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—
Chair

The Honourable Kevin Sorenson

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• (0850)

[English]

The Vice-Chair (Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.)): Good morning, everyone. Welcome to the 135th meeting of the Standing Committee on Public Accounts.

I'm standing in for the chair, so this is a bit new to me.

Welcome to our guests who are here to testify on report number two of the 2018 fall reports of the Auditor General of Canada on conserving federal heritage properties.

We have with us, from the Office of the Auditor General, Mr. Jerome Berthelette and Ms. Susan Gomez, who is the Director in charge of the studies.

From Parks Canada Agency, we have Mr. Michael Nadler, Acting Chief Executive Officer; Ms. Joëlle Montminy, Vice-President, Indigenous Affairs and Cultural Heritage Directorate; and Madame Genevieve Charrois, Director, Cultural Heritage Policies.

From the Department of National Defence, we have the Deputy Minister, Ms. Thomas, and Mr. Rob Chambers, Acting Assistant Deputy Minister, Infrastructure and Environment.

From the Department of Fisheries and Oceans, we have Mr. Kevin Stringer, Associate Deputy Minister, and Mr. Bill Varvaris, Director General, Real Property and Environmental Management.

Welcome to all.

We are starting with the Office of the Auditor General.

Mr. Berthelette, the floor is yours.

[Translation]

Mr. Jerome Berthelette (Assistant Auditor General, Performance Audit, Office of the Auditor General): Madam Chair, thank you for this opportunity to present the results of our report on conserving federal heritage properties. In this audit, we looked at physical assets that the government safeguards on behalf of Canadians—in this case, the country's national historic sites and heritage buildings. Joining me at this table is Susan Gomez, who is the director responsible for this audit.

There are long-standing problems in the conservation of Canada's federal heritage properties, and we saw few improvements since we last audited this area in 2003 and 2007.

[English]

We found that Parks Canada, Fisheries and Oceans Canada, and National Defence either did not know how many heritage buildings they had or did not know what condition the buildings were in.

For example, Parks Canada's database identified that the agency had only 186 heritage buildings. That information was incorrect, so we asked the agency to review that number. The agency took over four weeks to provide us with what it said was a complete list of 504 heritage buildings.

Regarding the condition of heritage buildings, we found that National Defence's data was based on assessments completed in the 2009-10 fiscal year, even though assessments for most of their heritage buildings had recently been updated.

In 2017, Fisheries and Oceans Canada had updated assessments for only seven of its 267 heritage buildings.

As a result, the information that organizations provided to the public and to Parliament about these properties was either incorrect or incomplete. We also found that conservation decisions were based on available resources and operational requirements rather than on heritage considerations. The money that was needed to maintain federal heritage properties was not always available.

For example, Parks Canada told us that it had invested \$50.5 million between 2015 and 2018 to maintain and conserve the agency's heritage properties; however, its deferred maintenance backlog on federal heritage properties was \$1.2 billion in 2017.

[Translation]

We also noted that there was no link between the designation of new heritage buildings and their conservation. Needs have outpaced efforts when it comes to the conservation of federal heritage properties, yet the number of properties continues to grow. Because there has been no additional funding to conserve these properties, there is a risk that more may fall into disrepair and eventually be erased from the country's history.

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

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Mr. Berthelette.

[English]

I now invite Mr. Nadler, Acting Chief Executive Officer of Parks Canada, for his presentation.

Mr. Michael Nadler (Acting Chief Executive Officer, Parks Canada Agency): Thank you, Madam Chair. You've already introduced my colleagues, but just to repeat, you have representatives here from Parks Canada, the Department of National Defence and the Department of Fisheries and Oceans.

[Translation]

I would like to begin by thanking the chair and the committee members for inviting Parks Canada and our colleagues from other departments to appear today.

It is a privilege to testify before the committee and to have the opportunity to discuss the results of the recent Auditor General's report on the conservation of federal heritage properties.

[English]

We'd also like to express our thanks to the Office of the Auditor General for their collaboration in the conduct of this audit and also express our sincere condolences to our colleagues here at the table and their colleagues at their office on the recent passing of Auditor General Michael Ferguson.

Canada's natural and cultural heritage places are an essential part of all our identities as Canadians. Parks Canada has been entrusted with the mandate to protect and share with Canadians and the world some of the greatest examples of our nation's heritage, and we take this duty very seriously.

Parks Canada administers federal heritage designation and conservation programs on behalf of the Government of Canada. Preserving heritage places involves a broad community of stewards, including federal custodian departments, such as our colleagues here at the table. The community also includes federal agencies and Crown corporations, as well as provinces, territories, municipalities, indigenous peoples and communities, and a number of organizations active in the preservation of history and heritage across the country.

Over the years, the government has formally recognized more than 2,150 persons, places and events of national historic significance. There are over 1,300 federal heritage buildings, as well as 164 heritage railway stations and 39 Canadian heritage rivers. In addition, 19 world heritage sites in Canada have been inscribed on the world heritage list.

[Translation]

Each of these designations focuses on different objectives. Some are solely commemorative, others focus on protection and conservation, and others still are a combination of the two.

• (0855)

[English]

In our role as steward of built heritage, Parks Canada safeguards 171 national historic sites, 504 federal buildings and 10 heritage lighthouses. Incidentally, we're also responsible for more than 10,000 archeological sites across the country.

Some of these places, buildings and designations overlap. For example, the Rideau waterway, including the canal here in downtown Ottawa, is a national historic site, a world heritage site, part of the Canadian heritage river system and home to 26 federal heritage buildings.

Parks Canada also oversees the federal heritage buildings review office, which provides guidance to other federal custodians on the conservation of their heritage buildings.

The agency also administers a national cost-sharing program for heritage places, providing matching funds to eligible non-federal custodians of national historic sites, lighthouses and railway stations and to support heritage conservation and presentation projects.

[Translation]

We are proud of the work done by the agency and other federal departments, but we also recognize that we are facing a number of challenges related to the conservation of our cultural heritage.

[English]

Parks Canada welcomes the Auditor General's report on the conservation of federal heritage properties as part of our ongoing commitment to protect Canada's heritage places. The Auditor General's attention reflects the importance of Canada's built heritage to the government and to Canadians.

[Translation]

The agency is determined to address the shortcomings identified by the Auditor General with regard to its asset management databases and the related impact they have had on the information shared with Canadians and parliamentarians.

[English]

We are committed to ongoing improvement in data quality within the agency's national asset information management database, especially as it pertains to cultural heritage, and we'll monitor the results of these corrections to avoid any recurrence of errors in the future. Once up to date, the data will be maintained.

In the spirit of openness and transparency, Parks Canada will also work to improve public access to this information. As noted in the Auditor General's second recommendation, Parks Canada will continue to review the approach for designating federal heritage buildings and will work with partners to establish a consistent standard of heritage conservation across the federal government.

As part of the Treasury Board Secretariat policy reset initiative, Parks Canada will contribute to efforts to improve the language around life-cycle management of heritage properties, to ensure that federal heritage buildings and properties are managed in a manner that demonstrates sound stewardship and value for money, consistent with federal government priorities.

In parallel, as part of Parks Canada's response to the recommendations found in the Standing Committee on Environment and Sustainable Development's recent report on the preservation and protection of Canada's historic places, we are currently pursuing a research plan and stakeholder engagement aimed at identifying the right mix of measures that can be used to strengthen the conservation of historic places in Canada, including legislative measures and financial tools.

When the Auditor General's Office visited several Parks Canada sites, they observed that some built assets were in poor condition. Since those visits, I'm pleased to report that Parks Canada has been able to make considerable progress on improving the condition of the heritage properties that we administer.

While many challenges remain, hundreds of millions in federal investments are being made to preserve, rehabilitate and restore national historic sites such as the Fortress of Louisbourg, the Rideau Canal, Province House, Grosse Île and the Irish Memorial National Historic Site, and the Klondike National Historic Sites.

[*Translation*]

These investments lead to the remediation of many heritage sites and buildings across Canada. The agency is working hard to develop strategies to be able to maintain those important places going forward.

[*English*]

Parks Canada recognizes the inestimable value of our country's natural and cultural heritage. We welcome the report of the Auditor General and are grateful to the committee for this opportunity to discuss our work in the preservation and presentation of some of Canada's greatest historic places.

