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Chair

Mr. Tom Lukiwski

Standing Committee on Government Operations and Estimates

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• (1555)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Colleagues, I think we'll commence the meeting now. Thank you, all, for being here. We will have a bit of an abbreviated meeting today because of the ministerial statements following question period.

With us today we have some officials from the Treasury Board Secretariat.

Without further ado, Mr. Purves, I understand you have a brief opening statement.

Mr. Glenn Purves (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat): That's correct.

The Chair: I would ask you to commence with that, sir, and then we'll go into our regular round of questioning. I also understand, sir, you and your officials will be here until 5 p.m.

Mr. Glenn Purves: That's correct.

The Chair: Thank you very much. Please, sir, the floor is yours.

Mr. Glenn Purves: Great. Thank you very much, Chair, and thank you to the members for inviting us here today to speak about the estimates.

[Translation]

Today we have an estimates double-header. I'll be discussing both the final supplementary estimates for 2018-2019 as well as the first estimates for 2019-2020.

[English]

As a refresher, the first few pages of supplementary estimates (B) summarize the total amounts presented for Parliament's approval and give additional information on major items and horizontal initiatives.

The next section of supplementary estimates details requirements by department and agency. Each organization will display its requirements by vote and initiative. The tabled document ends with the proposed schedules to the appropriation bill, which are based on amounts presented in these estimates.

[Translation]

Additional details are available online, including forecasts of statutory spending, allocations from Treasury Board central votes, expenditures by program or purpose, and transfers.

[English]

Finally, I would remind the committee that the GC InfoBase is also available to provide you with more information on authorities and expenditures.

Turning just to 2018-19 supplementary estimates (B), these final supplementary estimates for 2018-19 present a total of \$6.2 billion in planned budgetary expenditures.

[Translation]

Of this amount, the government is seeking parliamentary approval for \$2.5 billion in new spending for 48 organizations.

[English]

Two organizations appear for the first time in the estimates. The Department for Women and Gender Equality replaces the Office of the Coordinator, Status of Women, and a brand new organization, the Leaders' Debates Commission, was created by order in council in December.

The \$2.5 billion in these estimates brings the total voted amount for this fiscal year to \$123.6 billion. The government is also reporting an increase of \$3.7 billion in statutory authorities, primarily for an adjustment to the public service pension account and for additional financial assistance for students.

In supplementary estimates (B), there are nine major items totalling \$1.6 billion, 65% of the amount to be voted.

• (1600)

[Translation]

As supplementary estimates (B) are the last estimates for 2018-2019, we can now see the full picture of planned expenditures.

[English]

Turning to the 2019-20 interim estimates, these support the first appropriation act for 2019-20. As you will have noticed, interim estimates is, compared to other estimates, a brief document.

[Translation]

It includes a brief summary and shows spending requirements for the first three months of the fiscal year. The document also provides a listing of grants, so that departments can make payments as soon as they are required.

[English]

With that, we'd be very pleased to answer any questions you have.

Thank you.

The last section of the document is the proposed schedules for the first appropriation bill of 2019-20. Through the 2019-20 interim estimates, the government is requesting \$37.7 billion in budgetary expenditures and \$14.3 million in non-budgetary expenditures for 122 organizations to cover operations for the first three months of the fiscal year. These expenditures will be included in the first appropriation bill, which will be introduced and voted on before the end of March.

We expect that the 2019-20 main estimates will be tabled in the House of Commons in the second week of April. As usual, the supply bill for main estimates will be introduced in early June, with supply expected to be granted before the end of the session.

Finally, I'd like to congratulate the committee on their report "Improving Transparency and Parliamentary Oversight of the Government's Spending Plans". The views of this committee and others, along with the Senate, are very important and certainly we continue to digest the advice and recommendations provided.

The Chair: Thank you very much.

We will start with questions immediately, and we'll commence with Monsieur Drouin, for seven minutes, please.

[Translation]

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

I sincerely thank the witnesses who are here as well. I am really sorry about the delay. There were some important speeches in the House.

I am a member of Parliament for the national capital region, and collective agreements are important to me. They affect several members.

Under vote 30b, you are asking for \$200 million. Can you tell us which collective agreement was signed, or why you are requesting this \$200 million?

[English]

Mr. Glenn Purves: Thank you very much for the question.

That comes under TBS vote 30, the payroll requirements. This is specifically for the government to address financial pressures if outstanding collective agreements are concluded.

In this case, this deals with the CRA, the Canada Revenue Agency, and Public Service Alliance of Canada, and this is for 25,000 employees.

[Translation]

Mr. Francis Drouin: Normally, when Treasury Board undertakes negotiations, does it prepare a budget based on what people are asking for? How do you make these forecasts? Do you come here asking for additional funds once the collective agreements have been signed, or do you prepare budgets before the fact?

Mr. Glenn Purves: Thank you very much for the question.

[English]

Your question kind of bleeds into how we do fiscal management in the country. With any competing priority, there tends to be a formalized process. For most items, you have policy approvals,

which are done by cabinet; a source of funds approvals done by the finance minister along with the Prime Minister; then the implementation, of course, which is usually passed through Treasury Board.

