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

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**EVIDENCE**

**Thursday, November 17, 2016**

—  
**Chair**

**Mr. Tom Lukiwski**



## Standing Committee on Government Operations and Estimates

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• (1205)

[English]

**The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)):** Colleagues, I think we'll start. We're running a few minutes behind because of votes, but we should be able to still have a productive meeting.

Minister Brison, welcome once again to our committee. This time you are here to discuss supplementary estimates (B). Without any further ado, to try to make up for some lost time, perhaps we can start with your opening statement.

**Hon. Scott Brison (President of the Treasury Board):** Thank you, Mr. Chair. I'm delighted to be back with the committee.

I'm joined today by Joyce Murray, who is just joining us; our parliamentary secretary, Yaprak Baltacioglu; the secretary of the Treasury Board, Brian Pagan, assistant secretary of expenditure, management sector; and Renée LaFontaine, chief financial officer.

[Translation]

With supplementary estimates (B), the government is seeking Parliament's approval of funding to address matters of importance to Canadians.

[English]

This includes funds for the crises in Iraq and Syria, first nations education, recovery efforts in Fort McMurray, and funds for youth employment. We're seeking additional parliamentary approval of \$3.9 billion in additional spending for 68 organizations. I'd like to draw your attention to some of the major voted items.

There is the amount of \$375.5 million in funding to address the crises in Iraq and Syria, providing funding for Canadian Forces to train, advise, and assist Iraqi security forces and to address the humanitarian crisis in the region.

There is \$350.6 million in funding to advance early work and land acquisition in Michigan for the Gordie Howe International Bridge between Windsor and Detroit.

There is \$249.3 million in funding for the post-secondary institution strategic investment fund, or SIF, to enhance, modernize, and improve environmental sustainability of research facilities across Canada.

We are also asking for \$245.8 million in funding for additional investments in first nations elementary and secondary education, as per budget 2016.

[Translation]

In addition, supplementary estimates (B) include an increase of \$375 million in planned statutory expenditures. This increase reflects revised forecasts for such items as interest payments, territorial financing and payments to provinces related to softwood lumber export charges.

[English]

This brings them in line with the forecast set out in budget 2016.

Mr. Chair, these are some of the highlights of the supplementary estimates. As you know, supplementary estimates ensure that departments and agencies can receive the necessary funding to move planned government initiatives forward and meet the needs of Canadians. They include budget priorities and information on spending requirements that couldn't be included in the main estimates in many cases because of when the main estimates were tabled, but this, as in previous discussions we've had, could change for the better with the package of reforms we discussed when I was here earlier this month.

I'm referring specifically to the proposal to move the tabling of the main estimates from March 1 to on or before May 1 on a provisional basis for the next two budget and estimate cycles. This change would help ensure that main estimates include budget items. As it stands now, as you're aware, the main estimates can only reflect decisions as of January, long before the budget actually comes out, so the main estimates, as they are now, do not reflect the government's most recent plans and priorities as outlined in the budget.

This timing limits your ability to provide proper oversight of a fundamentally important financial document. Reforming the estimates process would give parliamentarians better tools to hold the government to account, and future governments to account, and you'd be able to study documents that would be substantially more meaningful than the ones you have today.

By tabling the main estimates later, we would also eliminate the need for spring supplementary estimates, and this would create the added benefit of enabling parliamentarians to focus their attention on one estimates document in the supply period ending June 23, a more meaningful document. It would also mean that the first round of supplementary estimates would be tabled in the autumn during the supply period ending December 10.

I would add that this proposal would not reduce the number of supply days, and I want to be clear on that point. Adjusting the tabling date for main estimates would have no impact on the number of allotted opposition days or other aspects of the supply cycle, including planned supplementary estimates for the supply periods ending December 20 and March 26. Committees would be able to examine estimates documents and call in officials and ministers throughout this supply cycle.

● (1210)

After the two budget and estimates cycles, the House would examine the provisional reform and determine a permanent date. The goal would be to have an earlier date to tighten the timelines between the budget and the main estimates. In the past, I've suggested March 31, but that's ultimately up to Parliament to determine.

In closing, allow me to reiterate our strong commitment to working with all parliamentarians to strengthen the estimates process. I think we can all agree on the need for reform. As I have said earlier, I view this as an evergreening process that makes significant but iterative steps, identifying what works and having an opportunity to work with these changes and to consider other steps as we move forward.

There is a clear need for making the planning, spending, and tracking of tax dollars more timely and transparent. I am confident that the package of reforms our government is proposing will help achieve those objectives.

I look forward to your feedback and recommendations as we move forward together. My officials and I would be more than happy to take your questions.

**The Chair:** Thank you very much, Minister.

We'll start off a round of questioning with Madam Ratansi, for seven minutes.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Thank you, Minister, and thank you to the staff for being here.

If I understand your presentation clearly, the purpose of the supplementary (B)s is—I'm reading the introduction—to provide us, the MPs, the spending requirements that were either not sufficiently developed in time for inclusion in the main estimates or have subsequently been refined. At the moment, you are talking about a 4.3% increase, about \$3.9 billion.