We thank you for your time.

My colleagues and I will be happy to receive your questions.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Mr. Nadler.

I don't think anybody else has a presentation, so I will go to questions now.

[*Translation*]

Mr. Arseneault, you are up first.

Mr. René Arseneault (Madawaska—Restigouche, Lib.): Thank you, Madam Chair.

I thank all our witnesses.

Before I start asking my questions, I want to provide some context on what I think about the issue and explain why this matter is important to me. I have been an avid outdoorsman for a long time. To give you an idea of how important Canadian heritage and especially Parks Canada, are to me, let me say that, for our honeymoon, more than three decades ago, my wife and I visited all the national parks in one summer, which took us more than two months. So I am very familiar with those parks. I am very familiar with heritage sites. I have an amateur interest in history in general. You now understand what this issue means to me.

I was shocked and saddened to read in the Auditor General's report that it wasn't even possible to make a complete list of heritage properties belonging to each department. I heard what you just said, Mr. Nadler, and I know this issue focuses on three institutions: Parks Canada, National Defence and Fisheries and Oceans Canada.

Can Fisheries and Oceans Canada give us a complete list of heritage properties it currently owns?

● (0900)

Mr. Kevin Stringer (Associate Deputy Minister, Department of Fisheries and Oceans): Yes, we can do that.

Mr. René Arseneault: Great.

How long has that list been ready?

Mr. Kevin Stringer: For about two months.

Mr. René Arseneault: So, it was in 2019. Well done.

Parks Canada, can you do the same?

Mr. Michael Nadler: We have a complete list of properties that belong to us, in the regions. The problem had to do with making a national list, which we are currently updating and which should be ready in the fall of 2019.

Mr. René Arseneault: So it's not yet done. However, that was mentioned in 2003 and 2007.

Could National Defence provide us with its list?

[*English*]

Ms. Jody Thomas (Deputy Minister, Department of National Defence): At Defence we knew the number of buildings we had: 292. They weren't all appropriately listed in our database, and that's now been updated, and we have 78 to assess this coming year.

[*Translation*]

Mr. René Arseneault: When you say you have to assess 78 buildings, is that about checking the condition of the structure, the frame or the building?

[*English*]

Ms. Jody Thomas: It's a complete condition report of the assets, so it is foundation to roof, everything about that asset, and then we list it in our database. We decide on a priority basis what we will address in terms of repair and maintenance.

[*Translation*]

Mr. René Arseneault: Okay.

How much time do I have left, Madam Chair?

The Vice-Chair (Mrs. Alexandra Mendès): You have another five minutes left.

Mr. René Arseneault: Great.

When it comes to Parks Canada, how can you explain that you were only able to make a complete list of your heritage sites in 2019? What is the problem?

Ms. Joëlle Montminy (Vice-President, Indigenous Affairs and Cultural Heritage Directorate, Parks Canada Agency): As my colleague just said, we had a complete list of heritage properties and their condition, but it was divided among various regional sites in the country. The list existed, I assure you, and it was complete. People who administer those properties were aware of the list's existence.

The issue was at the national level. That list included all the properties administered by Parks Canada—there are more than 17,000 of them—and not only heritage properties. However, the list did not include the most recent details on heritage properties. So we are currently updating it, and that requires us to import information from a number of databases.

Mr. René Arseneault: Generally speaking, how are all the buildings and structures in our national parks doing today? Are they in good condition? I have read that certain buildings were in danger of collapsing, which is worrisome.

In general, how are our national parks doing?

Mr. Michael Nadler: That is a very broad question. We are currently implementing a significant investment project.

[*English*]

Mr. René Arseneault: You can talk in English.

[*Translation*]

Mr. Michael Nadler: I can get by in French, it's just that the word in French is a bit complicated.

So we are talking about a \$3.5-billion investment project. We are currently improving the condition of many properties on our sites.

Mr. René Arseneault: You may think that I am preaching for my own parish, but, as I come from the Atlantic region—I am an Acadian—and Canada's history begins with New France, I am wondering who is in charge of the Louisbourg site. Is it Parks Canada?

How is Louisbourg doing? It's the jewel of the country.

Mr. Michael Nadler: It is definitely one of its jewels.

Mr. René Arseneault: After all, that is a historical reconstruction. Globally, there are not many historical reconstructions like it. We are talking about one-fifth of the original town—and I look forward to the remaining four-fifths being built. The reconstruction goes back to 1968, which is pretty old. That's tremendous.

Mr. Michael Nadler: Yes, it's tremendous. We actually have a number of small projects for that site. That said, you are correct—a number of Canada's historic sites are threatened by climate change, and Louisbourg is one of them.

Mr. René Arseneault: Okay.

I would now like to talk about lighthouses and Fisheries and Oceans Canada. I'll provide an example of a situation in my area, but it applies everywhere. Recently, a lighthouse was transferred. There were less than half a dozen lighthouses left from the post-Confederation era. The city of Dalhousie acquired one last year. Everyone was happy. It was repaired a bit before the transfer. The lighthouse was built in 1871, if my memory serves me correctly. It was one of the first five or six lighthouses built after Confederation.

I gather that, once the lighthouse is transferred—and in this case, it was transferred to a non-profit organization—you're responsible for its maintenance. Is that correct?

• (0905)

[*English*]

Mr. Kevin Stringer: There are terms and conditions in a transfer. At the moment we have 30 that have been transferred, designated, and 94 that are being petitioned, that we're talking to groups about.

There is a process. We provide a grant to the group when they take it over. They take over the responsibilities. Some of the terms and conditions include that they must make it available to the public for a further 10 years, but they take over the responsibilities for those

areas with some commitments to ensure that it's maintained going forward.

Mr. René Arseneault: Do I understand that for those kinds of lighthouses there is no responsibility given to the department when they are conveyed to the group or whatever association?

Mr. Kevin Stringer: That is correct.

[*Translation*]

Mr. René Arseneault: Okay.

Thank you. You're very patient. I have only 15 seconds left, which doesn't give me enough time to continue. Thank you for being here and for your professionalism.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you, Mr. Arseneault.

[*English*]

It is now Mr. Kelly's turn.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you.

This report, beginning on page 1, really is quite troubling because this report begins by pointing out that in 2003 the Auditor General found that federal heritage properties were at risk. It went on to talk about a number of problems. At that time, in 2003, Canadian Heritage and Parks Canada agreed to strengthen the legal framework to conserve heritage properties. They agreed to work with the Treasury Board of Canada to define what type of information to collect and how to appropriately assess and report on the conditions.

Then, four years later, in 2007, the Auditor General found that it didn't happen. Here we are another 12 years later finding out again the shortcomings.

When departments have to come back repeatedly following these kinds of reports, it's troubling to Canadians. The departments here have accepted the findings of the Auditor General. Canadians would ask, how do we have any confidence, with the assurances we're going to receive today, that we're not going to be back here in two years, three years, five years, 10 years hearing the same concerns raised again?

Mr. Nadler, please explain why we are here in 2019 hearing the same problems that have been identified over time.

Mr. Michael Nadler: Let me respond for Parks Canada, and then my colleagues might want to respond for their own departments.

You're absolutely right. Successive audits found that for Parks Canada, significant investment was required to address a decline in a number of our historic buildings and our historic sites. In fact, we knew from our own analyses that a number of our assets—we're an agency managing 17,000 assets across the country, many of them important transportation assets—were in decline.

Beginning with budget 2015, so fiscal year 2014-15, and then again in budget 2017 and then most recently in budget 2019, successive governments have been helping us to invest in the restoration of those assets.

We are now managing a program of work in the order of \$3.5 billion to restore heritage assets, as well as a broader suite of assets in the agency's portfolio. That work is absolutely critical to our mandate and to our ongoing success as an agency.

With regard to the other elements found in the audit, we had excellent information on the state of our heritage assets at the local level. The gap for us was the list at the national level. We are working now to permanently fix that and expect that to be in place by the fall of 2019.

Mr. Pat Kelly: The problem of data, which has plagued many other departments and has been a familiar refrain at this committee is, again, nothing new.

Your opening statement conveyed an impression to me that, again, in the face of another Auditor General's report, the third one in 16 years, your department was scrambling to get caught up on doing work that it had promised to do in 2003 and 2007.

