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

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**EVIDENCE**

**Thursday, March 9, 2017**

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**Chair**

**Mr. Tom Lukiwski**



## Standing Committee on Government Operations and Estimates

Thursday, March 9, 2017

•(0845)

[English]

**The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)):** Welcome to meeting number 75 of the Standing Committee on Government Operations and Estimates. Today's meeting, once again, is dealing with supplementary estimates (C) and performance reports from various departments.

Today we have the pleasure of Minister Brison being with us once again. Welcome, Mr. Brison.

I understand you have a short opening statement. We'll start with that, and then we'll follow the normal routine of questioning.

Minister, the floor is yours.

**Hon. Scott Brison (President of the Treasury Board):** Thank you, Mr. Chair. I'm delighted to be here today before your committee to discuss the supplementary estimates.

I have with me today from the Treasury Board Secretariat, Yaprak Baltacioglu, secretary of the Treasury Board Secretariat; Brian Pagan, assistant secretary, expenditure management sector; Marcia Santiago, executive director, expenditure management; and Grace Chenette, executive director, financial management directorate.

[Translation]

In supplementary estimates (C) 2016-17, the government is seeking Parliament's approval of funding to address matters of importance to Canadians.

[English]

These include funds for humanitarian assistance, border security, climate change, and veterans and their families. Specifically, the government is seeking parliamentary approval for \$2.5 billion in additional investments in 47 organizations.

[Translation]

Included in this amount are 11 major items valued at more than \$50 million.

[English]

There are also nine horizontal initiatives in which departments are seeking funding approval to work in partnership on shared outcomes, for instance, in addressing the crisis in Iraq and Syria.

Among these requests, I would note \$545 million in Treasury Board vote 30 for the Treasury Board Secretariat to fund adjustments to the terms and conditions of employment to plan for the ratification of collective agreements with the Public Service; \$350 million for

Agriculture and Agri-Food Canada for the transfer of 19 federal dams to the Government of Saskatchewan, as announced in budget 2016; \$178 million for Employment and Social Development Canada to write off unrecoverable Canada student loans; \$174 million for Global Affairs Canada for humanitarian assistance and antimicrobial resistance initiatives; \$133 million for Global Affairs Canada and Environment and Climate Change Canada to help developing countries address the impact of climate change; \$132 million for Veterans Affairs Canada for programs and services to support veterans and their families; and a combined total of \$118 million to Canada Border Services Agency to maintain the integrity of Canada's border operations.

[Translation]

These supplementary estimates represent an increase of 2.8% in voted appropriations over the the main estimates tabled in February 2016.

[English]

As you know, the estimates documents also include updated forecasts of statutory authorities authorized by Parliament through separate legislation. Supplementary estimates (C) include a \$964-million net decrease in the statutory forecast, mainly related to reduced interest charges on public debt.

There is also a decrease of \$431 million in loans to students and apprentices, because this financial assistance is now being offered as grants. This 50% increase in the Canada student grants program was announced in budget 2016, and it will benefit nearly 100,000 students from middle-income families every year.

While the government is asking for \$2.5 billion to be voted in these estimates, the supplementary estimates (C) also include an online annex. This annex details close to \$3 billion in frozen allotments that will no longer be available to departments for spending. During the fiscal year, the government can adjust the funds available to departments in accordance with evolving program developments and priorities. In this way, the Treasury Board authorizes that funding be frozen so it is not available to spend on anything else.

At the end of the fiscal year, these frozen allotments are included in the lapse shown in public accounts. Last year, we introduced this annex to provide greater transparency and accountability. This was actually noted by the PBO. Without this, the first time that frozen allotments would be shown would be in the public accounts, seven or eight months after the end of the fiscal year. Because of our change, parliamentarians and Canadians are now able to see this information much sooner.

Another measure we took to make the government more open and transparent and accountable was the new review process to ensure that advertising is non-partisan. Advertising Standards Canada, a national non-for-profit organization committed to ensuring the integrity of advertising, now conducts independent reviews of our ads. As a result, Canadians know that the information they receive from their government represents a legitimate public service announcement.

● (0850)

We have followed through on our budget 2016 commitment to reduce spending on government advertising, travel, and professional services. I'm pleased to say that we have fulfilled our commitment to reduce these expenditures by over \$200 million.

[Translation]

Mr. Chair, before concluding I'll provide the committee with a brief overview of the requirements of the Treasury Board Secretariat presented in these supplementary estimates (C).

[English]

The department is seeking Parliament's approval to spend an additional \$722.7 million. This includes a combined total of \$716.8 million in the central votes managed by the secretariat on behalf of the government for Government of Canada obligations that exist across departments and agencies. Specifically these obligations relate to terms and conditions of employment, compensation adjustments with respect to collective bargaining, and even such things as parental leave, as an example of one of these. While these affect individual departments, ultimately Treasury Board is engaged in this.

As you know, our commitment to respecting the public service and bargaining in good faith with them has yielded agreements, as of now, with more than 80% of represented public servants. At the time we were elected, all of the collective bargaining agreements had expired, some of them for three or four years almost, and we committed to restoring a culture of respect for and within our public service. Part of that was negotiating in good faith, and we are making significant progress.

The majority of the funding related to collective agreements in supplementary estimates (C) had been set aside by departments during previous years in which the previous government had been unable to reach agreements. It is now being made available as agreements become ratified.

In addition to these central funds, we are seeking \$5.9 million in TBS vote 1, program expenditures, for items such as improving access to information, funding the back office transformation initiative, advancing the service agenda, and transferring the office of greening government operations to Treasury Board Secretariat, which is something we are very excited about.

I want to also commend the parliamentary secretary to Treasury Board, Joyce Murray, who is with us today. She has demonstrated tremendous leadership in establishing our office of greening government in Treasury Board. This is going to make a real difference. We're targeting a reduction by 40% of greenhouse gas emissions for the Government of Canada.

This is a significant commitment, but it's going to make a big difference in terms of our leadership as a government with respect to climate change. Last November, when we set the target of reducing emissions by 40% by 2030, we were serious about it, and that's why we're establishing metrics and measuring results, so that Canadians can actually hold us to account. Putting this centre within the Treasury Board Secretariat is really helpful to driving this across departments and agencies.

[Translation]

Mr. Chair, this concludes my presentation on the main points in supplementary estimates (C).

[English]

Finally, Mr. Chair, I look forward to continuing our discussions on how to improve the estimates process. We've had discussions in good faith among all parties, and we share the view that the current system is confusing, frustrating, illogical, dysfunctional, and opaque. I remain committed, and I look forward to working with you and parliamentarians as we move forward, to improving the system in order to provide better, more timely, more useful information to parliamentarians and better accountability for our government and future governments to Parliament and to Canadians.

At this point my officials and I would be pleased to take your questions.

Thank you, Mr. Chair.

● (0855)

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

We'll go into our seven-minute round of questioning. I would remind all members again that the proceedings today are televised.

Our first intervention will come from Mr. Whalen.

**Mr. Nick Whalen (St. John's East, Lib.):** Thank you very much, Mr. Chair.

Mr. Brison, thanks for coming today.

You mentioned in your opening remarks that Treasury Board introduced an online annex last year to demonstrate the frozen allotments and lapsed funds so that they would be more transparent to Canadians. Could you further explain how this provides greater transparency to parliamentarians? Even on the website itself it is still quite complicated.

**Hon. Scott Brison:** The change has improved transparency from the perspective that previously you had to wait seven or eight months after the fiscal year to have this information. This is recognized by the PBO.

It's one step, one initiative, but you're quite right that there's a lot of work left to be done. InfoBase, which is a tool for citizens and for parliamentarians to get more timely information about government activity and expenditures, is helpful. We want to improve it in terms of its user-friendliness, and we want to expand it in terms of what it actually covers.

I have to tell you, there are other countries.... I look at Performance.gov, the website that was established under the Obama administration. You can go through departments and agencies, and they are graded and rated on whether or not they are meeting their objectives. There are clear objectives for each department and agency, and citizens and legislators in the U.S. can easily hold departments and agencies to account. That creates an alignment between people on the political side, the citizenry, and the public service to get it done and to ensure that we meet our objectives.

Our results policy, which was launched last July, is something that is already making a difference in terms of departments and agencies defining what they do, why they're doing it, and how well they're doing in terms of the results and metrics. We're in the early stages of this, but we want to do a lot more. This committee can be an important partner as we move forward, and I look forward to returning as we strengthen this reportage.

**Mr. Nick Whalen:** A number of my constituents wrote to me about the Jordan's principle funding announced last year. As a result of the lapsed funding page, they were concerned that the \$80 million in lapsed funding or frozen allotments under the department that is now Indigenous and Northern Affairs might have been Jordan's principle money. It's not clear from the page.

Is there a move afoot to add project-level or program-level descriptions to some of these allotments so Canadians can rest assured that the Jordan's principle money is going to flow forward into next year?

**Hon. Scott Brison:** One of the things, as you'll recall from our previous appearance, is that more specific reportage, based on purpose-based reportage, actually helps significantly in terms of parliamentarians understanding exactly where the money is going.

We've done pilot programs at Transport Canada, which are successful. As we move forward, for individual departments and agencies, including Indigenous and Northern Affairs Canada, this will be one of the areas in which I think you're going to see greater transparency.

On this, I know that in terms of Jordan's principle, both Minister Philpott and Minister Bennett are committed to making sure the results are delivered. There has been progress in partnerships with indigenous communities and indigenous leadership. I think over the last year we've worked hard to.... It's not just a matter of dollars and cents in terms of the \$8.4 billion committed in budget 2016 to indigenous peoples in Canada. It's really about rebooting a fundamentally important relationship between our government and first nations and indigenous peoples across Canada. I think we've made progress, but a lot of work remains to be done.