How would the proposal that you have for realigning the mains and the budget reduce the spread? How would it reduce the number of supplementary estimates that we get?

Before you answer the question, I was asked by my colleague to thank Mr. Pagan for his Movember moustache and to ask you why you don't have one.

Now, you can answer the serious question.

**Hon. Scott Brison:** I'll start with the last question. It would take me far longer than November to achieve what Mr. Pagan has achieved; I'd need about the next 12 years.

On the other question, there has been a lot of progress in terms of the work between Finance and the Treasury Board and departments. In fact, last year, I believe, almost 70% of budget initiatives were

delivered in supplementary (A)s, and that's up from about 6% the year previous.

Our objective, in changing the sequence of budget and estimates so that the main estimates are tabled after the budget, would be to include the lion's share of budget initiatives in the main estimates, which would make the main estimates a more meaningful document.

As it stands now, with the main estimates coming out with a deadline of March 1, what happens is that, first of all, you don't have any of the budget initiatives. All the significant efforts parliamentarians put into studying the main estimates are rendered basically useless and irrelevant once the budget comes out. We view the work of Parliament as being important, and we want parliamentarians to have the opportunity to hold the government to account on meaningful documents.

Estimates timing is one of the four areas of reform we are proposing in terms of the budget estimates process. The others are a better reconciliation of cash and accrual accounting methods in terms of the estimates and the budget; program-based expenditure approval, providing more detail, and ultimately more power, to Parliament on specific expenditures; and finally, departmental plans that are more informative and actually reflect what a department or a program does, and ultimately measure the results so that parliamentarians and Canadians can hold any government to account.

● (1215)

**Ms. Yasmin Ratansi:** I have two supplementary questions but I don't think I'll have time for them. I like the fact that the Department of Industry funding for post-secondary strategic research facilities across Canada is getting additional money, because we've had students say, "What about us? You're giving money for researchers at the Ph.D. level but we're not getting it."

You can answer the question later.

As a member of the Global Organization of Parliamentarians Against Corruption, I feel that the process you are asking of us is a more transparent process because it enables accountability. I think that third world countries want to adopt that type of methodology. What prevents us? What is the hump that we have to get over to get to the collective understanding that this is good for us?

**Hon. Scott Brison:** I think we all agree in terms of the need for some change. I think there is a broad consensus that the system as it exists now is not transparent, is unnecessarily complicated, and as such, isn't working that well.

This is not avant-garde stuff. The fact is that countries like Australia, provinces like Ontario and Quebec, and other jurisdictions have done this. They have taken this sort of approach. What we're doing in some ways is catching up to the logical budget and estimates alignment processes that other jurisdictions already have.

While I agree that we have a responsibility to show an example in terms of governance, right now we're actually not setting a great example. I think this is important, and we have other jurisdictions that are doing a better job of it. I would hope to emulate their success, but at some point in the future I would hope for us to keep evergreening this and strengthening it as a model for the world.

**Mr. Nick Whalen (St. John's East, Lib.):** How do you see the importance, Minister, of the interim supply, given the changes in the dates and the opportunities Parliamentarians might have to ask questions about the budgetary process in a prospective way?

**Hon. Scott Brison:** The opportunity for Parliamentarians to ask questions on interim supply is very important, and we would want to maintain an opportunity for Parliamentarians to do that. Beyond that, Mr. Whalen, it's important that there be no loss to supply days as a result of these changes. The idea here is to improve the scrutiny of government spending, not the opposite.

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

**Mr. Kelly McCauley (Edmonton West, CPC):** Great. We'll actually get to the scrutiny instead of alignment.

Welcome. I appreciate you not taking the opportunity to grow a mustache.

Mr. Pagan, congratulations on your epic 'stache.

Minister if we could just step back, I want to go back to what we discussed about the supplementary estimates (A). There was \$1.7 billion we specifically discussed. There was money for safe water for first nations reserves. I asked specifically how we are prioritizing that.

Can you update us on that money? How much has been spent? What has been done?

**Hon. Scott Brison:** I don't personally have the details on that, but I can find them in consultation with my colleague, Minister Bennett. Brian may have that.

**Mr. Kelly McCauley:** If you don't have it immediately, you can respond later.

• (1220)

**Hon. Scott Brison:** Certainly.

**Mr. Kelly McCauley:** I want to get to a couple of the items in the supplementary estimates, and I realize time is short.

Under the Department of Agriculture and Agri-food, on page 2-23, there's almost \$1.9 million for grants to foreign recipients for participation in international organizations supporting agriculture.

Why are we spending \$1.9 million for foreigners to attend foreign conferences?

**Hon. Scott Brison:** Food security, Mr. McCauley, is a global issue. As part of the global community, Canada has a responsibility to—

**Mr. Kelly McCauley:** Does the government see it as its responsibility to send foreigners to foreign conferences?

**Hon. Scott Brison:** It's not just part of our responsibility as part of the global community. One of the biggest industries within Canada that has the greatest global growth potential is our agrifood industry. There are real opportunities for the Canadian agrifood

industry to participate in the development of agriculture in the developing world.