Why was the data not complete and compiled if this is, again, a known problem? This isn't a question of having the resources to preserve but just one of actually tracking what properties exist and what properties require resources for preservation.

● (0910)

Mr. Michael Nadler: Parks Canada's 33 business units across the country had up-to-date information on the state of their heritage buildings. The gap was in amassing that data on a sufficiently quick basis to serve the needs of the Auditor General's analysis.

Mr. Pat Kelly: All right.

I'll let the other departments respond to the broader questions of why we are dealing with this for the third time in 16 years, why there has not been consistent attention paid to this, and what explanation they can bring to this committee.

This committee is where accountability is demanded for resources that have been committed by the Government of Canada, and when we hear about any problem that has been identified already coming back here, this is troubling to Canadians.

Go ahead, please.

Ms. Jody Thomas: In the case of National Defence, we actually have the data. We haven't always been able to say that about every program, but we do have the data with regard to our infrastructure.

We have 20,000 buildings across the country. We have 11,000 works—jetties, runways and roads—and the total value of our assets is about \$26 billion.

In our case, the criticism in 2007 was that we were not prioritizing the preservation of heritage properties, and that essentially came down to a question of budget.

Our conservation efforts going forward will come down to a question of budget. Of the 20,000 buildings, 292 are heritage buildings. We have a plan to assess them. We do it every five years on a cyclical basis, 20% a year, and we will finish the last 20% outstanding from this audit this year.

The outstanding question for Defence from 2007 and from this audit is about prioritization and investment. Keeping runways that

are functional, keeping jetties for current ships functional and investing in buildings that are being used will have to be our priority. The assurance that conservation needs will be prioritized will be on a case-by-case basis, dependent on budget.

Mr. Pat Kelly: Fair enough.

Go ahead first, and I might come back on that.

Mr. Kevin Stringer: For Fisheries and Oceans, the issue of basic tracking is an issue, and we get the concern of the committee.

For us, there were really three things. We want to give the committee assurance. We know what heritage buildings we have and what heritage sites we have. The challenge with the database was three things for us.

In some cases, it was listed as something on DFO's database and listed with a different name or title on the FHBRO database. Second, there were heritage lighthouses. There are 30 that were designated, and 94 that are petitioned to be designated. There were all lumped in as designated. Third, there was one that was listed as ours, but it had been divested. They were these types of things.

In terms of improving the situation, we are serious about improving the situation. It is basic stuff, and we get that. We've had, as part of our comprehensive review process, about a doubling of the investment in our real property programming and a doubling of the FTEs that are on this, so we're confident we're going to get it right. We've already cleaned up that part of the database, and we have a broader effort for our 6,600 sites across the country.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much, Mr. Stringer.

Now we go to Mr. Sarai for seven minutes.

Mr. Randeep Sarai (Surrey Centre, Lib.): Thank you.

Maybe I could ask first—and feel free, whoever wants to jump in—what Parks Canada's role is through the federal heritage buildings review office and what gets considered for the federal heritage buildings designation.

Mr. Michael Nadler: Our specialist is Genevieve. We brought her to answer just exactly that type of question.

● (0915)

Ms. Genevieve Charrois (Director, Cultural Heritage Policies, Parks Canada Agency): The federal heritage buildings review office is managed out of Parks Canada. It's targeted to look at federal properties. Everything that is federally owned comes, after an age threshold of 40 years, to FHBRO for an assessment, an evaluation of the heritage character of the property. Then it goes through an evaluation process. A recommendation is made to the minister responsible for Parks Canada that the building is of heritage character or it is not proposed to be designated. The minister responsible for Parks Canada will designate the building.

A building can be designated under two levels. It can be recognized or classified. Classified buildings are the jewels of Canada, like the buildings here on the Hill. If a building is designated, then there are some elements of scrutiny that must be applied to them. We will look at the interventions that are done on those buildings to make sure that they are appropriate and compatible. It's either Parks Canada for classified buildings or the other departments responsible for their own federal heritage buildings. A building that is federally designated cannot be disposed of without coming to Parks Canada for a proper best-efforts review.

Mr. Randeep Sarai: What about if it's privately owned, if it's a society or a group that's been designated?

Ms. Genevieve Charrois: No, that's not for the federal heritage building category. You may have a building that is owned by a private individual that could go through a process of being designated but under another process, which is national historic site designation. That is another process under the Historic Sites and Monuments Board of Canada.

Mr. Randeep Sarai: What I want to know is, when that's been done, who is responsible for those sites?

Ms. Genevieve Charrois: The owner is responsible.

Mr. Randeep Sarai: Can Parks intervene if they're not complying with their responsibilities?

Ms. Genevieve Charrois: It's an honorific designation, so there's no way to intervene with the exception that, if they come for funding to the cost-sharing program we are running and ask for money, then we will make sure that the intervention is according to the standards.

Mr. Randeep Sarai: To Ms. Thomas, you said that the Department of Defence, obviously, has priorities. What I want to know, and my colleagues have said earlier... To see it in reports over decades, the same problems over and over, is obviously a big challenge for us.

Does each ministry and its department identify the budget required to restore, maintain and preserve heritage sites and identify that as a line item in their budgets? If so, then we can know if the governments didn't fund those requirements. If it's never identified, then it's hard for a minister or a government to know that it is there. The only way I see that a government would know and be able to act on that is if there were line items every year to say what we have preserved and what we need, and this is the shortfall. Has that been done in the last decade or so?

Ms. Jody Thomas: That is not, in fact, how we manage the infrastructure portfolio. We're certainly aware of which buildings are heritage sites, but we have a prioritization of where we need to invest, for operational reasons. If the building is a heritage site, then we take specific steps to maintain the heritage nature, and we work with our colleagues to ensure that we're not causing any damage. If we're going to divest something, we ensure that we can legally divest it if it is a heritage site, but we don't prioritize by preservation priority.

There are many buildings that we do invest in. Armouries come to mind. Armouries are the core of so many communities. They have heritage value going back to World War I and World War II. We preserve those qualities.

Mr. Randeep Sarai: Sorry, I'm not talking about prioritization. I'm talking about actually maintaining, like a strata corp for an apartment building or a commercial building that would say that a budget of x is needed to maintain this building or a reserve is needed to have the roof....

Whether it gets put in or not is a secondary question. It's whether we have actual budgets or means of calculating, so at all times somebody can have a look and say that we need this, and it hasn't been prioritized because, perhaps, other issues are more important. At least somebody can have a look at it and say that we're behind on it this year or we have the ability to go at that, rather than going back and trying to find it on a list and figure out if we even own the properties or not, if they're designated or not, if it's the right picture or if it's been sold or not.

We should have a categorization and an amortization of the costs that are expected in every one, so that any minister or deputy minister could see that we're lagging on this and maybe it's time to prioritize it.

● (0920)

Ms. Jody Thomas: I'll ask my ADM to answer that question. I would tell you that we have a rough order-of-magnitude idea of what investment is required at any given time that is specific and project-by-project, not as detailed costing.

Mr. Rob Chambers (Acting Assistant Deputy Minister, Infrastructure and Environment, Department of National Defence): I would just quickly add that we're in the fortunate situation that because we have a clear picture of the inventory and because we'll have condition assessments of each one of our heritage buildings by March 2020—as we committed to do in response to the audit—we'll be able to say by this time next year what each one requires in the way of repairs and maintenance going forward.

Mr. Randeep Sarai: Would you be able to also have an assessment of what type of budget is required for that building going forward—i.e., if it needs \$2,000 a month for X, Y and Z, but its roof will need repairing in 15 years, so we should commit to a reserve of 1% of the building value every year towards that—so governments can budget and allocate, not one-time costs like Centre Block—\$700 million to \$1 billion—but rather have it amortized over years if we know that about every single project and have reserves built up.

Mr. Rob Chambers: All of our heritage assets are operational assets. Each year, we are getting closer and closer to having exactly what you just described for all of our operational buildings. It's not specific to heritage, but because heritage is a part of that broader portfolio, yes, we'll have that information.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Now we go to Mr. Christopherson.