With regard to the format, maybe Brian would—

● (0900)

**Mr. Brian Pagan (Assistant Secretary, Expenditure Management, Treasury Board Secretariat):** As the minister says, our reform agenda, the discussion paper we have advanced, does include a proposal that we move from the current vote structure to a program or purpose vote structure. I think that in itself would go some way to the greater transparency Mr. Whalen is looking for.

Specifically with respect to the question of the frozen allotments this year, there has been additional detail provided. On page 7 we note the components, or the elements, of the different programs that have been re-profiled or for which the funds are no longer available. With respect to Indian and Northern Affairs, it's footnote 1.8 on page 7. It references transfer payments related to the federal contaminated sites action plan and the settlement and implementation of claims to support consultation and engagement. Those are the two program areas. There's nothing related to Jordan's principle.

**Mr. Nick Whalen:** Okay.

I really wanted to hear a bit more about the centre for greening government. It's interesting because we're very committed to reducing carbon pollution and measuring effective and efficient ways to do that. What sorts of measures are we going to be seeing coming out of this office? Is it going to be greenhouse gas reductions, or is it going to be greenhouse gas reductions per dollar spent on a program-by-program basis?

Maybe you could also squeeze in this in the short time allotted. Why is the centre for greening government finding itself in Treasury Board, rather than some other department of government? Are the evidence-based metrics going to all reside in Treasury Board over time?

**Hon. Scott Brison:** Sure.

**The Chair:** I think I'm going to unfortunately ask you to hold your answer until perhaps the next question because we only have a few seconds left.

We'll have to go to Mr. McCauley now for seven minutes.

**Hon. Scott Brison:** Thank you.

It's a darn good question.

**Mr. Kelly McCauley (Edmonton West, CPC):** Thank you.

His break-taking question will have to wait.

Anyway, welcome back. It's always great to have you.

I'm just going back to the frozen allotments. There's \$829 million in infrastructure. The second one is \$366 million for defence. Do you know what those projects were? Is the intent to just roll it over into next year? There have been a lot of questions about the infrastructure. A lot of promises made that it's going to kick-start the economy, etc., but there's been a lot of criticism from quite a few areas that the money hasn't rolled out.

I'm just wondering about the \$829 million frozen for infrastructure. What was that for? Why did we not get it out the door? Is it just going to be spent next fiscal year?

**Hon. Scott Brison:** Sure.

**Mr. Kelly McCauley:** It's the same for the National Defence. Do you know what the \$366 million is for?

**Hon. Scott Brison:** Sure.

Thank you very much, Kelly. I appreciate the question.

On the first question on the infrastructure funding, these are historic investments, \$120 billion over 10 years.

**Mr. Kelly McCauley:** Just get to the answer, please.

**Hon. Scott Brison:** But no, this is important, because as we move forward with this funding, it is in partnership with provincial and municipal governments—

**Mr. Kelly McCauley:** Sorry, Minister, let me interrupt, please.

**Hon. Scott Brison:** As we do this, the projects—

**Mr. Kelly McCauley:** Mr. Chair...

**Hon. Scott Brison:** —have to be ready to move forward for the funds to flow.

There have been projects, some specifics ones, for instance, the Jasper Place transit centre terminal renewal in Edmonton West. That was around \$2.5 million. The West Edmonton Mall transit centre busway renewal was \$1.7 million.

**Mr. Kelly McCauley:** Are they going to be done next year?

**Hon. Scott Brison:** The Jasper Place transit centre busway renewal was \$1.2 million. These are projects in your riding that have benefited from this—

**Mr. Kelly McCauley:** Mr. Chair.

**Hon. Scott Brison:** —level of investment. Of course, we are committed to continuing these kinds of investments.

**The Chair:** Perhaps I can interject here.

It seems we have a relationship between Mr. McCauley and the minister that happens every time you're here.

**Mr. Kelly McCauley:** We have such short time, Mr. Chair—

**Hon. Scott Brison:** I enjoy our relationship very much.

**Voices:** Oh, oh!

**The Chair:** I'm sure you do, as I'm sure does Mr. McCauley.

There was one specific question based on about \$800 million or so that have either lapsed or were unspent, and Mr. McCauley was simply asking—

**Mr. Kelly McCauley:** Is it going to be spent next year?

**Hon. Scott Brison:** In terms of some specifics on that I'll ask Brian to...

**Mr. Brian Pagan:** Mr. McCauley, the first point of your question is whether this funding is going to be available. That is in fact the purpose of re-profiling. If it is available this year and the department can't spend it—

• (0905)

**Mr. Kelly McCauley:** You move it to the next year.

**Mr. Brian Pagan:** —you move it to the year.

**Mr. Kelly McCauley:** Do you know what the DND one was?

**Mr. Brian Pagan:** I'm sorry, I can get that in one second.

Specifically with infrastructure, there are three projects. There's the Lions Gate wastewater project, \$11.2 million; the provincial-territorial base funding agreement of \$293 million; and the budget 2016 clean water and wastewater fund and the public transit infrastructure fund. These are being re-profiled into future years as a result of delays in signing contribution agreements with the provinces.

With respect to National Defence, it's a series of re-profiles. They have a very large investment portfolio.

**Mr. Kelly McCauley:** Okay, that's what I was looking for. Thanks.

Do you mind, because we're short on time, just providing that afterwards? Could you shoot us a note?

**Mr. Brian Pagan:** Yes.

**Hon. Scott Brison:** There's one other thing, too, Kelly. In fact, this week I had some meetings related to this. One of the things is that the provinces had planned their infrastructure investments over the next several years based on expectations on what the federal commitment was. It changed when we were elected, so now there's actually—

**Mr. Kelly McCauley:** If they're not ready, that's fine.

**Hon. Scott Brison:** No, but there is a reprioritization of provincial projects now. They're doing that with knowledge of the new program and we're working with them.

I know you'd share with me that it's important that when we put federal money into projects that the funding partners are ready and the projects are ready. We have a results focus for these things. Part of this is just ensuring that the funding partners have the projects ready and that the projects are ready to move forward.

**Mr. Kelly McCauley:** That's fair. If the partners aren't ready, that's fine. I just want to get back to—

**Hon. Scott Brison:** The partners are asking about reprioritizing their lists in some cases. Based on the new availability of funding, they're looking at their priorities differently.

**Mr. Kelly McCauley:** In your DPR you write on page 3 of the “Results highlights”:

Laid the groundwork for a new Treasury Board Policy on Results, which took effect July 1, 2016. The new policy will strengthen the federal government's ability to deliver results and to demonstrate how tax dollars contribute to outcomes for Canadians.

I want to refer to Canada's new infrastructure plan by the PBO. He writes that:

The Government has provided no performance measurement framework with which to evaluate the NIP's performance, and only limited visibility on tracking how the money is being spent.

On one side, you're saying you've laid the groundwork, and then you have the PBO saying that nothing exists. Then he goes on to criticize. I realize it's a lot of things to deal with. He says there is “no mention of the NIP in current departmental performance reports”. He states there's a “gap between what has been announced and the value of the projects currently identified by departments”, and he says that, while “departments have committed to spending all the allocated funds within the time frame provided, these data show that there remains a significant gap”.

We have a bit of a separation. Your DPR says you've laid the groundwork. PBO is critical and also says there's no results outcome for the infrastructure spending. It's been one of the criticisms. Are we getting a return on it?

**Hon. Scott Brison:** We take seriously the PBO reports. Part of it is the first phase of infrastructure. After we were elected, there was an urgency in working with provinces and funding existing projects. As we move forward in phase two and future phases of this, we want to strengthen the results framework around infrastructure in partnership with the provinces.

In respect of the provinces and the municipalities, it's really important that they play a leadership role in prioritizing their projects. At the same time, we want to see results for federal investments that are consistent with our broad principles as a government, including, as an example, addressing climate change. We want to see projects that actually move the needle in reducing greenhouse gas emissions.

But I share with you—

**Mr. Kelly McCauley:** There's a sense that it's a work in progress.

**Hon. Scott Brison:** That would be right. We want to as we move forward in partnership—

**Mr. Kelly McCauley:** When could we expect an update or something from your department addressing the PBO's concerns?

**Hon. Scott Brison:** There has been progress. We are working with departments, including on infrastructure, to strengthen results measurement and delivery. We're also working with other funding partners, other levels of government—

• (0910)

**Mr. Kelly McCauley:** Will this result in the PBO's having a more positive report?

**Hon. Scott Brison:** Pardon me?

**Mr. Kelly McCauley:** Can we look forward to the PBO's having a more positive report?

**Hon. Scott Brison:** Hope springs eternal.

**Mr. Kelly McCauley:** How much of that is serious though? We want to see the money spent well.

**Hon. Scott Brison:** I take it very seriously.

**Mr. Kelly McCauley:** I know you do.

**Hon. Scott Brison:** We want to get good value for taxpayers and accountability for these investments and good results.

The PBO's assessment of the importance of a results and delivery framework for the expenditure of public funds, is something we take very seriously—

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

Once again, the discourse between you two is fascinating to listen to, but we must move on.

**Hon. Scott Brison:** We always have good discussions. I enjoy it.

**The Chair:** It's kind of a perspective thing, Minister.

Mr. Blaikie, you have seven minutes, please.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Thank you very much, Mr. Chair and thanks to my colleague Erin Weir for giving me some time to ask questions regarding the supplementary estimates (C) that I know are on the minds of RCMP members across the country.

As the minister should know, in January 2015, the RCMP pay council recommended a raise for RCMP members, and later that year the RCMP commissioner recommended a raise for RCMP members to the President of the Treasury Board.

Initially, when I saw the supplementary (C) estimates, just at a glance before we looked into them any further, there were some promising lines. There was a line under Treasury Board for compensation adjustments. There was a line that talked about pay list requirements. We see that the RCMP itself is requesting \$70 million in the supplementary (C)s. We thought maybe this was finally the raise that RCMP members thought was coming.