**Mr. Kelly McCauley:** I appreciate that.

**Hon. Scott Brison:** Ultimately, the Minister of Agriculture and Agri-Food, Minister MacAulay, is in a better position to tell you. However, I participate in international fora from time to time, and I can tell you that Canada's role in international food security is a respected one. I think it is an important leadership one because if you don't have food security in the developing world, what you end up with is a greater contribution to the types of global crises we see that emanate from those countries.

**Mr. Kelly McCauley:** It's our responsibility to send our people to participate.

**Hon. Scott Brison:** That happens as well, but part of institution building is ensuring that people in those countries have the skills they need to lead.

**Mr. Kelly McCauley:** Maybe with the other follow-ups, Mr. Pagan, you could send us a list of what countries we're providing that money to?

**Mr. Brian Pagan (Assistant Secretary, Expenditure Management, Treasury Board Secretariat):** I'd be glad to.

**Mr. Kelly McCauley:** I just have a quick question with regard to the listing under the Department of Finance for \$4 million for the Harbourfront Centre in Toronto. Do you know what that would be for? Is it just a straight operating grant?

**Hon. Scott Brison:** Yes, that's—

**Mr. Kelly McCauley:** Again, if you don't have that, rather than spend time...

**Mr. Brian Pagan:** May I?

**Hon. Scott Brison:** Sure.

**Mr. Brian Pagan:** This is a transfer. Previous to this year, the Harbourfront Centre was administered through a grant contribution by the Department of Finance. A decision was made to transfer responsibility for that program to Canadian Heritage.

This funding is in support of ongoing operations at the Harbourfront Centre. They, as I understand it, entertain some 17,000 visitors a year, and this is in support of programming for that.

**Hon. Scott Brison:** Yes.

**Mr. Kelly McCauley:** Does this support events like the PEN International events, or is this just purely for operating the centre?

**Mr. Brian Pagan:** This is in support of the centre's operations.

**Hon. Scott Brison:** The long-standing relationship between the Department of Finance and the Harbourfront Centre is one that, I think, has existed for some time.

**Mr. Brian Pagan:** That program has moved around in terms of its administration. I understand that it became the responsibility of the Department of Finance sometime around 2006-07, and it was transferred to Canadian Heritage this year.

**Hon. Scott Brison:** It was moved to the Department of Finance under the previous government.

**Mr. Kelly McCauley:** Those guys....

**Hon. Scott Brison:** They were trying to put a little culture in the Department of Finance.

**Mr. Kelly McCauley:** I have three quick ones, and we'll be done with them in three minutes.

One is \$10.8 million for “funding to enhance the Privy Council Office's capacity to support the Prime Minister and Cabinet ministers in delivering the Government's agenda and to strengthen its infrastructure.”

Can you quickly give us a bit of insight on that or, again, if you don't have the material, I have other questions.

**Hon. Scott Brison:** As a government, we are implementing a results and delivery model, a results-based government, that will, we believe, lead to—

**Mr. Kelly McCauley:** Deliverology, Minister.

**Hon. Scott Brison:** —a more purposeful and effective government. In the PCO, there has been a strengthening of resources around that, a results and delivery unit.

Treasury Board itself has implemented, and continues to work with departments to implement, a results agenda.

• (1225)

**Mr. Kelly McCauley:** But there's something we can do about that.

**Hon. Scott Brison:** Governments are typically really good at developing policies. They focus 90% of their efforts on the policy and then about 10% on execution.

The objective here is that we're focusing on execution. These investments will achieve this.

**Mr. Kelly McCauley:** The gentleman from England, the consultant that you hired on to help deliver the government promises, is that included in this money?

**Hon. Scott Brison:** Sir Michael Barber? I believe he would be part of that, yes.

**Mr. Brian Pagan:** Part of the funding, Mr. McCauley, is for the results and delivery unit. There's a new structure—

**Mr. Kelly McCauley:** Can you provide us with the labour cost for that consultant?

**Mr. Brian Pagan:** That information is available, yes.

**The Chair:** You have 30 seconds.

**Mr. Kelly McCauley:** Okay.

The UN Framework Convention on Climate Change is looking for an extra \$436,000. Was that covered for Marrakesh, or is that added fees for Paris? It's under the heading for Foreign Affairs.

**Mr. Brian Pagan:** I'm sorry, but I missed the question.

**Mr. Kelly McCauley:** Regarding the United Nations Framework Convention on Climate Change, the estimate was \$400,000 to date—looking for an extra \$436,000, for a total of \$848,000. Was that covering off costs from Paris, or is this for Marrakesh?

**Mr. Brian Pagan:** Marrakesh? Sorry, what—?

**Mr. Kelly McCauley:** The climate—

**Hon. Scott Brison:** We will get the specific details on that.

**The Chair:** If you could. Since we're out of time, I would appreciate if you could supply those details.

**Hon. Scott Brison:** Certainly.

**The Chair:** Mr. Weir, you have seven minutes please.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Shared Services is seeking additional funding through the supplementary estimates. Yesterday, our committee heard from Wayne Smith, who resigned as the chief statistician to protest that Shared Services was impinging on Statistics Canada's independence.