Mr. David Christopherson: Thank you, Chair. I have to tell you this. You have a majority government, so why don't you pass a law that forbids flooding? That wouldn't impact the roads. Get with it.

Voices: Oh, oh!

Mr. David Christopherson: My apologies. The roads are really bad, but that's the least of some people's problems. I'm glad I got here, and I do appreciate your consideration.

This is a really bad audit. I have to tell you that when I looked at what the week was going to be and I saw CMHC the other day, I thought, okay, that's going to be the rough one, and then we'll get Heritage, and everything will be all nice and we'll talk history and it will all be very good. In fact, it was quite the opposite. I was rather impressed with their audit the other day, and this is just an abysmal report.

There's very little in here for anybody in management to be proud of—very little. The one little nugget I can throw out goes to National Defence, believe it or not, because in one area of data collection where we've been pounding on them—and they do have that message and that was reflected here—they did that right. One thing—one—was okay.

Colleagues know that nothing incenses me more than previous audits finding the same problem and making the same recommendations, with the government making the same promises, while audit after audit it's not done. It's infuriating. That's where we are with this one.

There were audits in 2003 and 2007. Paragraph 2.7 in our 2007 audit says, "...we concluded that Parks Canada's conservation efforts since 2003", which was the earlier audit, "were not enough to ensure federal organizations conserved heritage properties."

Let's just jump ahead to see what the final mark was, if you will. The conclusion is on page 17, at paragraphs 2.76 and 2.77. This is the conclusion from the auditor:

We concluded that Parks Canada, Fisheries and Oceans Canada, and National Defence did not work sufficiently to conserve the heritage value and extend the physical life of federal heritage properties. They did not have a full picture of their heritage properties; for example, information on the condition of their heritage properties was not current.

The life of some federal properties was at risk—properties that are for the enjoyment of present and future generations of Canadians.

Here's my first question, before we even get into the details. There were promises made, not by you individually but by the organizations and departments you represent. There were promises made in 2003 and not kept and promises made in 2007 and not kept. What on earth would have us believe that the promises you're making today you're actually going to honour?

I want to hear from you.

• (0925)

The Vice-Chair (Mrs. Alexandra Mendès): From whom?

Mr. David Christopherson: I don't care. Somebody start talking.

Mr. Michael Nadler: Why don't I start? My colleagues can chime in.

Let me start with the past audits and also a series of analyses done by Parks Canada using third party help to review our whole asset portfolio. You're absolutely right and the Auditor General was absolutely right: we had insufficient resources in our capital budget to maintain the whole suite of assets that Parks Canada is responsible for.

Those audits, plus our own analyses, led to a budget proposal by a former minister and a series of successive investments that is allowing us to restore assets that had been degrading over time. The challenge for us now will be to work with Finance Canada for the long term to ensure that our capital budget is sufficient to meet the demands of the maintenance of our places and our buildings.

There's a whole series of unanticipated challenges emerging now, and your comments were prefaced by one of them. Climate change and severe weather events are a menace to our national historic sites, and we'll have to contemplate the impact of those things well into the future in our work with Finance Canada.

Mr. David Christopherson: That's it? It's all because you didn't have enough money? I understand that's a biggie, and I would accept that maybe that's the main driver, but are you going to tell me that's the only reason things are in this abysmal condition? For that, I'm supposed to have comfort as a member of the public accounts committee that you're going to honour your commitments this time? It's all funding?

Mr. Michael Nadler: Parks Canada has an A-base capital budget of \$160 million a year. We have 17,000 assets valued at \$24 billion. The capital budget was insufficient to maintain that scale of assets. That's being rectified now through a restoration program and, in the long term, we're working with Finance Canada on appropriate long-term investments.

Mr. David Christopherson: I'll be coming back to you. I gave you a chance; I'll be coming back. I want to hear from the other department heads.

Ms. Jody Thomas: We were not part of the 2003 audit. We were, in 2007, and what was recommended for National Defence is that we have a strategy to ensure that conservation objectives are met in National Defence buildings. The study for the strategy was completed and the strategy delivered. The reality in Defence is that we have to prioritize operational requirements. We follow the indications and the recommendations of the strategy when working on a heritage building, but we don't prioritize conservation over operations.

Mr. Kevin Stringer: Like National Defence, we were not in the audit in 2003—or in 2007, in our case.

There really are three things. We're identified in this audit in one, which is the tracking, and I spoke to what we're doing with respect to tracking. We have basically addressed that issue.

Then there are the condition reports, and we've said we'll have those done by 2021.

Then there's actually maintaining the buildings, which I think is going to be the challenge going forward. That really is, I think, a budget issue. As well, as the deputy of National Defence said, we along with the feds will prioritize our spending on assets that are actually being used and that are required for our core mandate.

When we are dealing with heritage buildings, we know about the requirements for heritage buildings and will be guided by the guidance that Parks Canada provides in that regard.

The funding really is an issue. I mentioned this before, but I'll give you some numbers. In our case, in budget 2017 our O & M budget for our real property for 6,600 sites or assets went from \$48 million to \$110 million. It was a significant increase, and we are able to do some of the things that this audit is asking to do, as well as better maintain all the buildings. On capital, we went from \$44 million a year to \$88 million a year. That's ongoing, and it has made a genuine difference in terms of being able to address these issues and other issues around heritage buildings.

• (0930)

The Vice-Chair (Mrs. Alexandra Mendès): Thank you.

Now we have Mr. Davidson.

Mr. Scot Davidson (York—Simcoe, CPC): Thank you.

Good morning. How are you?

It is a very troubling report. I would echo both my colleagues' comments regarding this. I don't have to go over it again, but this report makes it clear that Parks Canada has really failed in its stewardship of our historic properties.

Is there any merit to having Heritage Canada take some more responsibility for properties that you guys have? It seems to me that everyone is giving the big numbers, and it's almost as though people can't handle what they have and are possibly just not saying so.

Mr. Michael Nadler: Just as a question of clarification., when you say “Heritage Canada”, do you mean the Department of Canadian Heritage?

Mr. Scot Davidson: Yes.

Mr. Michael Nadler: Parks Canada at one time was part of that portfolio. They were shifted to the Environment portfolio.

Mr. Scot Davidson: But should there be a breakup of some of the properties back to Heritage Canada so that they're dedicated? I'm just wondering whether it's too much for Parks Canada to handle. It has been 16 years since the audit, and I think Canadians want to hear exactly how long it's going to take to give us a complete list and how long it's going to take to have the audits done on the current buildings, to move ahead.

Mr. Michael Nadler: The agency had a complete list across 33 business units located across the country. Compiling that list didn't meet the speed requirements of the audit. We're rectifying this. We'll have the national database up to date by the fall of 2019.

I can't speculate on a machinery change that might place national historic sites in a different department.

The challenge I raised in my response to the previous question was that it is true that Parks Canada as an asset manager had a capital budget that was probably too low for the demands of the maintenance of its assets.

Like my colleagues, I think it's important to recognize that Parks Canada is typically viewed as an institution that protects and shares national parks and national historic sites. What some folks may not understand is that we're also responsible for significant portions of the Trans-Canada Highway and significant portions of Canada's waterways, and those are highly demanding assets that require ongoing investment and can be priorities because they relate to public safety and transportation. Based on previous audits and our own analyses, we thus brought forward successfully a series of proposals for recapitalization of our aging asset base, and we're now working with Finance Canada on a long-term solution for ongoing recap.

Mr. Scot Davidson: Is there a timeline that you're working with to have the assessments of the buildings completed?

Ms. Joëlle Montminy: We do have up-to-date assessments of our buildings at Parks Canada.

Mr. Scot Davidson: So we have a full list and all the assessments have been done?

Ms. Joëlle Montminy: Yes.

In 2012 we had a complete list done of all of our assets, and priorities were set as part of that. We do conditions reports on a regular basis as well. The condition is not an issue for Parks Canada. We know the conditions of our buildings.

Mr. Scot Davidson: Okay.

Have any conditions been rectified of buildings that we were looking at in this report where the state of some of the buildings was that were nearly going to fall in? Are we at risk of losing any historic buildings currently due to structural failures?

Ms. Joëlle Montminy: We prioritize those where there is significant risk, and that's part of the investment that's been made in our places over the last several years. There's a deterioration of some of our buildings but we do prioritize those that are more at risk.