Many of these steps and these concepts are very similar. You can't go ahead with any kind of mandate without a sense of funding approval, so a lot of these decisions are taken centrally. They are taken into account with respect to the fiscal planning for the year that is done by the Minister of Finance as well as the Prime Minister.

There's no independent process to that. Certainly when we talk about collective bargaining, everything is done.... It's a case-by-case basis. I won't get into specifics of how those are taken. A lot of times they are based on sensitivity because they are part of a negotiating mandate, and sometimes those negotiations are ongoing.

• (1605)

Certainly it's something that is taken into consideration centrally from a fiscal management standpoint as with other competing priorities.

Mr. Francis Drouin: Great. Thank you.

On the writeoff of unrecoverable Canada student loans, I see an amount of \$163.5 million. That's an amount that we see coming up again and again, year over year.

So I can explain it to my constituents who might have an issue with the fact that we're writing off 163 million dollars' worth of student loans, how do we manage that debt? Do we sell part of that debt to try to recover that debt? How do we do that from a government perspective?

Mr. Glenn Purves: Typically, with respect to student loan writeoffs, they're based on an aggregate stock of debt for student loans. When you get to the writeoff portion, it means that efforts have been taken in order to collect. Efforts continue to be taken in certain instances to collect outstanding amounts, but certainly, when we look at \$163.5 million, as you rightly point out, compared to other years, it's roughly in a similar ballpark.

Just for comparison, in 2017-18, we have a writeoff of \$203 million. In 2016-17, it was \$178 million. In 2015-16, it was \$176 million. In 2014-15, it was \$294 million. It depends on the year and the vintage of the loan, but often steps are taken to recover, and if it's not able to be recovered, then—

Mr. Francis Drouin: Yes. Is that process managed within government only or is it managed with the help of a third party organization? For instance, in the private sector they'll sell x amount of debt to a company that will specialize in trying to recover as much as possible. Are you aware or not?

Mr. Glenn Purves: It's the CRA that has been active with respect to trying to recoup that debt. What the recipe is with respect to contracting out and so forth, I don't have the particulars of that, but certainly the CRA is charged with responsibility on that front.

Mr. Francis Drouin: Great. Thank you.

The Chair: That's it?

Mr. Francis Drouin: That's it.

The Chair: Mr. McCauley, you have seven minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Welcome back, everyone.

There's not much in the supplementary estimates, as you know.

There's the sum of \$90 million for LNG. I'm just wondering why it's in vote 10 and what exactly that \$90 million is for.

The reason I'm asking about vote 10 is that, traditionally, vote 10 has always been about \$3 million to \$5 million. This year we've seen it reach a quarter of a billion dollars. I'm just curious why so much is going into vote 10, as opposed to, say, Natural Resources, and what that \$90 million is being used for.

Mr. Glenn Purves: Thank you, Mr. McCauley.

Specifically, the \$90 million has to do with supporting that \$40-billion LNG project on—

Mr. Kelly McCauley: That's not an answer, though.

Why is it in Treasury Board? Why is it not in Natural Resources? Why is it in vote 10, and what precisely is that \$90 million for?

Mr. Glenn Purves: Vote 10 is typically a vote that's used for circumstances when there's an announcement that has been made to continue to work through the details in terms of the implementation of the items.

Mr. Kelly McCauley: No, I understand it's cross-governmental, but vote 10 traditionally—apart from \$3 million or \$4 million—has never been used in the past. Now all of a sudden we have a huge spike in it. We have \$90 million in Treasury Board vote 10. Why is it not in Natural Resources? What's the \$90 million being used for?

Marcia, you can answer.

•(1610)

Ms. Marcia Santiago (Executive Director, Expenditure Strategies and Estimates, Treasury Board Secretariat): The \$3 million—

Mr. Kelly McCauley: The \$90 million.

Ms. Marcia Santiago: —that we've traditionally had at least for the last 10 years or so in vote 10 is the ongoing A-base. It's money that's always been there and it's uncommitted in vote 10.

In the fall supplementary estimates and then in these supplementary estimates, we've moved towards using vote 10 as an instrument for basically holding centrally managed, horizontal or still-to-be-defined initiatives.

Mr. Kelly McCauley: Under whose direction?

Ms. Marcia Santiago: Pardon me?

Mr. Kelly McCauley: Under whose direction was it to start pushing so much money into vote 10?

Ms. Marcia Santiago: It's a Treasury Board decision to use vote 10.

Mr. Kelly McCauley: Was it the vice-president of Treasury Board, the deputy minister or a collaborative? Someone had to decide.

Ms. Marcia Santiago: The committee of ministers takes the decision.

Mr. Kelly McCauley: I'm sorry, who?

Ms. Marcia Santiago: The committee of ministers takes the decision. It's proposed to them in a submission. It's proposed to them to use vote 10 as the instrument for holding the funds until more specific decisions are made.