Notwithstanding some good words in the economic update about independence for Statistics Canada, Mr. Smith believes that the government has not done anything to remove the effective veto that Shared Services has over Statistics Canada's work. I'm wondering if you could tell us what communication Mr. Smith had with you and your secretariat before he resigned, and also what you're doing in funding Shared Services to try to resolve this problem and ensure an independent national statistics agency.

**Hon. Scott Brison:** We absolutely support the principle that Stats Canada needs to operate independently in terms of its objectives of providing high-quality data and information to Canadians. We in fact restored the long-form census, and that was a significant step forward in that objective.

On the broader question of Shared Services Canada, and to support the transformation, we are concurrently conducting a review of Shared Services Canada along with the Minister of Public Services and Procurement Canada. We've engaged Gartner Canada to assess and make recommendations.

**Mr. Erin Weir:** I'm familiar with the review of Shared Services that's going on. I'm wondering whether Mr. Smith talked to you or others at Treasury Board about these problems before he resigned.

**Hon. Scott Brison:** I have not spoken with him, but Yaprak?

**Ms. Yaprak Baltacioglu (Secretary of the Treasury Board Secretariat, Treasury Board Secretariat):** Not before he was resigning. That was not a discussion that anybody would have with Treasury Board Secretariat.

Prior to that, Mr. Smith had identified, in written form, as well as in some of the meetings that I had with him, his concerns. As a result, I stressed with Shared Services Canada, especially when the census was being done, that they needed the right support. I believe that Shared Services Canada put a full team around the census and the census support, and, right now, the Stats Canada operations. After the census was finalized, Mr. Smith did report that he was adequately supported by Shared Services Canada for the census activities.

However, we wouldn't be privy to him not being in his job, or his independence.

**Hon. Scott Brison:** Shared Services Canada is part of Public Services and Procurement Canada.

**Mr. Erin Weir:** Understood.

**Ms. Yaprak Baltacioglu:** We do the issues....

**Mr. Erin Weir:** Another item in the supplementary estimates is the Correctional Service seeking an additional \$30.6 million to cover an increase in the offender population. Your government could easily reduce that population and these costs by decriminalizing marijuana.

Why haven't you done so?

• (1230)

**Hon. Scott Brison:** As you are aware, justice is under the leadership of the justice minister.

Former justice minister Anne McLellan is leading a rigorous study of public policy around that, working with Bill Blair. We are working, as a government, to research the best possible way forward, what has worked well in other jurisdictions in terms of legalization and regulation of marijuana. We want to identify the best possible practices. Other jurisdictions that have gone before us have taken steps from which we can learn. That's the advantage in terms of studying rigorously what other jurisdictions have done.

**Mr. Erin Weir:** I certainly support a rigorous study about how best to legalize marijuana.

I'm asking in the meantime why you don't decriminalize it, so that you're not asking parliamentarians to approve supplementary estimates to keep more people in jail.

**Hon. Scott Brison:** Mr. Weir, I always admire your ability to conflate two different issues into one question. I used to be pretty good at that too.

However, I would argue that we have the need to, in terms of Corrections Canada...and right now it's one that I wouldn't conflate with a broader public policy in terms of legalization and regulation. I think the two are related very tangentially, but in terms of the needs that exist right now in terms of Corrections Canada, we believe there are real—

**Mr. Erin Weir:** If the government wasn't putting people in prison for marijuana, then the offender population wouldn't be as large, so I think there's a very clear connection.

I do want to move on to another issue. The supplementary estimates include \$46.7 million to try to fix the Phoenix pay system. I wonder if you could tell us how much of that money is going to be paid to IBM?

**Hon. Scott Brison:** I don't have the information on that, but we can provide more....

**Ms. Yaprak Baltacioglu:** We will provide you more information, but most of it is because Public Services and Procurement Canada has established satellite offices, and we hired a lot of people for those. The majority of the money is there. We will get you how much goes to IBM as part of their contract.

**Mr. Erin Weir:** Okay. I look forward to that.

**Hon. Scott Brison:** On that issue, these investments, a lot of it is going towards putting the people in place—

**Mr. Erin Weir:** Sure.

**Hon. Scott Brison:** —in these offices to do the work, to take the calls. When you're implementing enterprise-wide IT solutions, it's really important to ensure that you have the people in place. There was an issue, in terms of the approach of the previous government, in terms of trying to—

**Mr. Erin Weir:** For sure, and I don't—

**Hon. Scott Brison:** —cut costs as part of—

**Mr. Erin Weir:** —have time to go through all that history, but in terms of—

**Hon. Scott Brison:** Just on the Phoenix pay system—

**Mr. Erin Weir:** Okay.

**Hon. Scott Brison:** We, as a government, are absolutely focused on fixing this. It is totally unacceptable that public servants are not being paid, in many cases, on time or accurately, and we're fixing it as a government. This is something to which we are totally committed and we take that responsibility very seriously.

**Mr. Erin Weir:** I agree it's unacceptable. One of my concerns—

**Hon. Scott Brison:** That's why we're investing.

**The Chair:** Mr. Weir, unfortunately, we're out of time.

[*Translation*]

Mr. Ayoub, you have the floor, and you have seven minutes.

**Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.):** Thank you, Mr. Chair.

It is always a pleasure to see you again, Minister.

It seems that several requests involve the legal aspect. I have a few questions for you, starting with the RCMP.

It seems to be asking for an additional \$57 million to settle certain cases out of court. In addition, I would like to verify whether information reported on Radio-Canada is accurate. Radio-Canada spoke of the existence of a \$100-million fund to help the victims of discrimination and sexual harassment. Is this the same fund, or are we talking about a different one? Do you have more information to provide to us on the RCMP's request?

• (1235)

[*English*]

**Hon. Scott Brison:** As announced in early October, the RCMP has settled lawsuits with the plaintiffs in two class action lawsuits filed on behalf of regular members, current and former, civilian members, and public service employees. At that time, \$100 million had been earmarked in the fiscal framework for the settlement of these claims. The \$57 million in these supplementary estimates is to cover the cash flows expected to be made in this fiscal year.

[*Translation*]

**Mr. Ramez Ayoub:** Thank you.

I would like to talk about Alberta and the fire in Fort McMurray.

There are certain things I find reassuring. We were all shocked to see the impact these fires had on the region. There is a request for \$104.5 million. That amount of money seems to be to match the very generous donations made by Canadians to help that part of the country. Will the \$104.5 million be given to the affected families? Are there other sums of money from other funds to increase the financial aid for the events that took place in Fort McMurray, Alberta? Could you provide us with some details on this?

**Hon. Scott Brison:** Thank you for your question.

The people of Fort McMurray can count on the continued support of our government. In these supplementary estimates there is an amount of \$104 million for the Red Cross. This amount corresponds to the generous donations made by Canadians.

The Red Cross offers an array of aid programs to the people of the region to help them get over their losses, so that they can go back to work or to their studies. Among the examples of aid provided by the Red Cross are food, clothing, housing, medical equipment, baby or children's items, and transportation.

The help we provided to the people of Fort McMurray was very important at that time, and we are going to continue to support them. This is a priority for our government. We were proud of the contributions made by citizens from all over Canada. They contributed a large amount.

**Mr. Ramez Ayoub:** Do you have any details on this? I thought I saw people nodding and approving something I said. If I understood correctly, the government provided more than the \$104 million which was what Canadians donated.

**Hon. Scott Brison:** That is correct.

**Mr. Ramez Ayoub:** What was the additional amount provided by Canada? Do you know what that amount is, so that we can inform the public properly in this regard?

[English]

**Hon. Scott Brison:** Brian.

[Translation]

**Mr. Brian Pagan:** We do not have those figures for the moment, Mr. Ayoub. It is too soon to provide an exact amount.

Under the Public Safety Canada Program, that is the Disaster Financial Assistance Arrangements, the provinces pay the bills first, and the federal government reimburses them for eligible costs.

**Mr. Ramez Ayoub:** There are figures circulating in the media. They have even mentioned billions of dollars. We hear talk of sums of that nature. The \$104 million amount is extremely important. It reflects the donations Canadians made, but we are talking about billions of dollars to help Alberta.

**Mr. Brian Pagan:** As I was saying...

**Mr. Ramez Ayoub:** We will have the results a bit later. That is what I understand from what has been said.

**Mr. Brian Pagan:** That is correct. It is too early to provide exact figures, but we are talking about hundreds of millions.

**Mr. Ramez Ayoub:** Hundreds of millions of dollars.

**Hon. Scott Brison:** Yes.

**Mr. Ramez Ayoub:** It is important that we know that and that it be said. We have to be aware of these amounts.

Let's go back to Treasury Board and the requests that involve the judicial or extrajudicial aspect. There is a request for \$8.9 million for out-of-court settlements. Are additional amounts often requested for this? This type of envelope recurs from one year to the next, but was this amount already planned? Briefly, what is the philosophy with regard to out-of-court settlements?

● (1240)

[English]

**Hon. Scott Brison:** Much of this is from the White class action settlement, for RCMP personnel. The original settlement of \$73 million to settle all claims was insufficient as there were additional claims subsequently, and appeals continue to come forward. So, as you've cited, there is the amount of \$8.9 million for the payout of 33 new claims and appeals.

[Translation]

**Mr. Ramez Ayoub:** Thank you.

[English]

**The Chair:** Thank you very much.

Mr. McColeman, welcome to our committee. You have five minutes, please.

**Mr. Phil McColeman (Brantford—Brant, CPC):** Thank you, Chair.

Thank you, Minister, for being here to deal with the supplementary estimates. My first question would be to dive a little deeper on the \$8.9 million in supplementary (B)s for the out-of-court settlements. What ministries would these be related to?

**Hon. Scott Brison:** RCMP falls under Public Safety largely, under Minister Goodale, but also, obviously a legal issue would implicate Justice as well.

**Ms. Yaprak Baltacioglu:** But we're the employer.

**Hon. Scott Brison:** And as the employer, Treasury Board. That's the employer.

**Mr. Phil McColeman:** To your colleagues who are with you, obviously, there are very variable costs year to year depending on the number of lawsuits existing out there. Is the strategy up to the ministries to determine whether they do out-of-court settlements or they go forward to court cases? Is there a consistent year-to-year amount that is allocated for these types of situations?