Mr. Scot Davidson: Thank you.

The Vice-Chair (Mrs. Alexandra Mendès): I'll take the one minute left of Mr. Davidson's time, if I may.

I'll ask Ms. Gomez if she saw that in the audit she did. Did you feel that Parks Canada had a proper estimation of the condition of the buildings?

Mrs. Susan Gomez (Director, Office of the Auditor General): We asked for that information in order to confirm some of the information within the databases. At times we weren't provided with that information. For example, if there was documentation to support information within the databases, at times that information wasn't available.

● (0935)

The Vice-Chair (Mrs. Alexandra Mendès): Were you given a reason for that?

Mrs. Susan Gomez: We were just told it wasn't available. They didn't have it.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you.

We'll now go to Ms. Yip for five minutes.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): One of the recommendations from the OAG is that Parks Canada should provide up-to-date information to the public and to parliamentarians.

Can you update us on what has been done? It's recommendation number three.

Ms. Joëlle Montminy: This is part of our response, in terms of making our national database up to date. Based on that, we will then be able to provide that information through Treasury Board where the reporting is mostly done. We will be in a better position to provide that information to Parliament and parliamentarians, and Canadians.

Ms. Jean Yip: How do you currently assess the accuracy of your information?

Ms. Joëlle Montminy: Again, the information about the number of buildings that are under our care and the conditions was always available with our field units that are responsible for the day-to-day maintenance of our assets. That information is accurate, and it was there at the local level. We recognize that the challenge was with our national database of all assets and that's what we undertook to rectify in a timely manner.

Ms. Jean Yip: I'd like to follow up with your action plan, 3.1, regarding reviewing the process of how information is transferred into both the directory of federal heritage designations and the Canadian register of historic places.

The deadline is the spring of this year. Has that been completed and has the review process been changed?

Ms. Genevieve Charrois: In terms of review, we know where we were missing the proper process to make the information on the Canadian register fully accurate. We know about that. Right now we're correcting the situation. The full correction of all the linkages is not done but the review has been completed.

Ms. Jean Yip: Thank you.

My background is in insurance. I want to follow up on Scot's concerns about the fact that the heritage buildings are in such bad condition.

Does it pose a safety risk to visitors and to staff? I'm worried if there's any increase in claims or liabilities, or lawsuits. The government receives a lot of lawsuits. If this is something that can be prevented, that would be good.

Mr. Michael Nadler: Absolutely. In fact, in the management of all of Parks Canada's assets, public safety and the safety of our staff are our priority. As I mentioned, that can mean that we sometimes prioritize investments in what would normally be classified as non-heritage assets that are fundamental to public safety over heritage assets.

We don't allow visitation, and we carefully manage work in sites that might be in a dangerous condition.

Ms. Jean Yip: Do you know how many sites have been closed down because of that?

Mr. Michael Nadler: I'd have to come back with a number.

The Vice-Chair (Mrs. Alexandra Mendès): We'd welcome that information. Thank you.

Mr. Michael Nadler: Very few visitor-facing sites would be in that category. It would be more historic buildings used for things like storage or the like.

Ms. Jean Yip: There wouldn't be a historic site?

Mr. Michael Nadler: It might be part of a complex of buildings that have historic sites, but it would be not a building frequented by visitors. That would be a very rare circumstance. We have one that is fairly well known locally. We encountered some challenges in the restoration of Sir John A. Macdonald's home in Kingston, so we've closed that to the public while we rectify that problem.

● (0940)

Ms. Jean Yip: It's worrisome that, first of all, there are the safety issues, and then there are also the revenue issues. If more of these historic places are not kept in good shape, it affects tourism and jobs. I hope there is a plan in place and that it is carried out.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you.

Now we go back to Mr. Kelly.

Mr. Pat Kelly: In answers to some of the questions today, we've heard that each department here is quite confident, it seems now, that their data is there. You now know what buildings you have and what the current state is in each case, if I understood the answers correctly.

Mr. Berthelette, if I may bring you to paragraph 2.72, you point out that in the existing information—I guess this is specific to Parks Canada—you found all kinds of discrepancies in their data: pictures not matching the right building, texts that didn't match and contradictory type stuff. Are you satisfied that—at least by the fall, when Mr. Nadler said they will be 100% complete on their data cleanup—we will actually have accurate data on heritage buildings?

Mr. Jerome Berthelette: Madam Chair, I'm an auditor. I and my teams will be satisfied when we actually go in, take a look and see that it is in fact the case.

I am encouraged, though, by the statements from my colleagues at the table about their commitment to updating the database. I think that at some future point, given the importance of heritage properties to Canadians generally, it is highly likely that we're going to go back and take a look at the implementation of the recommendations by the department.

Mr. Pat Kelly: Thank you.

Maybe I'll switch now and talk about the whole business of designation in the first place. It was mentioned in the report, "We found that the federal government focused primarily on designating heritage properties, rather than conserving them."

That statement, I'm sure, is troubling to Canadians who would ask what the point is of designating something, other than just to allow for a photo op, and perhaps to allow people to feel good for a moment about the designation of something. When each day goes by and preservation doesn't occur until you wake up one day with a falling-apart building with a designation attached to it, that's really of no benefit to any Canadian.

How are we going to address this, where we connect the actual need to preserve with a designation?

I guess that's probably a question for Parks Canada.

Mr. Michael Nadler: My colleague Joëlle and I will answer it collectively.

Let me start by providing a preface that Parks Canada is now working with other federal departments to review the approach for designation, considering some of what you've observed here. That includes the ability to maintain and continue to support the heritage value of these buildings. That's across federal departments and multiple federal custodians.

Do you want to elaborate further?

Ms. Joëlle Montminy: A review of the directive on real property is under way right now led by Treasury Board, so changes could come to the designation process. You're flagging that these designations do not come with legal protection for the place. As my colleague mentioned, it is an honorific designation as it stands currently. In previous reports and audits, there's been a desire to have legal protection attached to the designation process. We've been looking into that and we continue to improve, whether it's through policy tools or exploring what would be involved in legal protection.

Going back to the point that was made earlier by colleagues, legal protection would require financial commitments.

● (0945)

Mr. Pat Kelly: Thank you.

I only have time for one more quick question, if I may, to Ms. Thomas.

If one of your buildings is designated a historic site, does that potentially interfere with or complicate your operational use of a site? Could there potentially be a site that you might wish to either completely change, perhaps even to demolish if it's functionally obsolete?

Ms. Jody Thomas: As we noted, we have 292 buildings that are designated sites. It adds a level of complexity in what can be done to the building. It limits our ability to demolish. There's absolutely no doubt. We have old hangars, for example, heritage sites. They are part of Canadian heritage and they do matter. Our ability to use them is zero, and the ability to invest in them is very low.

I wouldn't say per se that there is a hindrance. There's no extra burden in how we use the individual building, but we have standards we need to follow as we update, as we refit, as we invest. The classic example is armouries; every town in this country has an armoury. They date back to World War I and World War II. We have to preserve the exterior. In many cases we have to use the same kinds of exterior finishes, the same kind of material. It adds to costs, absolutely, and we tend not to demolish those buildings because of their heritage nature. We maintain them. We have to continue their cost unless they're surplus to need, and then we look at whether a community would like to take them on.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Now we go to Mr. Arya for five minutes.

Mr. Chandra Arya (Nepean, Lib.): Deputy Minister, is there a need to revise the Treasury Board policy on management of real properties under which you have to look at all the properties that are more than 40 years old and designate them as heritage? Does it force you to designate some properties as heritage, or do you need some flexibility?

This only keeps on adding to the number of heritage properties. As a taxpayer, I'm concerned about spending money on the maintenance of these heritage properties. Some of them have to be maintained, I agree, but not all the properties that are being designated as heritage properties. The best example is the NCC has the Prime Minister's residence at 24 Sussex Drive, and if you ask me, tear it down and build a new one instead of spending money maintaining it.

Do you think there's a need for flexibility, or a change in this particular policy?

Mr. Michael Nadler: That suite of policies, the real property directive, is actually being updated now and we're working with the Treasury Board Secretariat on the exact question you have raised. To clarify, the designation is not automatic. What is automatic is a referral to this committee, this FHBRO committee that assesses the building for its heritage value.