If you recall, in the fall, we used it to hold—

Mr. Kelly McCauley: If it's in the supplementary estimates now, then you should have the backup for what the \$90 million is being used for.

Ms. Marcia Santiago: Pardon me?

Mr. Kelly McCauley: What is the \$90 million being used for?

Ms. Marcia Santiago: The \$90 million is sitting in Treasury Board vote 10 until a subsequent submission comes up that determines the details of how the funding is going to be flowed from the departments involved. At the time we established the supplementary estimates, that hadn't been determined yet.

Mr. Kelly McCauley: You're asking us to approve \$90 million for a single line referring to LNG, with no backup on how the money is going to be spent.

I'm sorry; it's probably not the three of you, but I'm taken aback that again we're into this vote 40 type of stuff asking parliamentarians to approve \$90 million with no backup of what the money is going to be spent on.

Do you understand our concern?

Ms. Marcia Santiago: It's a fair point.

Mr. Kelly McCauley: We don't know what that \$90 million is for; we just take your word for it.

Ms. Marcia Santiago: We know the general initiatives it's intended for, but we don't have the details.

Mr. Kelly McCauley: Okay. Let me move on.

The next part is vote 40. The PBO put out a release on the supplementary (B)s that talked specifically about the vote 40 money—he's criticized it; we've criticized it—and that the sclerotic pace of getting the money out the door is the problem, not the alignment. We've seen spending has slowed.

Do you agree with his assessment, and what he wrote?

Mr. Glenn Purves: If you're referring to his assessment on supplementary (B)s as well as looking through the pace of allocation from the budget implementation vote from an implementation standpoint, we don't see any difference between the pace of implementation last year and this year.

Mr. Kelly McCauley: It has slowed even more though.

Mr. Glenn Purves: Not really. When you look at the implementation, both are on track to be implemented fully in the fiscal year in which it was designated. The difference between this year and last year is that this year they were looking to implement—

Mr. Kelly McCauley: Let me just read from it. This year 75% of measures have received funding. Last year it was 95%.

To get back to vote 40, the whole process...\$2 billion of the \$7 billion has been withheld, which means we pre-approved \$7 billion under the auspices of your department and the minister saying that we need to get the money out the door.

The PBO has once again.... It's not the first time; I think this is the third one showing that things are slowing down. Year to date, \$1.925 billion is withheld. We've approved the money with no oversight, and it turns out the money can't be spent anyway.

Mr. Glenn Purves: There are two things on that.

The first is that funding that was approved for this year compared to last year—

Mr. Kelly McCauley: I'm talking specifically to vote 40 funding.

Mr. Glenn Purves: Specifically, in the two-year comparison I'm drawing, about \$2.3 billion was approved for allocation in the first year after budget 2017. In budget 2018, it was about \$7 billion. We're talking about different amounts and we're still effectively seeing full implementation by the end of the fiscal year. Again, I understand you're quoting the PBO in terms of certain results but from an implementation lens, we're seeing it being on track.

Mr. Kelly McCauley: The PBO says very clearly it's a slow process for Treasury Board and other departments to get the money out the door.

Do you agree with that or not? Are you saying the PBO is wrong on this issue?

•(1615)

Mr. Glenn Purves: The second point that you raised—

Mr. Kelly McCauley: Do you agree with the PBO's report that he's issued on the supplementary (B)s?

Mr. Glenn Purves: Because the definition of withheld includes things such as employee benefits plans, funding for SSC and so forth—

Mr. Kelly McCauley: That's not in vote 40.

Mr. Glenn Purves: —the definition of withheld, I think, is not being represented appropriately from what you are saying.

Mr. Kelly McCauley: Thank you.

The Chair: Thank you.

Mr. Blaikie, you have seven minutes.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much.

Thanks for being here.

I want to quickly follow up on a detail that's come up in some of the other presentations we've had on the interim estimates.

We heard from a couple of departments and agencies that the interim estimates they presented this year are calculated based on their projected spending next year. That's the way it had always been done—

Mr. Glenn Purves: Yes.

Mr. Daniel Blaikie: —but there was a change when the government moved toward a later tabling date of the main estimates. It was an important part of that package of changes, that interim estimates—hence the name change to interim estimates as opposed to what it was before—would be calculated on last year's spending. I think there's a reference to that in our notes for today's meeting.

I'm wondering what work Treasury Board did. Clearly, some departments and agencies are not aware of that change. I'm wondering what kind of communication went out from Treasury Board when we changed from interim supply to interim estimates to notify departments and agencies of that change.

Mr. Glenn Purves: I'll lead off and Marcia will add if needed.

In the fall of every year over the last couple of years we have always issued guidance to the departments and agencies on how to calculate interim estimates. Ultimately, the determination is the cash needs of a department or agency for the first three months of the coming fiscal year. In the past there was always this rule of thumb of using three-twelfths or 25%. There continues to be a circumstance where departments or agencies, depending on contracts or settlements...and it could be indigenous settlements, it could be—

Mr. Daniel Blaikie: I appreciate that.