When we looked into it a little more, we saw that it appears that those items under Treasury Board are not pay raise items for the RCMP. It looks like it may not be the case that the money requested by the RCMP under its own departmental plan is for the pay raise for RCMP members. I congratulate the government on the increase in platitudes when it comes to speaking about RCMP members, but as the minister knows, banks don't let RCMP members pay their mortgages in platitudes. It's important not to substitute increases in platitudes for increases in pay.

Is there a line in the supplementary estimates (C) that we've missed wherein there's a raise for RCMP members? If not, when is that raise coming?

**Hon. Scott Brison:** Thank you very much, Mr. Blaikie.

First of all, we have tremendous respect for the work of the RCMP and the safety and security that they bring to us, and—as we've seen this week—the sacrifices and the risk in their work and on an ongoing basis.

You're aware of legislation C-7, which for the first time will provide the RCMP with collective bargaining rights and representation opportunities. It continues to be subject to the legislative process, but we believe it will move forward.

The request you refer to is under consideration, and—

**Mr. Daniel Blaikie:** How long is it going to be under consideration? I mean it's been well over a year now that it's been under consideration.

**Hon. Scott Brison:** Sure. It's under consideration, but when you speak to the pay adjustments that are in the supplementary (C)s now, those reflect... When we were first elected, in terms of the public service, there were 27—

**Mr. Daniel Blaikie:** Are any of those for RCMP members? That's really the substance of my question. What is in these increases for RCMP members?

**Hon. Scott Brison:** No. The recent request is under consideration.

**Mr. Daniel Blaikie:** Is the government waiting on C-7 to pass in order to pass judgment on the recommendation of the commissioner?

**Hon. Scott Brison:** The request that was made recently is under consideration—

**Mr. Daniel Blaikie:** For how long normally do you consider—

**Hon. Scott Brison:** —and that is independent of C-7, but C-7 is an important step forward in terms of RCMP collective bargaining agreements.

**Mr. Daniel Blaikie:** When you're considering a raise, typically there's criteria of assessment in terms of whether you make a decision to go forward with a raise or not. If it's under consideration, what criteria are you using to evaluate the recommendation for a raise? Under what conditions would you approve that raise?

**Hon. Scott Brison:** Again, those are under consideration currently, and—

**Mr. Daniel Blaikie:** So the raise isn't under consideration, but the criteria for evaluating the raise is still under consideration. Is that correct?

**Hon. Scott Brison:** First of all, when the request was made.... It is under consideration now by the Treasury Board in consultation with the Minister of Public Safety, Minister Goodale, but this is something that—

● (0915)

**Mr. Daniel Blaikie:** How many conversations have you had with Minister Goodale about the raise?

**Hon. Scott Brison:** We speak regularly about public safety and RCMP issues.

**Mr. Daniel Blaikie:** Are you speaking regularly about whether or not to grant a raise to RCMP members?

**Hon. Scott Brison:** In terms of specifics around the RCMP, I'm going to ask Yaprak because of some of the discussions that are ongoing on this.

I do want to say, though, that we've gone from no public servants with collective bargaining agreements to over 80% in about a year, and I think we have restored a very—

**Mr. Daniel Blaikie:** Well, RCMP members have yet to get a collective agreement, even though the Supreme Court said they have a right to a collective agreement if they want one.

**Hon. Scott Brison:** But Mr. Blaikie, we're moving forward with C-7 in terms of—

**Mr. Daniel Blaikie:** When are you moving forward with C-7? Do you have a date when that's coming back to the House?

**Hon. Scott Brison:** There's a legislative process under way now. In the Senate—

**Mr. Daniel Blaikie:** There are multiple bargaining agents trying to certify right now in the context of pretty serious legislative uncertainty.

**Hon. Scott Brison:** Regardless of your opinion of the Senate, it's a body that is—

**Mr. Daniel Blaikie:** I haven't mentioned the other place, and—to their credit in this case—they did their work. They did it in June, and one of the reasons we were told that we couldn't consider important amendments to C-7 at the House level was because the sky was going to fall if we didn't get C-7 passed. We got it passed last spring in the House. It went to the Senate, the Senate completed its work before last summer, and then the bill disappeared.

**Hon. Scott Brison:** We're looking forward to their ongoing discussions.

**Mr. Daniel Blaikie:** Well, RCMP members have been looking forward to it for some time.

**Hon. Scott Brison:** We take it very seriously. Now, Yaprak may want to add in terms of specific grants or—

**Mr. Daniel Blaikie:** I'm wondering first if you could illuminate us as to the delay on C-7 and why it's taken so long for it to come back to the House.

**Hon. Scott Brison:** There are discussions with legislators in the other place now, and we're moving forward with C-7.

**Mr. Daniel Blaikie:** You anticipate that when it comes back to the House it will come back in what form? Is the government considering adopting the amendments of the Senate?

**Hon. Scott Brison:** Of course, that's a discussion with legislators in the other place. When those deliberations are concluded, we will be bringing this back to the House, and we look forward to moving forward with members of Parliament in good faith.

**Mr. Daniel Blaikie:** All right. Well, I'll—

**Hon. Scott Brison:** Yaprak, would you like to add, just in terms of the discussions around...?

**The Chair:** You have about thirty seconds.

**Ms. Yaprak Baltacioglu (Secretary of the Treasury Board Secretariat, Treasury Board Secretariat):** Okay. In terms of basic comparators, we look at comparators with other police forces, basically. It's just which police forces do you take and what averages do you look at? That's what is considered.

**Mr. Daniel Blaikie:** A lot of that work was done by the pay council and I think it's pretty clear.

**Ms. Yaprak Baltacioglu:** I appreciate that.

**Mr. Daniel Blaikie:** The RCMP has fallen. I think they're ranked 70-something out of 80-something now. The pay council said they should be in the top three or the average of the top three comparator police forces, so we're a very long way away and this is hardly quibbling about details. This is really an issue of principle at this point.

**The Chair:** We'll have to curtail the discussion until the next round.

We have Mr. Peterson for seven minutes, please.

**Mr. Kyle Peterson (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair.

Thank you, Mr. Minister and staff, for being here today. It is appreciated.

If you go back to the election in 2015, I think we were the only party not making the false promise of a balanced budget. If any of those parties had been elected, there would be no new money for the RCMP. We're fortunate to be in a position in which we can fund some of these policies and this great police force.

On the RCMP, I think there is a request for \$76 billion towards the shortfall in the disability insurance plan. Can I get some more details on that? Will that amount put it into surplus? How big is the deficit on that?

**Hon. Scott Brison:** There are a couple of things.



A lot of the insurance plans, like pension plans today, are under a significant strain. We have historically low bond yields right now, so that imposes a real challenge on both insurance and pension plans. That's part of the factor here.

There was also the White decision for the RCMP, and a separate decision in the Manuge case for National Defence, which also had an impact on this. This investment is to fortify the prudential strength of the plan, to render it stable and solid, so it was important to do so. Again, the two factors were the White decision...and it was \$76 million, actually. But the bond yields interest rates are a significant factor as well.

● (0920)

**Mr. Kyle Peterson:** I want to thank you for your commitment to the RCMP. I know that \$76 million to the RCMP will be well received. I have an RCMP detachment in my riding. I know they'll be very appreciative of this effort, so I want to thank you for your commitment to the RCMP.

I have another quick question. You mentioned in your opening remarks about the plan to reduce spending on partisan government advertising. Can you talk to me a bit about that new process? How are you going to measure whether it's effective or not as we go forward?

**Hon. Scott Brison:** Sure. We have reduced government advertising in terms of our spend on government advertising. A round figure is that it's around a \$200-million reduction in advertising and some other areas as well. We've asked the advertising standards council, which is the non-profit organization that helps govern advertising in Canada, to work with us in terms of defining what is partisan and what is not partisan, and we submit our advertising to them to give an opinion. We're seeking to make sure that government advertising is focused on public interest.

There is a clear need for legitimate government advertising. Health promotion is one of those areas as well as public safety and security. Our government comms policy is very clear in terms of what is not partisan or partisan.

The other thing is that the advertising council will hold us to account, as will Canadians. It is important as we move forward and it's part of a broader commitment we have to greater openness and transparency. We want to apply these principles across government in terms of what we're doing. I think the advertising changes have been well received. They're in their early stages, but I think they've already had some traction and are making a difference in terms of the kind of advertising we as a government are using.

**Mr. Kyle Peterson:** Thank you for that.

An important characteristic of the new approach is this external review process, and I think I join with all members in lauding you for your efforts in that. It's well received.

I just want to follow up for my colleague, Mr. Whalen, and ask some questions about the greening of government and the new system in place, and how it's housed in the Treasury Board, and the metrics. It's being rolled out through the Treasury Board. I know you didn't get a chance to answer that when he asked the question, so maybe you could take a couple of minutes.

**Hon. Scott Brison:** There has been a lot of work on greening government operations in the U.S. One of the things we learned in our discussions with the U.S. is that the officials there recommended to us that it made sense to house this in a central agency. Treasury Board reaches across every department and agency, whether it's regulatory changes, regulatory policy, or expenditure approval, and as such.... For instance, there are Treasury Board submissions. We can look at Treasury Board submissions through the lens of the greening of government. Everything that comes in we can consider from that perspective.

Looking at other governments it made sense for it to be in... When I was at Public Works, now Public Services and Procurement Canada, in Paul Martin's government, we established an office of greening government operations at that time. It made a difference because Public Works or Public Services and Procurement Canada plays a really important role and will continue to in terms of procurement. Government procurement is very significant, and when governments buy green they help build markets for green products, which ultimately helps commoditize those products and the prices go down so that the broader market of citizens and consumers can benefit from a lot of that. Plus you create green jobs.