Mr. Chandra Arya: I'd like to hear from other deputies as well.

Ms. Jody Thomas: As was noted, the designation—in fact, all the management of infrastructures being reviewed by Treasury Board.... As the public accounts committee, you are aware that infrastructure is grossly underfunded and perhaps a problem across all departments. So, it is being reviewed to look at how we can consolidate, have departments share infrastructure, etc., rather than building new.

That said, the designation.... At 40 years old, an asset is often quite young in our portfolio. But there are multiple things that have to be considered, including its historic value. A headquarters building on a base that was built in 1950 probably isn't a historic building. It's just an older building. In our portfolio, it's in fact quite young. I think the policy could be reviewed, and is being reviewed. I think there are elements of it that need to be considered. As was stated, 40 years of use of a building is not really that significant in a lifespan, especially with new construction.

• (0950)

Mr. Kevin Stringer: I would agree. I don't know when we last looked at the definition of heritage. I think the point that you have made is that the number of heritage sites, buildings, assets, etc., is unlikely to go down over time. It just keeps getting added to. There are no additional funds to departments that are managing heritage sites. When it gets designated, it just gets designated. Then you have some of the challenges that the deputy minister just pointed out in terms of managing it.

That said, we get the significance of this. There are criteria to treat those assets differently. There are some different classes of heritage. I know that some of them are classified and some of them are just recognized. So, there's a greater level of "you can't tear this one down; you can't make changes to this". If there were sort of a look at all of that; is it time to do that—

Mr. Chandra Arya: I'm glad you brought that up. I think the Auditor General looked at all the heritage buildings in total, not the different classes that are there. If I'm not wrong, this policy on management of real property was last revised in 2006. I don't think that in 2006 they changed the definition or the criteria that have to be followed to designate any property as heritage.

Two of you, I think, did mention that you don't prioritize conservation over operations. I fully agree with that because operations are much more important. Maybe all of you can give inputs into the revisions that are taking place with the Treasury Board. I think we have to use the money more on the operations, in my view, than on conservation.

The Vice-Chair (Mrs. Alexandra Mendès): If I may, have any of you looked or are you looking, now that you are reconsidering the whole policy, at what's being done in Britain, for example, because the National Trust is quite a success story? Has Canada been looking at something like this, or is it a possibility? Is it a consideration?

Mr. Nadler.

Mr. Michael Nadler: The National Trust model in the U.K. is basically a separate operating agency that has the capacity to fundraise. We have not looked at it in a significant way, to my knowledge. I haven't been informed of that kind of consideration by TBS to date. Parks Canada has looked at our colleague conservation organizations around the world. There are other models as well. While I agree that the National Trust is a compelling model, it too

faces some challenges in that its iconic properties tend to draw a significant investment, but some of the lesser properties struggle under the model.

The Vice-Chair (Mrs. Alexandra Mendès): I think the difference is that theirs are about seven or eight centuries old and ours are perhaps a century old. That would be a significant difference.

Mr. Christopherson, you have five minutes.

Mr. David Christopherson: Thanks, Chair.

Actually, that provides me with a good segue into where I was going, because I agree with Mr. Arya; this is unsustainable. We're kidding ourselves here. At some point, we have to decide whether we pony up the money and tax citizens to make sure these buildings are kept the way the policy says or we cut back on what we designate. Ms. Thomas gave the example of hangars. Looking at it from a practical point of view, you do have to ask if that is a top priority. Even in some experiences here on the Hill, we've seen some examples over the years. So I agree that this...and I think maybe that's what we need to do.

Let me say right up front that I agree that the bulk of the problem is money. I did not appreciate being told that this was the whole problem—I can come back to that in a minute—because the management here has been abysmal. That's the responsibility of the people sitting here, and your predecessors. The money part is ours. Either we make it a priority to make sure there's enough money there or we make sure that the work we designate we are going to fund—one or the other. I agree that at some point some government has to get on top of this and make some tough decisions about what we will do in terms of taxing and spending to keep our heritage alive. I think looking at Britain, which has a lot more experience than we do, is maybe a really good idea. At some point, we need to do that.

I want to draw your attention, Chair, to paragraph 2.21 on page 4. I won't read the whole thing, even though I was going to because it deserves to be read out, but I want to read the last sentence: "We found, however, that the regional representatives we met knew the number and condition of the heritage properties that they were responsible for." That speaks to the staff and to the dedication of people in the public sector who, by and large, overwhelmingly really do care about what they're doing. The people who are involved in heritage care about these buildings. They become part of their extended family. I appreciate that the auditor put that in there, because that's part of the backstop of this. If this is working at all, it's because of the individual people on the ground as opposed to some of the management decisions we've been seeing.

I'm very pleased to see that the Auditor General is going to go back, because I do think we need to stay on top of this.

It's just getting worse and worse, so your holding them to account, and our knowing that you are going back in, is very helpful.

I'm running out of time, Chair, so I won't go to the actual page, but paragraph 2.35 talks about details being certified. Perhaps you will allow me to parenthetically ask the auditor what it means, exactly, that information has been certified. That's a fairly new expression for me in terms of these reports.

• (0955)

Mrs. Susan Gomez: Are you talking about, in paragraph 23.5, when they need to certify to Treasury Board?

Mr. David Christopherson: Yes. What does the term “certifications” mean there?

Mrs. Susan Gomez: The departments will be able to answer better, but we saw that they needed to certify that the information they were providing was complete and accurate for—

Mr. David Christopherson: And it ended up being wrong.

Mrs. Susan Gomez: Yes.

Mr. David Christopherson: Yes. It ended up being wrong. So not only was it submitted—A—then it went through some process to get certification—B—and it was still wrong.

Now I'm going to come back to the management. One of the things you're criticized for in this report is the information you give to Parliament and Canadians. That's not funding, that's competency. That's a question of making something a priority or not. Reporting to Parliament, whether you like it or not, is a pretty big priority, and that needs to be reflected here.

I'll go to my question now, Chair, because I know you'll eventually throw the net on me. I'd like everybody, including the auditor, to answer this, if we have time.

Where were the internal departmental audit committees? Where were they during all of this and where are they during all of this?

Ms. Jody Thomas: I can begin, if that helps.

Our audit committee is intently tracking every single audit and management action plan. They actually rejected some of our actions and told us they were not sufficient. They are a critical part of the management of the department, and something on which I rely enormously. I spend as much time as I can with them. They are very engaged. Every audit we go to them and we review, and they review our management action plans with us before they're submitted.

Mr. David Christopherson: Mr. Nadler.

Mr. Michael Nadler: I share Jody's enthusiasm for working with audit committees. They too are highly focused on every OAG audit and every audit undertaken internally by the agency.

Also, on the broad program of restoration work that I've mentioned in my previous remarks, the \$2.5 billion program, every audit committee session includes a review of our progress on that program of work.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Mr. Stringer.

Mr. Kevin Stringer: So does ours. Our committee reviews every audit the Auditor General does. We go through our management action plan. We talk about what we're doing and then we give updates at the next departmental audit committee going forward.

For us actually, as I said earlier—and you may not have been here—the challenge is that when the system comes up and says there are 124 designated lighthouses and in fact there are 30 but for 94 there have been petitions for designation, the audit committee doesn't know that is not accurate. Once the Auditor General has seen it, we put that before the audit committee. We have a discussion about it. We talk about how we're going to fix it, and then we show how it's fixed later on.

• (1000)

Mr. David Christopherson: I have a problem with that, but can I hear from the auditor, please?

Mr. Jerome Berthelette: Madam Chair, we don't have particular information about where the departmental audit committees were with respect to 2003 and 2007 audits. I can confirm that the departmental audit committees of which I am aware, particularly National Defence since I've been to their departmental audit committee meetings—are committed to following up on the action plans, particularly the current action plans, the most recent audits we have done.

I think the problem some departmental audit committees will face and internal audits will face is with the information that is available for them to determine where the risks are so that they can go out and do their internal audits. What we saw here was that the information that would have been sufficient for them to have perhaps identified the risks and to have gone out and done this work was probably not there. We do identify that data was an issue and that it needs to be fixed, and once it gets fixed perhaps the internal audit shop will be able to do more work.