Mr. Glenn Purves: There's variability in terms of what they're looking for.

Mr. Daniel Blaikie: I'm not asking about whether a hard 25% is what makes sense.

Mr. Glenn Purves: Right.

Mr. Daniel Blaikie: What I'm zeroing in on is this. There's an issue for parliamentarians here. In the old system, where you would introduce the interim supply alongside the main estimates, you could base your interim supply on a percentage, whether it be three-twelfths, four-twelfths, five-twelfths, or six-twelfths, for that matter, of what was being requested in the mains, the projected spending for the coming year. Now that the mains are being tabled after the beginning of the fiscal year, there's obviously a need for some kind of interim supply or interim estimates to be approved so that departments don't have to put their spending on hold for two or four weeks or longer.

We've had departments come here and tell us that they continue to base the number on their projected main estimates. Now, as a parliamentarian, I think that's kind of weird. I would think it would be something your department and the Ministry of Finance might be concerned about. What it means is that we're being told, essentially, or we can figure out by implication, what the spending demand will be in the main estimates before they're tabled. Just for ease of example, if departments come here and say, "We're asking for \$5 million for next year, which is 25% of our projected spending for the year", then we know, before the main estimates are tabled, that they will be asking for \$20 million. That doesn't make sense. It made sense under the old system, because the mains would be tabled at the same time and we would know that they were asking for \$20 million.

I don't think there's necessarily anything untoward going on, but if you care about the process, this really does matter. I've asked them to tell us what communication they received from Treasury Board informing them of the change from interim supply to interim estimates. Now I'm asking you to tell us what work was done by Treasury Board to ensure that departments and agencies understood this watershed change and a number of other things that came with that along with the budget implementation vote and a bunch of other stuff.

What due diligence was Treasury Board doing to ensure that people understood they were now being asked to base their interim estimates on the previous year's supply as opposed to the projected fiscal year's supply?

• (1620)

Mr. Glenn Purves: The process we're using this year is the exact same as we used last year. I can't comment on previous testimony that you've received. In terms of the instructions, those instructions have been going out, again, like last year's, in the fall preceding the new fiscal year. Again, it's basically the funding needs of the department for the first three months.

Mr. Daniel Blaikie: Would you be willing to supply the committee with a copy of the instructions on how to prepare your estimates for a department or agency?

Mr. Glenn Purves: That's fine. Yes.

Mr. Daniel Blaikie: Thank you. I appreciate that.

I want to come back to the question that was raised earlier on vote 40 and the Parliamentary Budget Officer's estimation of the impact, or lack thereof, that's had on getting new budget initiatives out the door, so to speak, funded and operational. You said in your earlier testimony that if you look at the last two years, largely the results have been more or less the same in terms of how quickly programs get out the door under the budget implementation vote system and the preceding system. There are still two things you need in order to get that money out the door, right? You need parliamentary approval of the funds and then you need Treasury Board approval of the funds. In the past, usually departments would wait to go to Parliament until they had received Treasury Board approval, and then they would submit their funding request to Parliament through the estimates process. Now they're getting that funding pre-approved, and then they still have to go to Treasury Board. Going through Treasury Board, they still....

Is it fair to say that departments are largely finding out their new budget initiatives when the budget is announced and not much in advance in terms of what's actually approved by cabinet and Treasury Board, so that it still takes them roughly the same amount of time to then prepare a Treasury Board submission and go to Treasury Board to get those funds approved? Is that a fair assessment?

The Chair: Unfortunately, Mr. Purves, while it may be a very legitimate question, we're completely out of time. I would suggest, sir, that if you do want to make a comprehensive answer to that question, you do so in writing and submit it to the clerk.

Mr. Glenn Purves: Sure.

The Chair: We're out of time on this particular round.

Madam Mendès, you have seven minutes, please.

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

Thank you, all, for being here.

I'd like to go to the departmental results report, page 4, where you say that six indicators had no data. I'd like to know if you now have that data available to share with us, and if you can tell us exactly what that performance data was all about.

Ms. Karen Cahill (Assistant Secretary and Chief Financial Officer, Treasury Board Secretariat): Actually, it's good news. Yes, the results were published in December 2018. Mainly those results were on the greenhouse gas emissions. They are very positive. Although we have not reached the targets identified in the results report, we're on a good path to reach those targets. For example, we reduced our carbon emissions in 2017-18. Don't forget: The results report that was just published last fall is for the year ending in March 2018. We have reduced our carbon gas emissions by 32% since 2005-06. The measures we have put in place to reduce the emissions are positive. That's one example.

The report states other areas. For example, GHG emissions from federal facilities have been reduced by 33% since 2005-06 as well, so we are on a good path to reduce those carbon emissions.

[Translation]

Mrs. Alexandra Mendès: You mentioned six performance indicators, but you only presented one.

Ms. Karen Cahill: I could list the others. They are in the report that was published on the Government of Canada website in December 2018.

• (1625)

Mrs. Alexandra Mendès: Apparently, this report that was published in December did not include any data. Is that correct?