The Government of Canada has I think about seven million square metres of office space. Half of it I believe is leased; half of it is owned. A lot of those buildings aren't exactly examples of avant garde energy efficiency, but when we green those buildings we do not just cut greenhouse gas emissions, but we cut the heating and cooling costs.

There are some really interesting...in other governments in other places, but also including the Government of Canada. The Department of National Defence has done great work on this in Canada, where if you finance the cost of the renovations, you can actually pay for those costs through the delta between the energy costs before and the energy costs after.

I'll make just one last point on greening government operations. Do you know that the U.S. government that made in some ways the most significant progress in recent years in terms of greening government operations was that of George W. Bush, in the DOD? The reason they were doing it was on the basis of operational efficacy of defence in terms of strengthening their missions and the ability to do more with less energy requirements.

This is a non-partisan issue. This is something we all embrace.

● (0925)

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

**Mr. Kelly McCauley:** That's why we should go with the F-35. There's one engine; it's more energy efficient.

**Some hon. members:** Oh, oh!

**Mr. Kelly McCauley:** Just very quickly because I only have five minutes, I want to go off the topic a bit into transparency. We all agree we need to align better the estimates with the budget and have better transparency.

I would like to know if your office can provide the supplementary estimates in an Excel format for the entire supplementary estimates to make it easier to compare work, etc.? It's a suggestion. You can say no, or you can say, "Yes, we can later".

**Ms. Marcia Santiago (Executive Director, Expenditure Management, Treasury Board Secretariat):** Right now all of the technical annexes are provided in an Excel format on our website, but if you're looking for the actual items and the explanations of requirements of individual departments, that's certainly something we can look into doing.

**Mr. Kelly McCauley:** Great. Thanks. I understand Infrastructure has done it.

Is it possible as well in that same vein that we can get a breakdown of what's going into the supplementary estimates? For example, I'm looking at the supplementary estimates and every single department has a horizontal line with \$3 million for advertising, \$20 million for advertising, etc. Can we actually get the breakdowns? Obviously those numbers come from something. They are not just made up out of the blue. Can we actually get a breakdown of everything?

Again, it's something that Infrastructure has provided for our colleagues in the Senate. It would certainly go a long way to answering questions and making things a lot more transparent for us.

**Mr. Brian Pagan:** Again, as you know, we look forward to working with the committee for the conversation and ideas about how we can make the documents more coherent, more accessible—online and for the written document—and more transparent. Your suggestion of additional detail by item is certainly something we're interested in.

As you know, the documents as they are tabled now will have a line with some descriptive elements to it. We believe this may be more useful if it's presented by program purpose, and that's certainly something worth looking at. The minister has also mentioned InfoBase and our interest in attaching real results indicators and real measurement of performance against those indicators.

**Mr. Kelly McCauley:** Would you be able to provide a breakdown by department? Again, if you go through the advertising, there's I think \$100 million in the supplementary estimates. These numbers aren't just pulled out of the blue. There's justification by department. Can you not just simply provide that? Does it have to be in the supplementary estimates? Could it be a separate form, going forward?

**Ms. Marcia Santiago:** We could look into providing that as an additional online annex.

**Mr. Kelly McCauley:** Wonderful. Thanks very much.

I have a couple of quick questions.

**Hon. Scott Brison:** Mr. McCauley, on that as well, the purpose-based reportage is a step in that direction. This is going forward, and I would share with you the importance of that.

The other thing is that we had, in our new communications policy last spring.... One of the things we were doing in terms of information that we were providing to people through access to information was providing it in more user-friendly formats. That is slightly separate from this, but it's important to provide it in Excel spreadsheets that are shareable and more usable.

**Mr. Kelly McCauley:** I just have two quick questions. We're down to two minutes.

In the supplementary estimates, there's an \$18-million writeoff for a loan to the Government of Cuba. What was that loan originally made for? Do you know why we wrote it off?

You can provide information later, if it's not top of mind.

**Mr. Brian Pagan:** If I can recall, the loan was made to the Government of Cuba in 1975 to support development purposes. They made regular payments up until 1986, at which point there was about \$1.8 million outstanding in principal on the loan. There's been accumulated interest.

There is an initiative run by the Organisation for Economic Co-operation and Development called the Paris Club, which works with countries to provide debt relief as they meet certain conditions.

• (0930)

**Mr. Kelly McCauley:** Who would decide to write that off? Does that come from the PMO or Global Affairs, or is it just that we're not going to get that money back?

**Mr. Brian Pagan:** The process is essentially governed horizontally by this Paris Club. There are a number of donors, the U.K., Australia, etc. If they meet the conditions, if they are making progress in terms of transparency—

**Mr. Kelly McCauley:** Okay, it's not even our government deciding that.

**Mr. Brian Pagan:** Correct.

We contribute to that. We are very active in the Paris Club.

**The Chair:** Mr. McCauley, you have 15 seconds.

**Mr. Kelly McCauley:** It was wonderful to have you again.

[Translation]

**The Chair:** Mr. Ayoub, you have the floor for five minutes.

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

[English]

**Hon. Scott Brison:** I just want to mention that Brian and Marcia, and actually our team at Treasury Board, the knowledge that they have of these individual.... As President of the Treasury Board, I continue to be amazed on a daily basis with their capacity and their grasp, on a very granular basis, across government departments and agencies.

Thank you.

[Translation]

**The Chair:** Mr. Ayoub, you have the floor for five minutes.

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

Thank you, Minister. We note that you are always very enthusiastic when the time comes to answer questions. We thank you very much.

My first question is about the Canada Border Services Agency.

The Canada Border Services Agency is asking for \$85.5 million to maintain the level of service and integrity of border operations. Is this related to what is currently happening south of the border, or is this simply from a trade perspective? There is the whole trade side, but there is also the issue of threats. It seems that the threat of terrorism causes operational pressure on the daily activities of the CBSA.

I'd like to know how these funds will ensure that the services and security of our borders will be maintained. Could you tell us more about that?

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

Clearly, the security and integrity of our borders are essential priorities for our government. These funds will allow them to maintain frontline service levels and monitoring of high-risk export goods that leave Canada.

The Canada Border Services Agency is facing increasingly acute operational pressure. It must deal with an increase in the number of travellers, threats related to terrorism and organized crime, as well as an increase in international trade.

[English]

For some time there have been operational pressures at CBSA. The global environment is not getting any simpler, so we're making investments that reflect operational challenges that have existed for some time in order to strengthen the operational effectiveness of CBSA.

**Mr. Ramez Ayoub:** Can we foresee those investments renewed next year or are they temporary investments?

**Hon. Scott Brison:** Again, they reflect something that has not developed overnight. They reflect what has been a growing need within the CBSA operationally, and these help address those.

[Translation]

International threats are going to continue to increase. We have to be ready to deal with those threats and respond to international requests.

It is difficult to predict exactly where we will need to invest, but it is certain that we will continue to have to assess situations and ensure that we have the necessary resources to protect the integrity of our borders.

• (0935)

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

I have about one minute left. I'd like to quickly discuss services in both official languages; obviously in one minute we cannot have an in-depth discussion.

In your report, in the part discussing priority 5, you refer to the workforce that will be needed for the future, and to official languages. One reads that: "Making bilingual services available

when and where required is challenging". I think this is important. What disturbs me is the part where it says it "is challenging". I think that ensuring that bilingual services are offered constitutes an obligation, even if it can be challenging, indeed.

A little further, one reads this: "The report indicated that most federal institutions continued to ensure that communications [...] were offered [...]". If you write "most federal institutions", this leads me to believe that some of them did not continue to provide bilingual services, although we must ensure that all federal institutions offer them.

I have not done in-depth research on the rest, but I would like to make sure that on your side you are aware of the fact that bilingual services really must be provided across the board. I think you are, but I want to make sure that you are well aware of that.

[English]

**The Chair:** Unfortunately, since you're over, we will not have time for an answer.

Mr. McCauley, you have five minutes, please.

**Mr. Kelly McCauley:** I have a couple of questions. The \$178-million writeoff for student loans, I'm wondering how that compares to past years. Mr. Pagan probably knows that. Is this a change because of a change in our policy on the writeoffs? I understand we've had changes on grants, etc. Does this reflect any of the changes, or is it just bad debt? Have we changed any of our procedures for collecting the money?

**Hon. Scott Brison:** Thank you for the question, Kelly.

It represents about 1% of total student loans outstanding. It is in line with previous years. It is about the same. It's comparable. It hasn't actually changed significantly.

**Mr. Kelly McCauley:** You've answered my question.

Let me go to the access to information. I think it's wonderful that we're improving our access to information. I know there's some money in there. What will that be for? Is it for more manpower to speed up the access? Is it for legislative changes? Can you give me an idea in about one minute? My associate Mr. Gourde would like to ask a question.

**Hon. Scott Brison:** Sure. There are a couple of things. One is that we made some changes last spring in terms of access to information by eliminating all fees except for the basic \$5 application fee. We've eliminated all the fees.

**Mr. Kelly McCauley:** I'm still paying those fees.

**Hon. Scott Brison:** Pardon me?

**Mr. Kelly McCauley:** I'm still paying those fees.

**Hon. Scott Brison:** Well, \$5 is better than something significantly higher, but beyond that, we're also committing to "open by default" as a principle and putting materials in more user-friendly formats on the website.

One of the things we want to move towards is more proactive disclosure. In terms of getting information and government sharing information with the public—

**Mr. Kelly McCauley:** Would the money be used to speed up answers?

**Hon. Scott Brison:** Pardon me?

**Mr. Kelly McCauley:** Will the money be used to speed up replies or add bodies to speed up replies?

**Hon. Scott Brison:** Concerning access to information, the act took effect in 1982. What we're looking at is some significant improvements in this.