**Hon. Scott Brison:** Yes, partly, but I know there are contingencies that the government maintains on an ongoing basis. The Prime Minister has established a cabinet committee, legal affairs committee, to help strengthen the ability to predict these, but every government maintains contingencies on an ongoing basis.

Brian may have more granular detail on it.

**Mr. Brian Pagan:** Thank you, Minister.

Specifically with respect to forecasting contingent liabilities for out-of-court settlements, the process is such that, when there is a claim against the crown, we work with the Department of Justice to determine if the claim is founded and the probability of there being a payment due.



Once we make the assessment that there's a probability of a liability due, even if we are not making the payment, the liability will be recorded in the public accounts—the public accounts were just tabled a couple of weeks ago—and in that way we reflect the total liabilities of the government.

The issue here with the White case is that there was a settlement made based on a precedent established with the Canadian Forces. Best efforts were made to identify the number of claimants, but we're dealing with members who go back as far as 1970. In this case, the additional costs are due to unanticipated members coming forward who were not part of the original claim or, in the case where we made a decision and lost on appeal, and therefore, payments are owing.

**Mr. Phil McColeman:** Okay, the next question would be regarding the Windsor-Detroit bridge, the Gordie Howe bridge. It was mentioned earlier in your comments, I believe, the number being \$350.6 million in the supplementary (B)s to do some land acquisition.

Just in general terms, is the project on time, and is it on budget?

**Hon. Scott Brison:** The project is proceeding. As you know, this has taken a long time, and more than one government has worked on this. The importance of that Detroit crossing at Windsor is essential in terms of Canada's trade relationship with the United States.

I am told the project is within budget, but it has experienced a lot of delays due to environmental assessments, government approvals in Michigan, and legal challenges from certain stakeholders. We're moving forward on this, but there is a lot of land. I forget how many pieces of land, but it was several hundred parcels of land that needed to be acquired. My information is that about 50% of that land has been acquired, and the rest is on track, but you can imagine the complexity and the number of moving parts involved in moving that forward.

I think you'd agree the key point is that we need to move forward, and we need to ensure that we improve the ability to move people and goods across that crossing. As I say, it has been for more than one government a challenging but important project.

• (1245)

**The Chair:** Thank you very much.

Madam Shanahan for five minutes, please.

**Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.):** Thank you very much, Mr. Chair.

Thank you very much, Minister, and the rest of the panel, for being here with us.

I am interested in this relationship between the supplementary estimates that we are studying today and the budget process, and how it helps the quality of our review. For example, in the budget, we talked about a program for harmonizing the human resources programs across many departments, and an amount of \$75 million was allocated to that. It's very similar to the Shared Services problematic, where we have different HR programs across many departments, and it's difficult to have aggregate information around that. That's interesting to me, because it was presented in the budget,

but it's now in the supplementary estimates that the Treasury Board is asking for \$68.1 million.

I just want to understand what would change in the reform. How can I study that amount now? How can I understand how that amount is going to be used to put that project into place? How will it change, so we can avoid the kind of problems that we are now seeing with Phoenix, which of course was a similar type of program trying to harmonize multiple platforms?

**Hon. Scott Brison:** It is essential that we modernize our ability as a central agency of government. As an employer, but also as the Treasury Board, from a financial management perspective and from an employer perspective, we play an important role in this. Right now we do not have—and we haven't had—the right IT system, on an ongoing basis, in real time, to have the kind of information we need on human resources or financial information across departments and agencies. What this will provide us with is up-to-date human resources and financial information for every department and agency in real time. It's something we have to do as part of running a modern, efficient government.

You're quite right. Any time any government of any stripe undertakes any IT project, enterprise-wide, it is a big challenge. We are monitoring on an ongoing basis the work being done to move forward on the back-office transformation. We are studying past IT transformation projects in order to learn what went well, what didn't go well, and what the lessons are from that. We are doing our utmost to get this one right.

I'll ask Yaprak to contribute to that as well.

**Ms. Yaprak Baltacioglu:** What would be different is that, first of all, we have a very strong project management office to make sure that the project is managed. The second thing is that the project has, and will have, more off-ramps. If we think that there is a risk to it, at least there will be choices for the government, and essentially for Parliament, to see where we go. The third thing is that we will on-board departments only when everybody is ready, so their systems won't be shut down. There will be almost parallel systems. You bring them on one at a time as departments get ready. We think that's the best way to approach this, because this big bang becomes tissues of connection.

I think that's what you were worried about. We are extremely sensitive to that.

• (1250)

**Mrs. Brenda Shanahan:** Excellent.

The one thing I would want to avoid is coming back in supplementary estimates (A), (B), and (C), in future years, asking for more money for a project that should have been—

**Hon. Scott Brison:** Let me tell you, Brenda, we probably will be back in the future on this. I want to make this point now, because I want to be transparent on this.