Ms. Karen Cahill: No; the report that was published in December did in fact contain data. When we published our report on the results last fall, we did not yet have the data from the indicators.

Mrs. Alexandra Mendès: So it took you about three months to produce this new report.

Ms. Karen Cahill: Exactly. We had to wait for these data, which became available on December 7, 2018, to be precise.

Mrs. Alexandra Mendès: Are the data available online on the website?

Ms. Karen Cahill: Yes.

Mrs. Alexandra Mendès: Fine.

The reports cover the 2018–2019 fiscal. Is there any way of knowing anything about the various departments' financial plans for 2019–2020? Has anything been published? Are there any indicators regarding their plans?

Mr. Glenn Purves: Thank you very much for your questions.

[English]

For the most part, if you think of the sequencing, you have the budget and then this year we have main estimates that will be tabled after the budget, which will take into account budget measures. From a financial standpoint, you have those items that are identified through estimates, but in terms of the specific details of what a department plans to do for the year, typically those are captured in what are called departmental plans. Departmental plans are typically tabled either the same day as main estimates or within a window shortly thereafter.

Mrs. Alexandra Mendès: Okay, so we don't have them yet.

Mr. Glenn Purves: We don't have those yet. Those are things that will be tabled at the beginning of the fiscal year.

Mrs. Alexandra Mendès: In terms of programs for seniors—and I do have a constituency with a significant percentage of seniors—we are often told that we haven't done enough and that there's not enough that has been provided, in terms of funding for seniors programs, by the federal government. Could you give us an update on specific programs not just to help seniors but actually to keep them healthy and as autonomous and as independent as possible in their everyday lives?

Mr. Glenn Purves: Sure. We have a lot of statutory programs in support of seniors, including the GIS, guaranteed income supplement, and the OAS, old age security. We facilitate along with the provinces on the Canada pension plan as well, with respect to changes to the CPP. Changes were introduced not long ago.

In terms of specific programs and details on specific programs, as you know, we have the GC InfoBase, which was created in 2013. It allows for the visualization of what I would call target groups through what we call a tag explorer. You can tag different programs. You can key search seniors and you can actually see the programs that exist in the government inventory that support seniors in various demographics.

As you know, there are a lot of programs—

Mrs. Alexandra Mendès: Are you talking about housing supports and things like that?

Mr. Glenn Purves: Yes, exactly. There is a whole host of different programs that would support seniors through that window to varying degrees. There are some broader programs that may be

income support programs. Seniors may be a subset of a demographic of that program, including others who are below the poverty—

Mrs. Alexandra Mendès: Now we have a minister dedicated to seniors issues.

Mr. Glenn Purves: Yes.

Mrs. Alexandra Mendès: Is there a departmental structure that is being created around that ministry and how is that going to be differentiated, if you wish, from all the other income supports? How would you be able to fit all those programs that you have, right, left and centre, and put them under a seniors minister?

• (1630)

The Chair: That's a very good question, but once again, unfortunately, we have no time for the response. However, if you're looking for a response, Madam Mendès, I'm sure Mr. Purves would be able to give us a written response to that question.

Colleagues, we'll go now to our five-minute rounds of questions. Just to let everyone know, following completion of the first round of questions, I'll be suspending the meeting to allow our witnesses to leave the meeting, and we will then go into probably no more than a 30-minute committee business in camera session. We have a few items on the calendar that I need to go over with you.

We'll continue now with Mr. McCauley for five minutes, please.

Mr. Kelly McCauley: I just want to get back to that \$90 million. Is it anything to do with GasLink and the company running GasLink looking to sell off a big portion of it? Do you have any details of that \$90 million?

Mr. Glenn Purves: I don't have the details on that, sorry.

Mr. Kelly McCauley: No? Okay.

I want to get back to vote 40.

Mr. Glenn Purves: Sure.

Mr. Kelly McCauley: One thing that came up is there's \$2 billion in withheld funds.

Can you provide to the committee, not now but later, a breakdown of what those withheld funds are for, or what they were intended for and had been approved for?

Mr. Glenn Purves: Sure.

Mr. Kelly McCauley: An example came up. I think it was \$65 million that had been pre-approved under vote 40 for INAC, and it turns out, oops, we made a mistake. It doesn't belong to INAC; that money belongs to a different department.

Mr. Glenn Purves: Sure.

Mr. Kelly McCauley: So it gets put as withheld and then it shows up in the supplementary estimates (B) under a different department.

Mr. Glenn Purves: That's correct.

Mr. Kelly McCauley: Now in a way they're happy because it shows a tiny bit of oversight because you can't just reprofile the money over—

Mr. Glenn Purves: That's correct.

Mr. Kelly McCauley: —but it gets back to our original dispute about concerns about vote 40 where there was no real plan for all this money being spent, no oversight. If we made a \$65-million mistake and put it in the wrong department, are there other ones that you've identified like that, of the \$7 billion, that were put in the wrong department?

Mr. Glenn Purves: None come to mind that were in the wrong department.

Mr. Kelly McCauley: Apart from this one....