There are two kinds of regimes involved. One is that of access to information requests. We're always conscious of the importance of responding in a timely manner. The other is moving towards more proactive disclosure, which is more consistent with the principle of "open by default". I personally like the idea of putting more information out there in user-friendly formats. A portion of the resources you're speaking of will actually go to help accomplish that.

I'm going to ask Yaprak to continue, because she has some specifics.

• (0940)

**Ms. Yaprak Baltacioglu:** This money will be used for reviewing the Access to Information Act, which is a government commitment. It is also for developing a central website where Canadians can submit access to information requests, which does help.

**Mr. Kelly McCauley:** We applaud any improvements to this.

**Ms. Yaprak Baltacioglu:** The 30-day guarantee for personal information requests, you know that they're not always done in time. This is where, to establish—

**Mr. Kelly McCauley:** That's a question I have: are you going to set up service goals or guarantees for returns on time? Sometimes delays can be quite lengthy.

**Ms. Yaprak Baltacioglu:** Right. Every department is focused on it, and the Information Commissioner makes sure that she reports on non-performance. Sometimes we're okay and sometimes we can do way better.

**The Chair:** Monsieur Gourde.

[*Translation*]

**Mr. Jacques Gourde (Lévis—Lotbinière, CPC):** Thank you, Mr. Chair.

Minister, has the proportion of all of these initiatives that required additional funds increased since 2015-16, or has it remained substantially the same?

**Hon. Scott Brison:** There are increases this year to meet certain important needs, for instance changes in our agreements with the public service of Canada. We negotiated agreements with the unions that represent over 80% of public servants. For instance, this year, in these supplementary estimates—

**Mr. Jacques Gourde:** Could you give us the proportion? I only have a few seconds left.

**Hon. Scott Brison:** —we are considering an increase to make sure we are ready to implement those agreements, after ratification by the members of the unions.

So that is a change.

**Mr. Jacques Gourde:** An official may provide the rest of the reply to the committee.

**Hon. Scott Brison:** Yes.

Thank you, Mr. Gourde.

[*English*]

**The Chair:** Madam Shanahan, you have five minutes, please.

**Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.):** Thank you, Chair, and thank you very much, Minister, for being here with us, and with your team.

I would like to give you a chance to answer the question that was asked by my colleague concerning access to information in both official languages.

[*Translation*]

**Hon. Scott Brison:** Thank you, Ms. Shanahan. Thank you for giving me the opportunity to reply to Mr. Ayoub's question.

It is a central and primordial priority for our government to ensure that government services are offered in both official languages throughout Canada.

We put in place a moratorium in order to ensure that we can continue to do so. Many offices throughout Canada were threatened with closure. We are going to do an in-depth review in order to consider changes to regulations. We are working in co-operation with Senators Tardif and Gagné, as well as with other Senate and House of Commons parliamentarians to advance those efforts.

I believe it is possible to protect government services in both official languages, and in certain cases to increase them thanks to the use of modern technologies that were not available previously. We have to consider creative, innovative approaches to improve services in both official languages throughout Canada, and we are going to continue to do that. I think we are on the right track, but we still have a lot of work to do.

Modernizing regulations is a priority for our government. We have in the past worked with Senator Chaput and we are continuing those efforts currently with Senators Gagné and Tardif, and members of the House of Commons. We are going to continue to defend the important right to receive government services in either official language.

• (0945)

**Mrs. Brenda Shanahan:** Excellent.

Moreover, may I congratulate you on the quality of your French, Minister.

**Hon. Scott Brison:** Thank you. It's not bad for a little guy from the Nova Scotia countryside.

In all honesty, I must say that I only learned French as an adult, in Ottawa. It was difficult.

For our two daughters, Rose and Claire, who are now three years old, we chose first names that could work as well in French as in English. We talk to them and we sing together in both official languages, but I am afraid they will develop my accent in French.

**Some hon. members:** Oh, oh!

**Hon. Scott Brison:** However, that is a priority for us. Our government's policies in this file reflect my personal priority to see to it that my children grow up in a country that is not only officially bilingual, but functionally and truly bilingual. It is a priority for their daddy.

**Mrs. Brenda Shanahan:** Very well.

Do I have any time left, Mr. Chair?

[English]

**The Chair:** We'll have a final, three-minute intervention from Mr. Weir.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Thank you.

Minister Brison, the supplementary estimates include \$3.8 million that the Privy Council Office spent on engagement and communication about electoral reform. Given that your government has abandoned its oft-repeated promise to make 2015 the last federal election conducted under first past the post, would you consider that \$3.8 million to be money well spent?

**Hon. Scott Brison:** Money already spent. Consultation and engagement is never a waste. In fact, you may learn through that, there's not a consensus, and it's difficult to see exactly—

**Mr. Erin Weir:** The overwhelming majority of respondents favoured a proportional voting system, yet your government decided not to move forward with that.

**Hon. Scott Brison:** The reality is that these consultations did not render a consensus. You and I may differ on that—

**Mr. Erin Weir:** We may have to disagree on that.

Another item in the—

**Hon. Scott Brison:** Mr. Weir, to your original point, I want to be very clear. We do not regret as a government consulting Canadians on this, and we will never regret as a government—

**Mr. Erin Weir:** Except you ignore the results of that consultation.

**Hon. Scott Brison:** —consulting Canadians on any issue. We may not always come to a conclusion with a clear path forward, but it will not be for lack of consultation and engagement. We believe that is essential, on this and many other files.

**Mr. Erin Weir:** Another item in the supplementary estimates is a transfer of \$350 million along with 19 federal dams to the Government of Saskatchewan.

**Hon. Scott Brison:** Yes.

**Mr. Erin Weir:** The Government of Saskatchewan is running a huge deficit. It's desperate for cash. It's selling off assets. I'm wondering what kinds of assurances the Government of Canada has that the Government of Saskatchewan will actually use that money to maintain the dams, and that it will not privatize or sell off any of those assets that are now being transferred.

**Hon. Scott Brison:** This has been a discussion between the federal government and the provincial Government of Saskatchewan for some time. Yaprak, who has been around longer, I think, than Ralph Goodale, for goodness' sake. No, I don't know about that. Sorry, but she has been around a long time. I'm just joking. Yaprak has been here a long time. She just said, "Forever".

These discussions have gone on forever. What this represents is a resolution of an issue that is good for the citizens of Saskatchewan and Canada. Yaprak may want to add to this, because she has more institutional memory of the specific file, but I believe that this is actually something that has been a discussion, and the resolution of which reflects a shared responsibility and good governance.

Yaprak may want to add to this.

● (0950)

**The Chair:** Unfortunately, Minister, we won't have enough time, but if you want to provide additional information through the committee in a written form, we would appreciate that.

**Hon. Scott Brison:** Thank you.

**The Chair:** Thank you once again, Minister, for your appearance and the appearance of your officials here today.

**Hon. Scott Brison:** If I can, thank you very much. I want to thank my officials. These are fantastic officials who work hard every day. I'm kind of like the show horse; they're the workhorses. They know their stuff, and they do great work.

**The Chair:** I think the show horse analogy is a bit of a question of perspective.

**Hon. Scott Brison:** Thank you very much for your time. I appreciate that. All the best.

**The Chair:** We will suspend for a couple of moments, colleagues, as we await our next witnesses to approach the table.

● (0950)

(Pause)

● (0955)

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

Colleagues, just before we ask Madame Lemay for her opening statement, I must tell you that we need about five minutes at the conclusion of this intervention to deal with the votes on the supplementaries.

We have to get out of here before 11 o'clock because another committee comes in at 11. We went slightly over time with our first witnesses, but I'm sure that was only because Minister Brison wanted to be quite comprehensive in his responses. I hope we can be a little shorter and more on time with this set of witnesses.

Madame Lemay, I thank you and your officials for being here. We'll get right at it. I understand that you have an opening statement. Following that, we'll go directly into questions. The floor is yours.

**Ms. Marie Lemay (Deputy Minister, Department of Public Works and Government Services):** Thank you, Mr. Chair.

Mr. Chair, and honourable committee members, I'm pleased to be here to discuss Public Services and Procurement Canada's departmental performance report for the fiscal year ending March 31, 2016, and the 2016-17 supplementary estimates (C).

Given the committee's interest, I would also like to take the opportunity to update the members on the progress that we're making on stabilizing the pay system—if that is okay with you—and to address employee pay problems.

Sitting beside me are Marty Muldoon, our chief financial officer; Lisa Campbell, who is the assistant deputy minister for marine and defence procurement; and Kevin Radford, the ADM for real property.

Public Service and Procurement Canada has a broad mandate to provide key services that support other departments and agencies, parliamentarians, and Canadians.

[*Translation*]

As the government's real property manager, purchasing expert, linguistic authority and pay and pension administrator, PSPC supports and facilitates the operations of departments and agencies. This is in keeping with the overarching goal set out in the minister's mandate letter: to ensure that the services provided in her portfolio are delivered efficiently and in a way that makes citizens feel respected and valued.

While many think of PSPC in terms of procurement or pay, the department's role in government operations reaches far beyond that.

For instance, through the Receiver General function, it manages over \$2.2 trillion in cash flow of federal money in and out of the Consolidated Revenue Fund.

It provides pension services to more than 850,000 members of Canada's military, RCMP and public service.

[*English*]

It issues more than 339 million payments per year, including old age security, Canada pension plan, child benefit payments, and EI payments. It manages about \$18 billion's worth of procurement on behalf of departments, of which over one-third goes to small and medium businesses. It manages the crown-owned real estate portfolio, with an estimated value of \$7 billion. It also produces the Public Accounts of Canada, including the audited financial statement of the Government of Canada.

● (1000)

[*Translation*]

With regard to the Departmental Performance Report in 2015-16, the department made progress in numerous areas. For example, we significantly advanced the modernization of the Parliamentary Precinct. The Wellington Building rehabilitation was completed and work advanced on the West Block, the Government Conference Centre and the new Visitor Welcome Centre. These projects were and continue to be on time, on scope and on budget.