**Mrs. Brenda Shanahan:** Yes.

**Hon. Scott Brison:** There are two mistakes we don't want to make. One, we want to maintain, as Yaprak said, a parallel system, the legacy system, until this one is running well. Two, we don't want to treat this as a cost-cutting exercise. When you are doing an IT project, there may be cost savings down the road, but it's a mistake, or can be a mistake, to try to exact those savings as part of the IT transformation. It actually costs more in the beginning of an IT transformation. It may save you money down the road, and that's the objective. I've looked at a number of these over the years, and also in my previous role as Minister of Public Services and Procurement, or Public Works at the time, and it is folly, in my view, to try to get savings during an IT transformation. You have to invest more in the beginning to get it right, including maintaining parallel legacy systems.

**The Chair:** Minister, we're going to have to cut you off there. Thank you.

Mr. McCauley, you have five minutes please.

**Mr. Kelly McCauley:** We'll go back to supplementary (B) please. I have just a couple of quick questions.

We have \$75 million for CBC, "Funding to disseminate and support world-class Canadian content and to provide Canadians with better access to programs..." Is that just a basic, straight grant when they can run with it? Is it a wish or is it actually being broken out to provide Canadians with better access? I'm not sure how we're giving Canadians better access if they don't have a TV or Internet. This money is not going to be used to buy them a TV, so how is it going to give them better access?

**Hon. Scott Brison:** Part of this is a digital....

**Mr. Kelly McCauley:** I don't want to be sarcastic but....

**Hon. Scott Brison:** No, no.

**Mr. Kelly McCauley:** If someone wrote this up wrong or....

**Hon. Scott Brison:** No, the issue here is this. We made a significant commitment, as a government, to invest in CBC as part of budget 2016. This is an instalment as part of that and to—

**Mr. Kelly McCauley:** But what is the \$75 million for?

**Hon. Scott Brison:** —ensure the development and dissemination of digital content. There were cuts to CBC for an extended period of time—

**Mr. Kelly McCauley:** Minister, when you say provide Canadians with better....

**Hon. Scott Brison:** —and part of this is reversing those cuts and investing in the digital infrastructure and—

**The Chair:** Can you talk one at a time, please?

**Mr. Kelly McCauley:** If you could just answer the question. I am sorry to be rude.

**Hon. Scott Brison:** —provide Canadians with better access to programs.

**Mr. Kelly McCauley:** How is that money going to be used to provide Canadians with better access to programs?

**Hon. Scott Brison:** Well, actually part of it is....

**Mr. Kelly McCauley:** They access it through the web.

**Hon. Scott Brison:** You've asked me about digital content and the availability of more digital content for CBC. That's part of the priority and they need to invest in a platform for content and more innovative content. There is, right now, in terms of the digital platform....

**Mr. Kelly McCauley:** Provide better access.... Can I just assume this was written up wrong?

**Hon. Scott Brison:** No, I don't think that would be a right assumption at all.

**Mr. Kelly McCauley:** How is \$75 million being used to provide them with better access?

**Hon. Scott Brison:** It's a question of semantics. They were investing in new content.

**Mr. Kelly McCauley:** It doesn't say more content.

**The Chair:** Please, gentlemen.

**Mr. Kelly McCauley:** Let me just ask this briefly and I'll move on. It doesn't say more content or new content. It says better access.

**Hon. Scott Brison:** You have better access to better and new content and enhanced services.

If I may, in terms of content, CBC has a lot of archives and really important archives. Digitizing those archives is important. It does cost money and this is part of the funding that will enable CBC to digitize more....

**Mr. Kelly McCauley:** If I can interrupt because I have a couple of more supplementaries I want to get to.

Funding to support interim measures as part of a review of the federal environmental assessment process for the NEB is estimated at almost \$700,000. Was that for the selection of the five new NEB members? From a CBC article on November 8, it stated that the Liberals named a five-person panel to help reform the NEB. Was that what this money was for?

● (1255)

**Hon. Scott Brison:** First of all, it's absolutely essential that the NEB has the kind of support that garners the confidence of Canadians—

**Mr. Kelly McCauley:** I'm asking—

**Hon. Scott Brison:** —we are making investments, in terms of restoring that.

**Mr. Kelly McCauley:** Is this what the money is for?

**Hon. Scott Brison:** Let me confirm that.

**Mr. Brian Pagan:** Mr. McCauley, which agency are you referring to?

**Mr. Kelly McCauley:** The NEB. If you don't have the answer now....

**Mr. Brian Pagan:** NEB or NRCan?

**Mr. Kelly McCauley:** NEB. You can answer later. I'm sure I have only about 30 seconds left.

It has been estimated that \$430,000 funding is required to support the implementation of an independent advisory board to select a new Supreme Court justice. I know we selected a very qualified one from Newfoundland. I just have to ask—\$430,000 to set up an advisory board to select—I realize it's very important and we selected a phenomenal candidate from Newfoundland.

Where did that money go?

**Hon. Scott Brison:** Good government and good governance takes certain investments and the selection of a Supreme Court judge is very important. This was the first time we've had a more transparent and less opaque approach to doing this.