Mr. Glenn Purves: It's an important point you raise. If there's something that's in vote 40 for a specific department, for a specific initiative, for a specific amount, if there's any deviation on that, if there's any change in that, in other words, if the amount actually is—

Mr. Kelly McCauley: I realize it still has to go through Treasury Board, but that's our concern. You're asking parliamentarians to pre-approve money, as you did with the \$65 million, but there should be a plan behind it. We've heard various witnesses say, "Well, I don't know what the money is for. I was told by TBS just to put it in."

Mr. Glenn Purves: Well, I—

Mr. Kelly McCauley: We also heard other departments say, "Frankly, it's none of your business what the money's for", and here's an example of \$65 million being pre-approved by parliamentarians when it was the completely wrong department.

I'd like to know what else there is. I'm looking at Indigenous Services. There is \$140 million withheld for the new fiscal relationship for self-governing, \$65 million withheld for a new fiscal relationship strengthening first nations institutions, \$75 million withheld for the reprofiling of indigenous infrastructure allocation, \$25 million withheld for distinctions-based housing strategies.

Again, why did we go through the process of a vote 40 which takes away a fair amount of accountability and oversight of Parliament, pre-approve items, just to find out, well, we're going to withhold them and not spend the money because they can't get by Treasury Board, or we don't need the money, or we're not going to be able to roll it out anyway?

Mr. Glenn Purves: Maybe just as a general statement I'd say that there are no approvals being taken away. You still have a policy approval. You still have the source of funds approval. You—

Mr. Kelly McCauley: There is \$7 billion pre-approved before going to Treasury Board.

Mr. Glenn Purves: —still have implementation, which is taken by Treasury Board. There are no approvals actually being taken away or skirted in this process.

Mr. Kelly McCauley: No, you did—

Mr. Glenn Purves: In terms of your other question, though, you had a question: Is there anything else?

The international feminist agenda is something that is coming. It was originally envisaged through vote 40, but it's coming back through the supplementary (B)s because there was a portion of it that had not been determined yet. At the very bottom of that table, you'll see there was a portion of about \$500 million. For transparency purposes, that item cannot just be provided funding after a Treasury Board meeting—

Mr. Kelly McCauley: I'm almost out of time, so I just want to read something very quickly.

Mr. Glenn Purves: Sure.

Mr. Kelly McCauley: This is from the PBO on supplementary estimates and he states, "As the previous President of the Treasury Board"—or, as I call it, the Treasury Board president of the month—"has noted, a significant portion of Budget implementation delay stems from the Government's own internal processes."

The PBO says, "Thus, it may be difficult for parliamentarians to see significant improvements until these internal processes are streamlined." Do you agree with the PBO on this?

• (1635)

Mr. Glenn Purves: To be honest, I don't, because last fiscal year and this fiscal year the government is on track to implement all of its measures that were identified for the next fiscal year. In the current fiscal year, they're looking to implement about \$7 billion, and the previous one was \$2.3 billion. We're coming back to the same issue that you raised before.

Mr. Kelly McCauley: We're going—

The Chair: We are completely out of time, Mr. McCauley and Mr. Purves.

I think we got our answer on that one.

Madam Ratansi, you have five minutes.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you very much, and thank you, witnesses, for being here.

We have a new minister for the Treasury Board and digital strategy.

I'm looking at the Treasury Board estimates and trying to find out where the digital part of it is. Could you tell me how much money is being allocated to the digital strategy?

Mr. Glenn Purves: There's nothing in the supplementaries that's being allocated for digital strategy.

Ms. Yasmin Ratansi: Do you think it will come in the main estimates?

Mr. Glenn Purves: Typically, everything that's approved for the next fiscal year is approved in the main estimates, so there would have to be a portion of it.

My colleague, who is the CFO for TBS, can speak to this.

Ms. Karen Cahill: Thank you for the question.

Actually, our main estimates will reflect past approved funding from past fiscal years, such as the last fiscal year. We have funding for the Canadian Digital Service in our future main estimates, so you will see it agglomerated in our vote 1 funding.

Ms. Yasmin Ratansi: Okay. It's not a problem.

I'm carrying on with what Mr. Blaikie asked you. The thing is, what are the instructions to departments? What sort of baseline are they supposed to use to start their budgets? Is it a zero-based budgeting?

Ms. Marcia Santiago: There are two parts to your question.

On the second part, which is the most straightforward part, no, we don't work on a zero-based budgeting in the sense that we don't every year rebuild everybody's budget from nothing.

What actually happens is that every time there is a funding approval—if there are many years or even an ongoing portion to this approval—once it's been through Treasury Board, it's considered briefed into the reference levels. Then the funding for each year appears in a fresh appropriation act that's put in front of Parliament.

Ms. Yasmin Ratansi: If I asked for \$100 million and used \$50 million, would my base be \$50 million for the next year?

Ms. Marcia Santiago: No, not necessarily. Your base for next year would be whatever your original approval would have carried. If it was \$100 million ongoing, your base would still go back to \$100 million.