The department continued to invest through the Build in Canada Innovation Program, which matches businesses with innovative products and services with the needs of federal departments. Since last April, contracts valued at over \$20 million have been awarded to 42 companies. Approximately 80% of companies in the program commercialize their innovations within one year of their contracts ending.

[*English*]

Through the national shipbuilding strategy and the defence procurement strategy investments were made to equip the Canadian Armed Forces and Canadian Coast Guard, while creating jobs and economic benefits for Canada.

The department completed the land acquisition for the new St. Lawrence corridor bridge project and entered into a contractual project agreement.

The promised review, as you will know, of Canada Post was completed last year. The government is currently preparing its response to the report prepared by this committee, "The Way Forward for Canada Post".

Let me take a moment on Phoenix. Since Minister Foote was here last year before this committee on November 29, our priority has been to move toward prompt processing and short waiting times to get us to a steady state.

[*Translation*]

To do this, we executed a three-part plan to increase capacity, efficiency and transparency.

Steady state means that 95% of transactions are processed within 20 working days, which is our established service standard for most transactions. We see that there has been progress in moving toward that objective.

First, to increase capacity, we have reassigned most of the compensation advisors working on the backlog to the queue. We are prioritizing specific areas to allow us to reach steady state one transaction category at a time.

Working with the unions, we identified parental leave and disability leave as the first two priority areas. And we set targets to reach steady state for parental leave by the end of March, and for disability leave by the end of April.

We are on track to meet these targets. In fact, new requests for maternity or parental leave will be processed within 20 days of receipt at the Pay Centre, 95% of the time.

The vast majority of parental leave transactions in the Pay Centre that are outside of our service standard have been addressed, and employees will start receiving their top-up payments on March 22.

[*English*]

Once we have reached a steady state in these two categories, we will shift our focus to other categories. We're starting to process more transactions than we receive. This is a key milestone. It means that both waiting times and overall numbers of the pay requests awaiting processing will start to decrease.

The second element of our plan is efficiency. We're implementing technical enhancements to decrease processing times. For example, we recently introduced a new enhancement to automate calculations for past actings. Requests for acting pay that are entered into the system by departments at the start time of the acting period have been automated since the implementation of Phoenix, but now we have automated the past acting, which required very lengthy manual calculations.

This new enhancement will decrease the time needed to process these transactions. Right now there are close to 100,000 of those transactions awaiting pay processing at the pay centre, and they represent about 30% of our current workload.

[Translation]

To ensure we effectively manage this large volume of work, they will be processed in a controlled and focused manner between now and June. The plan is for employees to start receiving payments on March 22.

The third part of our plan is increased transparency. To ensure that employees have useful information, we are now posting monthly dashboards, which spell out how we are doing against our service standards and the estimated wait times for various transactions.

The wait is interminable for employees whose pay has been affected, and we are well aware of that. I would like to be able to tell them that everything will be settled tomorrow, but it is still going to take several months, even though we are making progress.

As summer approaches, we are paying special attention to student pay to make sure last year's issues are not repeated. We want to be able to provide timely and accurate pay to students joining the public service when the required documents are sent by their department to the Pay Centre at least 10 days before their start date.

• (1005)

[English]

Lastly, let me touch on tax implications. In February, we issued over 440,000 tax slips for 2016 for the 300,000 employees. We recognize that tax preparation can be confusing, especially given the pay issues. That's why we've equipped our call centre to make sure that we could have additional help to guide employees who have questions. They can contact the call centre, and we can connect them with specialized support or directly with Canada Revenue Agency.

[Translation]

As we have said on several occasions, all employees deserve to be paid. I know this is difficult and has sometimes created intolerable situations. We constantly remind employees that they are entitled to an emergency salary advance and to priority payments if they are in a precarious situation. There is no reason for them not to be paid.

In conclusion, under the main estimates, \$2.9 billion was sought. Under the supplementary estimates (C), the department is requesting additional funding of \$105.6 million, primarily for federal real property management. Taking transfers from other departments into account, the net amount we are seeking is \$99.9 million.

[English]

The major items are \$27.9 million to continue remediation work at the federal contaminated sites such as the Alaska Highway in northern British Columbia and the former Sambault garbage dump in Quebec, \$19.3 million to reduce risks associated with the rehabilitation of the Esquimalt Graving Dock, \$18.7 million to account for the fluctuation in expenses related to real property management, and finally, \$18.2 million to modernize the heating infrastructure of federal buildings in the national capital.

[Translation]

Mr. Chair, we have more than 12,000 employees located in every part of Canada who all share the collective goal of demonstrating integrity, efficiency, and transparency, and care deeply about delivering high quality services to our client departments and Canadians.

Thank you for your attention, Mr. Chair and members of the committee. My colleagues and I will be pleased to answer your questions.

[English]

**The Chair:** Thank you very much, Madame Lemay.

Colleagues, because of the shortness of time and because we will have another committee who requires this room starting at 11, I believe we will only have enough time for one full seven-minute round of questions. Following that, we will go into the votes on the supplementary estimates that we've just examined.

Mr. Drouin, I believe you're up for seven minutes, please.

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

[Translation]

I thank the witnesses for being here. I know this is not the first time you appear before the committee. Thank you for being available and for appearing here.

[English]

I want to talk about the procurement process for acquiring new jets. I know it's been subject to criticism from the opposition.

Help me understand this. From 2006 to 2015 Canada has not procured any jets. Is that correct?

**Ms. Marie Lemay:** I will turn it over to Lisa to confirm because she has been around for that period.

Is this the only question?

**Mr. Francis Drouin:** Yes.

Have we procured any jets?

**Ms. Lisa Campbell (Assistant Deputy Minister, Marine and Defence Procurement, Department of Public Works and Government Services):** We have not.

We have been supplementing the existing fleet. Canada has been dealing with an aging fleet and that's why the government is committed to replacing it with an open, transparent, competitive process, and also looking at a potential interim acquisition.

**Mr. Francis Drouin:** I recall in 2011 the government of the day had given us a price tag on the F-35, and then, oops, it suddenly ballooned. Now there's a capability gap that we need to fill, and we now have to sole-source 18 new Super Hornets. The opposition is criticizing us because we're sole-sourcing but they want us to sole-source an F-35. I don't understand that logic. I'm not going to ask for your comments on that.

In July 2010, they launched a so-called procurement process. Can you explain to me what the difference is between that and this new procurement process?

**Ms. Marie Lemay:** I'll say a few words on the current process. It might be important to note that we have quite a bit of information on our website too. We've been trying to be as transparent as we can with the Canadian public on this. You will see that we are doing two procurement processes concurrently. One is for the full replacement of the fleet and one is for the interim replacement.

Lisa, if you want to touch on the difference that would be helpful.

•(1010)

[*Translation*]

**Ms. Lisa Campbell:** Thank you for the question.

[*English*]

I would invite you to visit our web page as the deputy said.

This work started last summer with consultations by our department, the Department of National Defence, and the Department of Innovation, Science and Economic Development Canada going to see the main manufacturers of fighter aircraft to do some early industry engagement. As a result of that work last November we announced two procurement processes, as the deputy said. Work is starting now on a full competitive process for permanent replacement of the fleet. Also, the other process is exploring the interim acquisition through foreign military sales of some Super Hornet Boeing aircraft to supplement the existing aging fleet.

**Mr. Francis Drouin:** In that full procurement process obviously bidders will be able to bid on that potential RFP. If Lockheed Martin decides to move forward on a potential bid they'll be invited. Our sole-sourcing to Boeing is not going to impede their ability to participate in the new procurement process, is it?

**Ms. Lisa Campbell:** Fighter aircraft and their component goods are heavily controlled, as I'm sure all of you know. Purchasing them requires collaboration with governments, and also with private industry. We are making sure in our competitive process that in the actions Canada is involved in now, whether it's participation in the F-35 joint strike fighter MOU for industrial benefits to Canadians or interim purchases of other types of aircraft to supplement the existing fleet, we still create a level playing field for the future for the competitive process. Our desire in all of this is to encourage everyone who has something to offer to compete, so that we can get the best value for Canada.

**Mr. Francis Drouin:** The 18 new Super Hornets we want to acquire, will they be subject to the ITB policy as well?

**Ms. Lisa Campbell:** We are exploring a potential acquisition using the foreign military sales program, which means we are buying via the U.S. government. But we are also looking to suppliers, Boeing principally but also others, to negotiate a side agreement for

industrial benefits for Canadian industries. Yes, with every one of our procurement processes, we look to maximize economic benefits to Canada by applying the industrial and technological benefits policy.

**Mr. Francis Drouin:** That's great. Will the new procurement process to replace the existing fleet be subject to the industrial and technological benefits policy?

**Ms. Lisa Campbell:** Very much so. These are wonderful opportunities to maximize opportunities for Canadian industry. We have a very strong aerospace industry, and these are important opportunities for them, not only to participate in this procurement but also to globally export their talent and capacities. We work closely with industry, consult with them, and find out where the areas of strength are to make sure we maximize each procurement for the benefit of the Canadian industry.

**Mr. Francis Drouin:** What are some of the lessons learned based on some of the challenges you've experienced over the last 10, 20, or 30 years in jet procurement? What are some of the challenges that PSPC has applied and learned, and how are you applying this to the new procurement process?

**Ms. Lisa Campbell:** I've been in this job for two years. I did other work before then. We have tried very much to apply procurement best practices to this procurement, as we have done to many others. That includes robust industry engagement, understanding what the client department's needs are but also going out and talking to industry. That means not just the prime manufacturers but also the entire supply chain. We ask how we can structure this for the benefit of all of the supply chain, making sure that we're maximizing industrial and technological benefits. What is the best way to procure?