Mr. David Christopherson: It seems to me they should at least be aware that they're not doing things right rather than just—

The Vice-Chair (Mrs. Alexandra Mendès): Mr. Christopherson, I've given you a lot of leeway.

Mr. David Christopherson: Yes, you did. I appreciate it.

[*Translation*]

The Vice-Chair (Mrs. Alexandra Mendès): Mr. Arseneault, I'll give you seven minutes to compensate for Mr. Christopherson's speaking time.

Mr. René Arseneault: Seven minutes? Wow, what luck!

The Vice-Chair (Mrs. Alexandra Mendès): I'm using my discretion here.

Mr. René Arseneault: Thank you.

I'll share my time with my friend Chandra Arya.

I have questions for the witnesses from the three departments.

First, I have a practical question. When you need to restore falling or aging infrastructure, what's the order of priority for repairing all the infrastructure owned by your departments? Is it based on the number of people who visit the tourist attractions, or on historic significance in chronological order? Of all the infrastructure, which infrastructure are you prioritizing this year?

Let's start with Parks Canada.

Ms. Joëlle Montminy: Thank you for your question.

Mr. René Arseneault: I'm thinking of my Kouchibouguac Park.

Ms. Joëlle Montminy: In 2012, we conducted an assessment of all the sites, buildings and properties, while taking into account a number of factors.

The Vice-Chair (Mrs. Alexandra Mendès): I must interrupt you because we're being called to vote.

[*English*]

Are you all in agreement that we stay until 10:20? We have a vote. The bells are ringing.

An hon. member: The bells just stopped.

The Vice-Chair (Mrs. Alexandra Mendès): Was that just the opening?

Sorry.

[*Translation*]

Mr. René Arseneault: Is the order of priority for repairing your infrastructure and assets based on their historic significance or on the number of tourists?

Ms. Joëlle Montminy: We take into account a number of factors, including the safety of the public and our employees, the number of tourists and the visitor experience. Of course, we also take into account the historic significance of the sites.

Mr. René Arseneault: Okay.

What about your department, Ms. Thomas?

[*English*]

Ms. Jody Thomas: In our case we prioritize on three criteria: health and safety, compliance—environmental compliance, as an example—and then operations. We have almost zero. There are a couple of museums that have a tourist value. The majority of our buildings are, of course, on bases, many of them quite remote, so it's health and safety, compliance and then operations.

[*Translation*]

Mr. René Arseneault: Okay.

How does your department proceed, Mr. Stringer?

[*English*]

Mr. Kevin Stringer: It's very much the same at Fisheries and Oceans. It really is operational, starting with safety and security, health and safety, and then operational considerations for what we need it for and the life-cycle management of the active facilities we have.

With respect to heritage issues, when it is a heritage building, as we've said before, we will be guided by our guidance in terms of what we can do and what we must do with respect to those heritage buildings as well.

• (1005)

[*Translation*]

Mr. René Arseneault: I have a rather difficult question that's bothering me.

The Vice-Chair (Mrs. Alexandra Mendès): Mr. Arseneault, I'm very sorry, but I must interrupt you. We need to vote in half an hour.

[*English*]

Would committee members agree that we stay until 10:25 to finish?

Okay. Thank you.

[*Translation*]

Mr. René Arseneault: Thank you, Madam Chair.

I gather, from what we've heard, that your departments are already responsible for a great deal of infrastructure, including monuments, buildings, places, sites and so on.

In small communities, both urban and rural, it's relatively easy to have historic monuments designated. One reason is that the municipalities don't have the means to take care of the monuments. As soon as the municipalities have the monuments designated as national heritage, the municipalities are relieved because another organization will take care of the monuments. That's my impression, and I may be wrong. I would like you to talk about this.

In short, the government is expanding its stock of infrastructure when it may not have the means to maintain its current infrastructure.

I want to hear from the Parks Canada representatives.

Ms. Joëlle Montminy: You're talking—

Mr. René Arseneault: I'm sorry, my question is for the Department of National Defence or Fisheries and Oceans Canada.

[*English*]

Ms. Jody Thomas: I guess my short answer is that yes, assets are growing. The cost to maintain them is increasing. I wouldn't want to speak to whether it's too easy to designate a property or not. That is being studied.

But Treasury Board is leading a horizontal review of infrastructure for just the reasons you have raised.

Mr. René Arseneault: In two words, what could be the criteria to designate something as being part of Heritage Canada?

Ms. Jody Thomas: I'm not sure you want Defence to answer that.

[*Translation*]

Mr. René Arseneault: Okay.

What about at Parks Canada?

Ms. Joëlle Montminy: You're talking about another type of designation. You're not necessarily talking about property belonging to the federal government. Are you talking about other heritage places?

Mr. René Arseneault: No, I'm actually talking about monuments or buildings—

Ms. Joëlle Montminy: —that belong to the federal government?

Mr. René Arseneault: No, not at all. I'm talking about monuments or buildings that belong to the communities.

Ms. Joëlle Montminy: In that case, it's something else. The Historic Sites and Monuments Board of Canada is responsible for the designation.

Mr. René Arseneault: Is isn't your responsibility.

Ms. Joëlle Montminy: It's our responsibility, but it's another type of designation.

Mr. René Arseneault: Mr. Arya, I'll give you the rest of my time.
[English]

Mr. Chandra Arya: Quickly, I want to ask two questions, one to the Auditor General's office. The policy on management of real property was revised in 2006, which in turn replaced the Treasury Board heritage buildings policy that was last revised in 1998, I think, or 1996.

Did you find there were any changes made in the heritage designation for properties in this newer policy?

Mrs. Susan Gomez: From the perspective of our work and what we look at, there hasn't really been a major change in the framework.

Mr. Chandra Arya: I have a very short amount of time left.

This particular change in 2006 replaced 13 different policies all related to real property. Now, Treasury Board, as you say, is again revising this. Once again, if there's a comprehensive review, then heritage may be a small part of the total infrastructure.

I think the committee has to make some specific recommendations. My first question is, instead of having 40 years to look at the property to see whether it can be designated as a heritage property, what if we replace that 40 years with 100 years?

I would like a quick response.

The Vice-Chair (Mrs. Alexandra Mendès): Mr. Nadler, we will have to leave that to you.

Mr. Michael Nadler: Sure.

I think part of the assessment is what is the appropriate duration. One hundred, 50, 70, all of them may in a sense be arbitrary unless they are accompanied by good, solid evaluation criteria that are focused on the heritage value of the property.

Age is only really one dimension of the consideration.

Mr. Chandra Arya: [Inaudible—Editor] of properties.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you, Mr. Nadler.

Mr. Michael Nadler: Yes, absolutely. As my colleagues have mentioned, you can have a very old building that actually has very limited heritage value, or a younger building that has very high heritage value. It's really important to ensure that what we're assessing is the actual heritage value of the property.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

We go back to Mr. Kelly for five minutes.

Mr. Pat Kelly: Thank you.

For the departments that we have here, there is a real difference between Parks Canada, whose purpose is the preservation and conservation of things like buildings and monuments, and other departments. For the others, this is a by-product of simply accumulating assets over time and not something calculated by a particular department. They just wake up one day and find they've had an old building designated as a heritage place.

Of course, there are departments that are not here today, too. We identified Fisheries and Oceans and Defence merely because of the numbers, but there are other departments not represented here today that face the same issue.

I note in the report that the finding in paragraph 2.49 talked about how Defence and Fisheries and Oceans do not differentiate in how they earmark their money between heritage and non-heritage properties. Can you maybe comment on this? The point of its being a heritage property is that there are added complications to preserving a building and a priority to do so, in fact. With a non-heritage building, you're free to do whatever you wish with it, but non-heritage buildings have to be preserved, too. Deferred maintenance on a building just adds further costs later on. We need look no further than the Hill here to see what decades of neglect will do.

Perhaps comment on this. To both of these departments, do you plan to differentiate and budget differently for this, or are you going to continue to merely treat assets the same and to do a better job of keeping data on your requirements?

• (1010)

Ms. Jody Thomas: It's a complex subject, there's absolutely no doubt. As I've said, the portfolio of our infrastructure is worth about \$26 billion. Certainly, we don't have the kind of money we need to maintain to the standard that we should a portfolio that large. We will continue to try to focus on ensuring that heritage buildings are conserved and maintained, but our priorities will always be health and safety and compliance and operations, as we said.