Ms. Yasmin Ratansi: Okay, but I see that some departments are being asked to use percentages and different departments are using different percentages. Can you clarify what's going on there?

Ms. Marcia Santiago: Because it is a pilot and because people become creatures of habit, they talk about what we're doing now with the same language that they've been using to talk about what we used to do, which is why we get this kind of mix-up where people say that they're asking for 25% or three-twelfths of their main estimates. What they really mean to say is that they're asking for 25% or three-twelfths of what they need for the year.

In the instructions, a copy of which we will provide for the committee, that is the first instruction we give: "Tell us what you need to begin your fiscal year", which is roughly what you need for the first three months of the year.

Ms. Yasmin Ratansi: Okay.

Ms. Marcia Santiago: Now, if I could refer back to Mr. Blaikie's earlier point about referring to a main estimates amount, in some ways, because we have this practice of carrying previous approvals in an ongoing A-base, they have, at any given time, an idea of what next year's main estimates would be if nothing else were to happen. Sort of buried in our technical instructions for how to arrive at interim estimates is that departments are asked to figure out two things. One is the cash requirement for the first three months of the year. The other—and it's written into almost every vote wording that you will see in the proposed schedules of the appropriation bill—is that there is a reference to the total commitments that can be entered into for the following year.

For example, for the Privy Council Office, their interim estimates request is only about \$53 million, but there's a specific line in their vote 1 wording that says they can enter into commitments not exceeding \$163 million, more or less, for the fiscal year. That is the number they're referring to as their main estimates. It's what they know now to be their main estimates if nothing else happens. That is published in the interim estimates along with the specific request.

• (1640)

Ms. Yasmin Ratansi: I have 20 seconds, so interim estimates—

The Chair: No, you don't. You have no seconds.

Some hon. members: Oh, oh!

The Chair: But that was a great try, Madam Ratansi. You tried to sneak that one in there.

We'll go to Monsieur Deltell for five minutes, please.

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Mr. Chair.

Good morning, dear friends. First, I want to extend greetings to all of the employees of Treasury Board. Treasury Board has had four presidents in the past nine weeks. I may have a political viewpoint on that, but I won't comment. However, I understand that it is never easy for public servants when a new minister comes in. That is quite normal, no matter who the minister is. That said, having had four in the space of nine weeks can't have been easy for you. So, through you, I commend all of the men and women who work at Treasury Board.

However, do allow me one brief political aside: in seven months, you will have a new president of Treasury Board, if that is the population's wish.

I'd like to go back to the famous issue of Treasury Board vote 40. We voiced some very serious concerns about this central appropriation of \$7 billion—which some have referred to as a slush fund—when it was proposed last year. Indeed, that amount could be both a catch-all and a mechanism allowing the government to fund very specific activities just a few months before the election. And we see today that a lot of that money has been spent, but we have few details as to how.

Here are my questions: the government still has seven months to govern before the population makes its decision. What is left of the \$7 billion originally allocated under vote 40? What are the planned or potential authorized expenditures, and what are the related dates? And will Treasury Board have to abandon spending the funds from that vote once the election has been called?

Mr. Glenn Purves: Thank you very much for your questions.

[*English*]

My answers are very simple on this one.

The budget implementation vote expires effectively at the end of the fiscal year. If departments have submissions, and their Treasury Board meetings up to the end of the fiscal year... If they come in and Treasury Board gives approval, and there's no deviation from the scope of the initiative and it's entirely consistent with the stringent language that's around the use of that vote, then funds can be allocated to it, but only up to March 31. After March 31—whether it's April 1, 2 or 3—if a department has not received funding or has not come forward for funding for an initiative, it would have to be captured in an estimates.

Mr. Gérard Deltell: As you know, the election will be on October 21. We think the Prime Minister will launch the campaign six weeks beforehand. Does the chair of the Treasury Board have full power, full authorization, to spend more money during the election campaign?

Mr. Glenn Purves: To spend more money than has been allocated?

Mr. Gérard Deltell: To spend money and to give all the indications that they want from this particular envelope.

Mr. Glenn Purves: The only thing I would say is that there is a specific authority that's in supply that's been granted per Parliament. That would be through main estimates, and then any supplementary estimates that could be before that, if there is one.

After that, once you're in the writ period, then you move to Governor General special warrants. It would need to be something as routine business and that is approved by the Governor General through the writ period. That period can last from the beginning of the writ and can span up to 60 days past the return of the writ.

• (1645)

[Translation]

Mr. Gérard Deltell: Mr. Chair, I'll close by saying that it is always delicate to create this type of envelope, especially one with as large an amount as \$7 billion, which can be both a catch-all or a fund the government can dip into to fix certain things that may not suit it.

We think we need to be much more transparent in this regard. We understand that temporary funds may be created to deal with contingencies. However, the existence of such a large fund to finance specific programs that were announced goes beyond the boundaries of sound management, in our opinion.

[English]

The Chair: Thank you very much.