One of the things that we look at these days in procurement processes is pre-qualification processes to make sure we're talking to serious bidders who actually want to submit a bid, making sure we focus the requirements and make it easy for them to submit bids. We will consult with them, share drafts, and requests for proposal to make sure we get the maximum number of compliant bids in a reasonable time. We try to do these as rapidly as possible, but we also need to give industry time to consult with their supply chains, to consider whether or not they're going to bid, and to submit robust bids.

**Mr. Francis Drouin:** Great.



**The Chair:** Unfortunately, we only have about 15 seconds left.

**Mr. Francis Drouin:** Thank you, I appreciate it.

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

**Mr. Kelly McCauley:** Thanks for joining us.

Ms. Campbell, I won't assume you've been around for 30 years.

• (1015)

**Ms. Lisa Campbell:** Thank you.

**Mr. Kelly McCauley:** We'll stick with the fighter jets, please. How many parts of the Super Hornet are actually made in Canada? Is anything?

**Ms. Lisa Campbell:** For questions about the specifics of the Super Hornet, I would ask that you question DND for those. One piece I would say is that we are buying this via foreign military sales from an American company, but we are negotiating a side agreement if this—

**Mr. Kelly McCauley:** The reason I ask is that I've heard nothing of it is made in Canada. Is that correct?

**Ms. Lisa Campbell:** We are exploring the foreign military sales acquisition. I should say two things, if I may. Canadian and American supply chains are integrated to some extent, but we always look to maximize the participation of Canadian industry.

**Mr. Kelly McCauley:** I understand there are politics involved in the sole-sourcing of the Super Hornet and the F-35, but from a technical point of view, a lot of our ally countries have picked up the F-35. The Netherlands, Denmark, Norway, Israel, etc., have so and they've done, from start to order, anywhere from 12 to 18 months for the procurement process. We have a very experienced, very knowledgeable, very capable procurement department, so why are other countries, which are much smaller than us and with fewer resources, able to do it, from to start finish, from 12 to 18 months, and it's going to take us anywhere up to five years?

We're going to spend two years sole-sourcing a Super Hornet, which is going to be obsolete in a couple of years. That's not your decision, I understand, but why is it going to take us so long when smaller countries with fewer resources are able to do it in a much shorter time?

**Ms. Marie Lemay:** There are a few things in there.

When we look at it, the other countries don't necessarily start the process at the same place we do, so it's hard to compare one with the other.

**Mr. Kelly McCauley:** We're starting at the point where we had chosen before, so we have a lot of the information already. We're not starting from scratch here.

**Ms. Marie Lemay:** If we go back to the previous, one of the things we are insisting on is doing a process that will engage everybody, that will give the opportunity, and level the playing field.

**Mr. Kelly McCauley:** Denmark, Norway, and all those other countries do the same thing. Why does it take us so long?

**Ms. Marie Lemay:** It's because we want to engage industry and make sure we have the best process.

Now the other thing is that we are waiting for a couple of pieces since we've started this process. You know there is a defence policy

review. There are a number of things. We will be building all of the pieces into this process. It will be a thorough, fair process, and we don't want to have to come back and do it again. We want to do it right.

**Mr. Kelly McCauley:** Yes, it's just—

**Ms. Marie Lemay:** This is the shortest time frame we have laid out for doing it in a rigorous fashion.

**Mr. Kelly McCauley:** You think it is acceptable for so many years when, again, smaller countries with less resources than us, starting from scratch, are able to do it in a year or a year and a half.

**Ms. Marie Lemay:** I can't comment on the other countries, but I can tell you that when we look at our process, which is to ensure a rigorous and level playing field, that is the process we have.

**Mr. Kelly McCauley:** Benchmarking against what other countries are doing—and it's not just a one-off; quite a few countries are doing it—we're taking double to triple the time.

Do you think that's acceptable? Do you think our processes are correct, then, if it takes us so long and them such a short time?

**Ms. Marie Lemay:** I don't think you can make that comparison.

**Mr. Kelly McCauley:** You don't think it's valid to compare it with what other countries are doing.

**Ms. Lisa Campbell:** If I may, one of the things we considered last summer when we talked to aircraft manufacturers was the best way to meet Canada's needs as fast as possible. We estimated that the foreign military sales process was one of the fastest ways to get aircraft to fill an interim need. We are going to apply the industrial and technological benefits policy to that procurement, to that process, to maximize industrial benefits.

To the question about why it takes some time, we are going to be posting updates on our process so that you can see the steps we're going through. One of them is consulting with industry, making sure they have the chance to submit robust bids.

**Mr. Kelly McCauley:** In my last two and a half minutes, I want to switch over to shipbuilding.

I wonder if you can give us a very quick 30-second update. The reason I ask is that we've seen a lot in the press about concerns from contractors who are bidding on it, saying they want it pushed back. We're also hearing rumours now that the whole process is being delayed an extra year and a half. We have a gap at Irving between when we're actually starting and there are trained staff available. Apparently, they're looking at layoffs of skilled workers they've hired to start on the process because it's getting pushed back again.

Can you just give us a quick update and let me know what's going on with that?

•(1020)

**Ms. Lisa Campbell:** For precision, are you speaking about the Canadian surface combatant process?

**Mr. Kelly McCauley:** More specifically, yes, at Irving.

**Ms. Lisa Campbell:** Shipbuilding is marked by boom-and-bust cycles. You're quite right. We focus on that very closely to make sure it doesn't happen, to the extent possible.

**Mr. Kelly McCauley:** This seems to be one that we've inflicted upon Irving.

**Ms. Lisa Campbell:** Actually, the streamlined procurement process that we've employed in the Canadian surface combatant project is designed to do just that, to shorten the potential gap that was identified, by up to two years, we hope.

We launched the procurement process with Irving, and it was supposed to close in April. We had several requests for extensions of varying lengths. We looked at them very closely, with the rationale, again, of trying to maximize the number of compliant bids. There are 12 pre-qualified bidders. We extended it to June 22, because we want to make sure the industry has the time they need to submit compliant bids.

**Mr. Kelly McCauley:** Are you worried that these delays are going to have an effect on our labour force at Irving? Again, we've hired them, trained them, and all of a sudden they have to wait a year before they can get started because of our own self-inflicted delays? They're looking at layoffs or losing skilled trained people.

**Ms. Lisa Campbell:** We didn't actually change the outside time. We crunched other portions of our work. We haven't changed the outside time for completing the evaluation of the bids.

It's an aggressive timeline, but we're working closely with our prime contractor, Irving Shipbuilding, to make sure we benefit from this revised strategy and don't incur a gap.

**Mr. Kelly McCauley:** I realize it's difficult to explain a \$40-billion project in two minutes, so thank you.

**Ms. Lisa Campbell:** Thank you, sir.

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

**Mr. Erin Weir:** Thank you.

I'd like to return to the topic of national security exceptions in public procurement that we discussed the last time Ms. Campbell appeared before this committee. Towards the end of that meeting, Shared Services officials suggested that they had invoked only two national security exemptions in the past year. I would point out that those were omnibus exceptions that covered something like a thousand purchases.

A question I had asked at that meeting was how many times the Department of Public Services and Procurement had rejected applications for national security exceptions. It seemed that Ms. Campbell was not totally prepared to answer the question at the time, so I want to ask again how many of these applications have been turned down.

**Ms. Lisa Campbell:** I'm happy to discuss the statistics on that. In fact, we're preparing a detailed response on the statistics for our department.

As I said the last time, we receive about 20 individual requests for a national security exception. One of the things I want to emphasize is that invoking that doesn't mean for a moment that we don't compete. In fact, in most cases, we continue to compete. It's more related to industrial security.

**Mr. Erin Weir:** You made that point very clearly and effectively at the last meeting. Really, what I'm looking for is a number.

**Ms. Lisa Campbell:** We received 20 individual requests. There are also omnibus ones in place and blanket ones that I have described to you for certain organizations like CSIS, which was present. Their chief financial officer, as you'll remember, described the process for requesting them to be invoked. Some organizations, by the very nature of their work, have these omnibus processes in place.

We are gathering that information to give this committee information about the number that are in place, the volume of transactions, and the frequency of use.

**Mr. Erin Weir:** Okay. Are those numbers forthcoming?

**Ms. Lisa Campbell:** They are, and in respect to whether they are turned down, I think, as you heard at a last committee appearance, we have a very robust due diligence process.

Often they are rejected before they get to my level. By the time it gets to me, the department has done its due diligence, and there are instances where people have said, "It's not justified in this case." We'll get you that information, as well.

**Mr. Erin Weir:** It would be nice to quantify that, and it sounds like it's coming.

Ms. Lemay, in your opening remarks, you mentioned funding for the rehabilitation of the Esquimalt graving dock. I'm wondering if you can tell us whether that work is going to be done with Canadian-made steel or with offshore steel?

**Ms. Marie Lemay:** Thank you. I will ask Kevin to....

**Mr. Kevin Radford (Assistant Deputy Minister, Real Property, Department of Public Works and Government Services):** With respect to the remediation of the Esquimalt graving dock, there are actually two components where it was mentioned.

The first component was the remediation work through the contaminated sites action plan, where we completely redid the south jetty, worked into the harbour, and cleaned up the site. The work that Madame Lemay mentioned in the opening remarks was around the reconstruction of that station.

**Mr. Erin Weir:** That's what I'm asking about, yes.

**Mr. Kevin Radford:** However, it was mainly in and around the following projects, which I will go over for you.

The first was the service entrance in the pumphouse substation, which was \$14.6 million. Another component was for a main substation replacement. There was also the north landing wharf substation, and these substations are where the heavy electrical equipment and switching equipment is in place.

Another component is the planning work on the caisson life extension, but I want to emphasize that it's for planning. The caisson is the large floating hull, if you will. If you're familiar with the doors that open and close on the Rideau Locks, this one is a similar type of door but it actually floats. We fill it up with water and it locks in place. That allows us to drain the dry dock. It's preplanning work on that particular part of the structure.