**Mr. Kelly McCauley:** Is that—

**Hon. Scott Brison:** The advisory group, under the leadership of former Progressive Conservative Prime Minister Kim Campbell, did an excellent job. I commend Ms. Campbell and her group for having done an excellent job that resulted in Newfoundland and Labrador having its first judge on the Supreme Court. He's an exceptional candidate, I believe and—

**The Chair:** Sorry, Mr. McCauley and Minister. We're out of time.

**Hon. Scott Brison:** I put in a plug for former Conservative prime minister—

**The Chair:** Minister, could I just suggest that you provide this committee with a detailed breakdown of the \$400,000 and where it was spent?

**Hon. Scott Brison:** Yes, I will.

Also, in terms of the NEB amount, Kelly, we'll get you that as well.

**The Chair:** Thank you.

Mr. Whalen, you have the final intervention.

**Mr. Nick Whalen:** Thank you, Mr. McCauley, for again highlighting what a great job the committee did in hiring who I hope will be one of the best Supreme Court justices who ever gets to sit.

Mr. Brison, I want to follow on a little further on the CBC. It was an important campaign commitment that we made, and we're glad to see an extra \$75-million subsidy go towards the Canadian Broadcasting Corporation.

Do we have visibility into how much of this is going into hardware, network infrastructure, salaries, and other aspects, to make this digital technology work?

**Hon. Scott Brison:** Firstly, as you said, Mr. Whalen, this is part of our budget 2016, which reflected our platform commitment. I'm told that much of this is for the digitization efforts, including a digitization of what is a massive archive within CBC. However, that's only part of it.

We can provide you, as a member of this committee, with more detail on that. We will get back to this committee with more granular detail in terms of the Department of Heritage, or CBC, in this case, on the utilization of those funds.

**Mr. Nick Whalen:** In a way, I see this as being one of the reasons why project-based estimates might be beneficial in appropriations. We would have more visibility. This is \$75 million, and maybe the overall project for digitization is much larger. Parliamentarians should have insight into what the project scope is, how much is being subsidized, and how much is being provided through funds that the CBC generates from its advertising.

Is it possible for your department to provide us with project-based information?

**Hon. Scott Brison:** We can ask CBC. You, as a parliamentarian, can ask CBC for that as well. CBC is a crown agency.

**Mr. Nick Whalen:** Okay.

**Hon. Scott Brison:** It's in Heritage as well.

**Mr. Nick Whalen:** In terms of the Canadian—

**Hon. Scott Brison:** Yaprak just mentioned it as well. The heritage committee, Minister Joly, would be better positioned to answer that specific question than Treasury Board, not to say that there's not a lot of culture in Treasury Board.

**Mr. Nick Whalen:** I had an opportunity to sit on the heritage committee, and it was wonderful to see some of the new technology that CBC has for 360-degree viewing. It's a very interesting experience, especially with the murdered and missing indigenous women's study going on now. They had some very interesting stories, in a very interesting way. I think that the money is being well spent.

In terms of the Canadian Museum for Human Rights, they're receiving new appropriations of \$11.9 million. I also see that there's a museum assistance program, for another \$1.5 million, coming in for the same sort of thing.

I was wondering if Treasury Board could explain each of these amounts, what purpose they're serving, what they're for, and why they're in two places and not one.

● (1300)

**Hon. Scott Brison:** I will ask Brian to respond.

I can say that the Museum for Human Rights in Winnipeg is a remarkable achievement for our country, with leadership by the Asper Foundation, supported by the federal government.

It is tremendously important to recognize the diversity we have in Canada, and the role we have, both within Canada and globally, to defend human rights. I think of that human rights museum in Winnipeg. I think also of the immigration museum in Halifax. These are important national museums that are outside of Ottawa.

Also, as a Nova Scotian, I believe we need to celebrate Canadian greatness across Canada, and, of course, in Ottawa. I think it's great when we can identify these opportunities to invest in and promote Canadian excellence and leadership in institutions like the museum of human rights and the immigration museum.

Brian.

**The Chair:** Very quickly.

**Mr. Brian Pagan:** Budget 2016 announced \$105.9 million over five years, and \$6.1 million ongoing, as a horizontal initiative to support a number of museums, including the Museum for Human Rights. That investment in budget 2016 is both for refurbishment of infrastructure—elevators, access ramps, and that sort of thing— and for the payment of property taxes, property in lieu of taxes.

**Mr. Nick Whalen:** Thank you very much. I had a chance to go to that museum in May, and it truly is a moving experience. It's a remarkable achievement.

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

Mr. Minister, would you have an additional three minutes? That would allow us to complete the full round, with Mr. Weir having the last three-minute intervention.

Unfortunately, I have to leave. If you do as well, sir, I will adjourn now. It's up to you.

**Hon. Scott Brison:** Actually, I have to go because I have an announcement.

**The Chair:** As do I. I have a meeting with the Liaison Committee. That's fine.

**Hon. Scott Brison:** I always enjoy our conversations. Thank you very much, Mr. Lukiwski.

Thank you very much, to all the members of this committee. I look forward to returning.

**The Chair:** Thank you, and we will have you back again, sir.

We are adjourned.

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