Mr. Peterson, you have five minutes, please.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Mr. Chair, I'm going to share my time with Ms. Yip. Maybe at two minutes, you could give me a thumbs-up. Give me two, and she can take three.

Thank you for being here.

I want to touch on vote 40 and more general questions about the transparency of it. We're kind of in the second iteration, second year of it now. Were there lessons learned last year? Have there been improvements made? Is the transparency there? Was there anything flagged last year that's been improved upon this year?

Mr. Glenn Purves: I'll go back to the report that the committee issued.

This is a two-year pilot. The committee has issued a report with 12 recommendations, including party-specific recommendations that we've taken note of. Specifically, there are a lot of views in terms of its effectiveness.

The one thing I would say is that with any pilot, it's evolutionary. It's something that we continue to digest and look at. I think the spirit in which the Treasury Board Secretariat and the government have approached this is to listen to the committee as well as to engage with the Senate and so forth to take advice as we go along.

As you said, we have a new minister today. We have a budget that's going to be coming out tomorrow. We have main estimates that require being tabled by April 16, based on the Standing Orders. Consideration of the views from the report is going to be made. It's something that we'll build into the approach going forward, for sure.

Mr. Kyle Peterson: Thank you for that.

That's probably my time.

The Chair: Ms. Yip, you have about two and a half minutes left.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): You talked about a change in the process with respect to the alignment of departmental priorities with the budgetary process. How is this working?

Mr. Glenn Purves: In terms of the alignment of priorities to the budget process, I will actually go back to InfoBase on this one, because in fact, when you look at InfoBase, it's very clear in terms of looking through the lens of the financial information coming out of government, the human resources information as well as results. The results portion, which really flows out of the policy end results, introduced a couple of years ago, really provides a lot of information that's very useful, that links the resources the government is spending with respect to programs, initiatives and projects, to what outcomes they're seeking and the indicators that are being measured against those outcomes.

We had, I think, our first generation of these departmental results reports coming this past fall, which provide the results for the 2017-18 fiscal year. For 2018-19, those results will be coming out at the end of this calendar year, in the fall of 2019. Again, like any initiative, it's evolutionary. I think where we've come over the last two years, in terms of just presenting the information—and I'm speaking as a Treasury Board Secretariat official who has responsibility for the GC InfoBase site—is that it's actually working quite well. We're going to end up having 150,000 hits this fiscal year, which is way more than we had before. Our intention is to continue to make it easier for Canadians to access financial as well as results information for government spending.

• (1650)

The Chair: Thank you very much.

Mr. Blaikie will have the final intervention, for three minutes, please.

Mr. Daniel Blaikie: I'll just start by saying thank you for committing to get back to us on the question I asked before. I appreciate that, and I look forward to your written response.

Three minutes isn't a long time, but I did want to ask a question about the money that's being requested under vote 10b. It's \$3 million to advance the proactive pay equity regime.

Mr. Glenn Purves: Sure.

Mr. Daniel Blaikie: This is coming in the supplementary estimates. I guess the thinking is that the money's going to be spent between now, or when the supplementary estimates pass, and when the main estimates pass. I'm wondering what kind of work is foreseen as being done in that time period in order to make progress on the proactive pay equity regime.

Mr. Glenn Purves: That \$3 million is going to a number of departments, particularly in terms of their work in getting ready to implement the legislation that was put in place in December. The next step, of course, is work on the regs.

Mr. Daniel Blaikie: Does that represent new staff years for those departments? What does that mean for a department that's going to be receiving some of that money? Do we already know which departments are receiving money, or is that going to be at the discretion of Treasury Board to decide once the money's approved?

Mr. Glenn Purves: That's something for the submission to Treasury Board that, effectively, will be made by a number of departments. Ultimately it's going toward supporting the development of regs as well as working with bargaining agents with respect to the pay equity plans that would be coming out. A lot of that work is ongoing work that's going to be taking place from 2020 to about 2024. It's a longer-term initiative, starting with regs and then moving into these plans.

Mr. Daniel Blaikie: Right, so are new people being hired, then, for those departments? How do you envision the money actually being spent?

Mr. Glenn Purves: Well, again, the submission is to come on that, yes.

Mr. Daniel Blaikie: Okay, so we can't say at this point whether it's a budget for photocopying, or a budget for new staff, or what the money would be spent on.

Mr. Glenn Purves: Effectively, it's going to support the development of regs and so forth. I don't have the object codes in front of me, so I can't—

Mr. Daniel Blaikie: Is that true for all of the items under 10b, then? On the government-wide initiatives, we essentially don't have an idea of how that money is going to be spent at all for the moment, and then that's dependent upon Treasury Board submissions yet to come.

Mr. Glenn Purves: Those are funds that have been identified as priorities for the government, with Treasury Board submissions to follow.

Mr. Daniel Blaikie: Okay, so their priority is—

The Chair: Thank you very much.

Mr. Purves, Madam Santiago and Madam Cahill, thank you very much for being here.

We will suspend now, colleagues, to go into an in camera session to discuss committee business.

[Proceedings continue in camera]

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