The following money is actually on the preplanning for the south jetty reconstruction. We're just in the preplanning phases of that particular work.

• (1025)

**Mr. Erin Weir:** Is it too soon to say where the material will be sourced?

**Mr. Kevin Radford:** Yes. I believe it's too soon.

**Mr. Erin Weir:** Okay.

**Mr. Kevin Radford:** The initial money was \$1.2 million to plan out, design, and scope how the south jetty will be constructed.

**Mr. Erin Weir:** In making this plan will you look to source Canadian steel?

**Mr. Kevin Radford:** From a procurement perspective, we will work very closely with our colleagues in acquisitions and procurement. We will look at that as it moves forward from conception through preplanning and planning to execution.

**Mr. Erin Weir:** Another item that is in the supplementary estimates for your department that I do not believe was in the opening remarks is an additional \$18.7 million for increased non-discretionary expenses associated with the leasing of buildings as well as crown-owned buildings.

I am wondering what that cost reflects. Does it arise from these lease-back deals whereby your department is selling off buildings and then leasing them back from the private sector?

**Mr. Kevin Radford:** In 2014, we worked with the Treasury Board to establish what we call price and volume protection. A component of the monies that we asked for in the supplementary

estimates (C) was around price and volume protection in the non-discretionary component of our overall portfolio.

We have 7.1 million metres of space under roof, and all of the non-discretionary component, a large component of the spend, between 80% and 90%, is around rent and utilities. As there are fluctuations in market rental rates, as there are fluctuations in utility rates, as there are fluctuations, as well, in just how cold the winter is, there is a built-in process whereby we work with central agencies to ensure that we can pay those non-discretionary bills. This is part of that process. We look at price and volume. We look at our non-discretionary—

**Mr. Erin Weir:** Could you tell us which of those elements account for the \$18.7 million?

**Mr. Kevin Radford:** Sure. I can get into that in some detail if you wish.

**The Chair:** If you can squeeze it into 30 seconds, Mr. Radford, I'd appreciate it.

**Mr. Kevin Radford:** I'll go quickly.

We have roughly two billion dollars' worth of expenses in the area of utilities. We are asking for an \$18-million increase, which is less than 1%. As we forecast at the beginning of the year what the market rates will be, utility rates, etc., we come less than 1% in our ask. The good news for you is that when we're asking for more money, it usually means it's a good reflection of the economy as well, that the economy is good because the market rates are going up, etc. If we were asking for less money, it usually would have a negative connotation. We're within 1%, if that answers your question.

**Mr. Erin Weir:** Thank you.

**The Chair:** Our final intervention will be Madam Ratansi, for seven minutes.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Thank you all for being here.

You run a very complex department. You're managing \$2.2 trillion of the cash flow between the treasury and the CRF. I'm trying to figure out, when you talk about risk management, what sort of risk assessment do you do with the \$2.2 trillion, the 18 billion dollars' worth of procurement, or the \$7 billion of real estate? How do you assess risk? How do you manage risk? How do people understand that the data integrity, for example, is solid, because you're producing public accounts as well? How do you ensure they flow up, which is a financial risk, an operational risk, and perhaps a human resource risk, and you have these complicated IT systems?

When people think it's political, you guys are not political. You have to do your work. In doing your work, how do you ensure that everything is balanced, when you purchase the jets, for example? How is the risk assessment done, the IT risk assessment? Can you can give me some idea of how you do it?

•(1030)

**Ms. Marie Lemay:** There are actually a number of levels of risk determinations and exercises, I would say, because at every level a risk assessment is done and is different. Then, it's escalated to come to the corporate risk, which is what you find at the end of the day in the DPRs and the RPPs. That's the high-level risk, but for each project there's a process to do it.

We even look at it at the director general level, at the ADM level. Regarding the corporate risk, one of the things we've been talking about and looking at is adding a component in our process to maybe even start with the management executive committee table in setting the frame of the risk, and then bringing it down and bring it back up.

On an ongoing basis, we're perfecting our approach to risk. It is very much right now bottom-up and tested as it goes up. We're in the process of adding that layer at the same time with regard to the top-down and bottom-up to make sure we capture all of it because, as you pointed out, we are a huge organization with a lot of money. We want to make sure that we have the best risk approach.

I don't know if Marty, our CFO, would want to add something to this.

**Mr. Marty Muldoon (Chief Financial Officer, Finance and Administration Branch, Department of Public Works and Government Services):** In addition to Madam Lemay's remarks, one of the other aspects is that combination between governance of risk and management of risk.

You raised a couple of really good points. We're responsible for the Public Accounts of Canada. Our track record has been zero errors with the public accounts, and that takes a tremendous amount of control over, say, governance and management to ensure that all of the public accounts arrive with that accuracy of data and information. The 2.2 trillion dollars' worth of payments is just one aspect under the Receiver General.

In the Receiver General hat, for instance, there would be the entire cascading of control and management that the deputy just spoke to. In every other program, we would have that similar environment.

Two or three years ago, we introduced a modified financial management framework. We were basically seeking a greater integration between the management accountabilities and responsibilities for control and administration, and in my hat, the controllership and stewardship responsibilities, a greater integration, so that it wasn't just about compliance. It was much more about shared responsibility to control, govern, and manage.

**Ms. Yasmin Ratansi:** If I were to look at the insurance industry, they would look at the age, nationality, not the culture, the tradition, whatever, and say here is the risk associated with a nation that will be diabetic or have a heart attack, etc. You must be doing a lot of permutations and combinations, and it must be very complex.

My question is to Ms. Campbell. When a jet is being purchased or when army procurement is made, what sorts of risk assessments do you do?

**Ms. Lisa Campbell:** In our procurement processes, we actually employ a risk matrix to assign files based on complexity, the volume of money, and what's being purchased. As I think I said before to this

committee, our department focuses on complex procurement, which is the lion's share of the money but actually a small number of contracts, so the people who are trained in doing this focus on the very difficult procurements.

For procurements over a certain monetary value, we also have an interdepartmental governance that looks at them for the procurement strategy, for robust industry engagement, and for maximizing industrial benefits to Canada. There is a lot of governance and oversight. There is also robust industry engagement, which helps us. If the client department comes up with requirements and specifications, we validate those with industry. We make sure that the market can offer solutions. We also look for other solutions that might meet the need, and then we come up with a procurement strategy and solicitation process.

We are looking, with industry, at how to better share risks. What we don't want to do is to have the government pay for risks that will never materialize, so we are in continuous discussion with industry to make sure that we are balancing risks appropriately. That applies to both fighter procurements and the shipbuilding strategy, where you gain a lot more information once, for example, the ships are under construction. We now have data about what it costs to build blocks of ships in both of the yards. That helps inform us about which risks are real and which ones we thought would materialize but have not, and it helps us cost those better with industry.

•(1035)

**Ms. Yasmin Ratansi:** Mr. Radford, I think you had something to say.

**Mr. Kevin Radford:** Thank you for the question on risk. I thought I would just bring it down to a few more practical terms.

We follow the Treasury Board guidance on project management and risks assessments, so we actually do an organizational assessment of ourselves. Marty, in the CFO role, leads that across Lisa's branch, our real property business, our pay and pension business, etc. We have a robust governance in and around that.

We are one of the few departments across government that have received an organizational project management risk assessment, OPMCA—it's called complexity and risk assessment—of three. The maturity levels are one, two, three, or four, and we have three.

Because we offer our services to other government departments, sometimes they come to us when they do a project complexity risk assessment on a particular item, like Giant Mine, which was in the news today. INAC would work closely with us to come in and do the stabilization effort and the remediation effort of Giant Mine, because we are known to departments to manage risk really well. There is an internal governance around our investment planning, etc. We could get into a long discussion, but I probably have five seconds.

I just wanted to give some assurance that we manage risk within our department in accordance with the Treasury Board policy, and we do it quite well.

Thank you.

**Ms. Yasmin Ratansi:** Thank you.

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

Madam Lemay, Mr. Radford, Madam Campbell, and Mr. Muldoon, thank you once again for appearing. You are excused.

Colleagues, I will not suspend the meeting. I would ask you, if you could, to stay at the table. Since we are going to be voting in public, we'll get to the votes on the supplementaries within two minutes.

Thank you very much.

• (1035) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1035)

**The Chair:** Colleagues, we have a number of votes on supplementary estimates (C). We can do it in one of two ways. We can either deal with all the supplementary estimates (C) in one vote if we have unanimous consent from the committee, or we can go individually. There would be nine separate votes.

I'm not going to have a debate on it. I'll put a question forward and we'll see where that takes us.

Do I have the unanimous consent of the committee to call all of the votes of the supplementary estimates (C) together?

**Some hon. members:** Agreed.

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

DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES

Vote 1c—Operating expenditures.....\$65,262,683

Vote 5c—Capital expenditures.....\$40,339,183

(Votes 1c and 5c agreed to)

PRIVY COUNCIL OFFICE

Vote 1c—Program expenditures.....\$3,960,442

(Vote 1c agreed to)

SHARED SERVICES CANADA

Vote 1c—Operating expenditures.....\$1,425,616

Vote 5c—Capital expenditures.....\$1,749,998

(Votes 1c and 5c agreed to)

TREASURY BOARD SECRETARIAT

Vote 1c—Program expenditures.....\$5,451,367

Vote 15c—Compensation adjustments.....\$95,448,569

Vote 20c—Public service insurance.....\$76,400,000

Vote 30c—Paylist requirements.....\$545,000,000

(Votes 1c, 15c, 20c, and 30c agreed to)

**The Chair:** Shall the chair report the votes on the supplementary estimates (C) to the House?

**Some hon. members:** Agreed.

**The Chair:** Thank you, colleagues. We're adjourned.





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