I will note that, over the last three years, we have spent \$220 million on maintaining specific heritage buildings that have come up in the list: Halifax North Park Armoury, the Wolseley Barracks in London and Admiralty House at the Naval Museum in Halifax. We are investing in heritage buildings, and all of these buildings we're investing in are in active use. Of the entire portfolio, only 3% of buildings, including heritage buildings, aren't being used. We invest in an armoury, and we invest in a runway, and it's where it comes up in the priority.

Mr. Kevin Stringer: I have a similar response, but I'd add a couple of points. First, similar to what you've heard, we are driven by our core mandate. In terms of where real property monies go, in terms of life-cycle management, in terms of safety and security for staff, etc., we're talking about people who work in our science labs and people who work in hatcheries. Those are operational requirements. Some of those are heritage buildings; some of those are not.

Secondly, when it comes to heritage buildings, we know where they are. We know what they are. We know the care they need. We have guidance from Parks Canada about how that is different and how to manage that, so that is always a factor for us.

The third thing I would say is, despite those two points and consistent with the point that was raised earlier, it takes up a lot of space in the department. There is a focus on some of those heritage buildings. Local, regional staff in particular, are committed to working with local stakeholders. There is an enormous effort in terms of divestiture in making sure that those are protected by people in the local area who care enormously about them. There's a grants program to assist them to be able to take over the responsibility for the heritage site.

It does get care and attention, but at the end of the day, it is the core operational department's mandate that drives our decisions on real property.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you very much.

Mr. Chen.

Mr. Shaun Chen (Scarborough North, Lib.): Thank you, Madam Chair.

If I had to venture a guess, I would say that most Canadians would be quite shocked to hear what has been shared in this committee today, and to read the Auditor General's report. Most Canadians would find a lot of pride in knowing there are sites of national importance, and heritage buildings that are identified as important to Canada and to Canadians, and they would be shocked to hear that these sites and buildings are not being properly conserved.

I want to pick up on a few points and, quite frankly, I don't know where to start, because there's just too much here that I want to look into.

When it comes to, for example, the two departments, where, as one of my colleagues pointed out, maintenance decisions were based on operational needs, I certainly can appreciate that if a building is being used, you need to consider first and foremost the health and safety of the users. With that said, it sounds to me like departments are left on their own to decide how much they invest or not in conserving heritage properties. It sounds to me like there's a federal policy that really only mandates that heritage buildings are kept by those particular departments if they are required for operations.

Can the Auditor General's office give me a better indication of who is ultimately responsible, or mandated to be responsible, for conserving heritage sites that are identified as such? To me, it makes no sense to have a site designated a heritage building, or one of national importance, and then to do nothing to conserve it. Why bother?

• (1015)

Mrs. Susan Gomez: Once the building is designated—for example, if Defence has a designated building—it is National Defence's responsibility to take care of it. They can consult with Parks Canada for advice if they want to do renovations. However, at the end of the day, it is within their portfolio, and they are the ones who take care of it.

Mr. Shaun Chen: They're the ones to take care of it. Under the Financial Administration Act, they must submit buildings that are over 40 years old to be evaluated and considered. Once a building is designated heritage, they can then decide whether or not to make sure it's properly conserved and maintained. Is that correct?

Mrs. Susan Gomez: Well, it's for operational requirements. As has been mentioned previously, they maintain a building if they're going to use it for their operations. They take into consideration the heritage aspects of it, but it is their responsibility.

Mr. Shaun Chen: It was mentioned earlier that over successive governments, there really was not enough investment into ensuring that the long-term capital needs of these buildings are being provided for. Can you mention the investments that have been made most recently, and whether the Auditor General's office was able to determine if those were sufficient for the long-term needs of these buildings and sites?

Mrs. Susan Gomez: We didn't look at whether there was sufficient funding. As we mentioned in the report, Parks Canada had some money provided, but there was a deficit, so they weren't able to address all the backlog. We didn't look at whether they had sufficient funds.

Mr. Shaun Chen: I did hear that money was a major concern, as has been reiterated by Mr. Christopherson. I just want to read paragraph 2.76 again, in the conclusion of this report:

We concluded that Parks Canada, Fisheries and Oceans Canada and National Defence did not work sufficiently to conserve the heritage value and extend the physical life of federal heritage properties. They did not have a full picture of their heritage properties; for example, information on the condition of their heritage properties was not current.

What is the solution here? It might be a rhetorical question, but I'm trying to figure it out here. They're working hard to catch up with having an understanding of what properties are under their department. Simultaneously, they're the ones responsible. This problem has been looked at since 2003, with the first report, the 2007 report and now this report. It just feels like déjà vu.

• (1020)

The Vice-Chair (Mrs. Alexandra Mendès): Thank you, Mr. Chen.

Now for the last word, as usual, you have three minutes, Mr. Christopherson.

Mr. David Christopherson: Thank you, Chair.

First of all, Mr. Stringer, I really appreciate your answers and your passion for your file. You know your file. You give enough push-back when we, especially me, go a little too far in not getting the facts right. It was very respectful and very forward-looking. I really appreciate your presence here today. You've done a good job. Thank you.

Only 3% are non-active on the Defence side, and as somebody who has an armoury and is very proud of it, I'm... You could have easily held up a paper and said, "You know, we just put x number of dollars into Hamilton Centre", because I've probably benefited, and there are probably letters on record from me saying, "Hey, we need this kind of work done", and it comes under operational more than heritage.

I get all of this, which is why I think we need to do that larger overview. I have two really brief questions. One is just a factual question. Is there any jurisdiction or any money put in for aboriginal heritage preservation, or is that all left to the other department?

Mr. Rob Chambers: We don't have a dedicated program for indigenous heritage, but we have a lot of ongoing relationships with a number of indigenous communities where we do engage in that kind of partnership. For example, we're working with Treaty 1 first nations in Winnipeg with the Kapyong Barracks on an indigenous military history project.

Mr. David Christopherson: Were it to cross over to your responsibilities.... But what about just ponying money right up front for heritage? Do we recognize anywhere that there's aboriginal heritage that goes beyond what's around us right now?

Mr. Nadler, quickly, and then I have one last question.

Mr. Michael Nadler: Yes. There are a number of national historic sites across the country that reflect indigenous heritage. Some of those are managed by Parks Canada, and others by indigenous communities or other—

Mr. David Christopherson: Those are on their lands?

Mr. Michael Nadler: Yes, they are on their lands and on reserve lands—

Mr. David Christopherson: Thanks. It's an important part of our history.

My last question is open-ended. Drawing on my experience.... I've been here before, municipally, provincially and now federally, and it's always the same thing. The community wants to save them; the citizens want to save them; and the local government or the government—in whatever order—just doesn't have the means.

Does it make any practical sense for any of the political parties, or all of them, to put forward a platform for some kind of coordination in the next election? With all due respect to provincial jurisdiction and municipal rights—and again I've been there, and nobody

embraces those more than I do—the buildings that we're talking about are in the same place, whether we're talking about the municipal government, the provincial government or the federal government. The building is still in the same place. It's the same one building.

Is there any chance that we could have national, coordinated—not forcing anybody, and respecting rights—efforts so that all three entities that want to preserve a given entity could partner in that? Does that exist right now and it's just not working, or is what I'm suggesting just not practical?

The Vice-Chair (Mrs. Alexandra Mendès): Mr. Nadler, go ahead, and then that's it.

Mr. Michael Nadler: Sure. In fact, your observation reflects observations made by your companion committee, the environment and heritage committee, in their recent report.

We are presently doing research and assessment based on the recommendations that reflect your observation. There is a modest national cost-sharing program managed by Parks Canada, so there is some relief for communities that are managing these places. The notion of tripartite or multipartite management of these sorts of sites is a good one and we're exploring it.

The Vice-Chair (Mrs. Alexandra Mendès): Thank you all very much.

We would like to remind you, Mr. Nadler, if you don't mind, to provide us with the list of sites that may be closed for safety reasons.

Thank you all for your participation. Thank you, colleagues. I think this was another robust meeting.

The meeting is adjourned.

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