first supplementary estimate, and so you would have had supplementaries of over \$10 billion.

We believe it's a good thing because it enhances transparency and it allows a more timely allocation so that departments can get on with delivering the program and service as identified in budget 2018.

Mr. Kyle Peterson: Okay. Thank you.

We have one more supplementary period under this new...which is January or February, I think....

Are we done? Thanks, Mr. Chair.

The Chair: We are done. Time is precious, isn't it?

To all our witnesses, thank you very much for being here. Once again, Mr. Pagan, good luck in your future plans.

Mr. Purves, good luck to you, sir, in your future challenges.

Mr. Glenn Purves (Assistant Secretary Designate, Expenditure Management Sector, Treasury Board Secretariat): Thank you.

The Chair: Thank you all.

The meeting is adjourned.

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