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Vice-Chair

Ms. Yasmin Ratansi

Standing Committee on Government Operations and Estimates

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• (0845)

[English]

The Vice-Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)): Ladies and gentlemen, please take your seats.

Minister Brison, welcome to the committee. I understand you have some opening remarks. Before you start, can you introduce the people who are with you?

We will have Minister Brison for the first hour, and then Minister Brison will be leaving us and we will have the Public Service Commission and the Treasury Board both at the table for the second hour.

Minister Brison, I hope your remarks are limited to 10 minutes.

The Honourable Scott Brison (President of the Treasury Board): Thank you, Madam Chair. I'm delighted to be with you again at this committee.

On a personal note, I spoke yesterday to Tom Lukiwski. I had given him a call last week to check in, and we had a nice conversation yesterday. He assures me that he looks forward to returning. He's having a good recovery. I know we all feel the same way, that we wish him godspeed in his recovery and look forward to seeing him back in this place.

Madam Chair, it's great to see you here today. I'm delighted to be joined here today by Joyce Murray, our parliamentary secretary; Yaprak Baltacioglu, the secretary of the Treasury Board of Canada; Renée LaFontaine, the chief financial officer; Marcia Santiago, the executive director of the expenditure management sector; and Brian Pagan, who is not just the assistant secretary of the expenditure management sector but also the president of the Ottawa Senators fan club.

We have wonderful public servants in the Government of Canada, and we have some really great ones at Treasury Board, but I wanted to dissuade you from any notion that they're just a bunch of boring bean-counters, because they are living, breathing sports fans who feel quite passionately about other things besides budget and estimates processes.

Madam Chair, I'm pleased to be here with members of the committee to discuss the 2017-18 main estimates.

[Translation]

I've had the pleasure of appearing before this committee a number of times in my role as President of the Treasury Board and, as you

have commented before, I feel like an honorary member. More than that, I value the hard work that goes on here because it is important to the sound finances of the country.

[English]

As you know, on February 23, the Government of Canada tabled its 2017-18 main estimates. These main estimates provide—

The Vice-Chair (Ms. Yasmin Ratansi): Minister, there seems to be a translation problem. However, you're speaking English at the moment, so we're fine.

Continue.

• (0850)

Hon. Scott Brison: I apologize to the translators. It's been said that I speak French with a Nova Scotian accent, but that's only fair, because I speak English with a Nova Scotian accent as well.

The main estimates provide information to support the government's request to Parliament to approve \$257.9 billion in spending to deliver programs and services in the fiscal year starting April 1, 2017. This includes \$102.1 billion in planned voted expenditures and \$155.8 billion in statutory expenditures. The voted expenditures include funding for the priorities outlined in budget 2016, including more than \$7 billion in new funding for infrastructure. Through these main estimates, the government continues to make important investments in the priorities of Canadians—jobs, growth, innovation, infrastructure, communities, and post-secondary education. These are part of our plan to grow and strengthen Canada's middle class.

Just a word though on the process, as you know, the main estimates reflect spending proposals that are already planned and represent “up to” amounts. They are required, under the House of Commons Standing Orders, to be tabled by March 1 each year. They usually precede the Minister of Finance's budget for the same year. In fact, if you go back to 1995, 75% of the time the main budget appeared in the February-March period. Therefore, new initiatives announced in budget 2017 are included in future estimates.

[Translation]

Let me add that we appreciate that oversight of government spending is one of the most important roles of parliamentarians. To do that, they need access to accurate and timely information, which is what the government's vision for estimates reform is all about.

[English]

Just to recap, Madam Chair, our four-pillar plan to modernize, improve, and strengthen the budget estimates process includes changing the timing of the main estimates; addressing the differences in scope and accounting methods between the budget and the estimates in terms of cash and accrual accounting and reconciliation; making it easier for MPs to connect the money we vote for with the program it's being used for in terms of program-based budgeting; and improving how government reports on the resources it uses and the results it achieves—results-based reporting.

To that end, we have taken another step towards improving the reporting process with the tabling of the 2017-18 departmental plans, which replace the previous reports on plans and priorities. Departmental plans provide details on an organization's mandate, commitments, and priorities and provide links to related resource requirements in the main estimates. They form the baseline against which organizations track and report on their year-end performance through the departmental results reports, which were previously known as departmental performance reports.

Fiscal year 2017-18 is a year of transition in how organizations set out their performance goals for the coming year, and the financial and human resources required to achieve them. Next year, the departmental plans will provide even more pertinent information on planned spending, expected outcomes, and the actual results achieved.

At the same time, we're increasing and enhancing information available on TBS InfoBase. That's the searchable online database that provides financial and human resources information on government operations. While improvements take time, I'm pleased to say that we're already providing an unprecedented level of financial information and planned results on it at this point, and we plan to improve the searchability of information going forward by introducing new features.

This speaks to our government's and Treasury Board's commitment to evidence-based decision-making and consistent and regular measurement of results. Continued development of simplified and effective reporting processes will better allow Parliament and Canadians to monitor the government's plans and progress on delivering real change to Canadians.

Madam Chair, when it comes to departmental plans, as you know, we introduced a new Treasury Board policy on results to improve how government reports on the resources it uses and the results it achieves.

Given that TBS has three reporting structures over the 2014-15 to 2019-20 reporting period, it's difficult to make direct comparisons on a year-to-year basis, so we have developed a reconciliation, a crosswalk, which was provided to the committee, and that helps enable parliamentarians to understand changes year over year. It does this by reviewing previous years' performance against our new departmental results framework. This provides better year-to-year comparisons, ultimately improving transparency to Parliament.

I'd like to now turn to the portion of the main estimates that applies to my department—or our department—specifically.

Treasury Board Secretariat is seeking Parliament's authority for \$6.5 billion in planned spending. That's a decrease of \$28.9 million from the previous main estimates.

Most of this roughly \$6 billion is for supporting government-wide expenditures for which we're responsible as the government's expenditure manager and the employer of the public service. To put it in context, for 2017-18, TBS is forecasting expenditures up to the following amounts: \$222.9 million for our own programs; \$2.4 billion for public service insurance; \$3.6 billion in government-wide votes that support departments and agencies across government; and \$367.2 million in statutory appropriations.

Madam Chair, the Government of Canada is delivering on its commitments to Canadians in a way that is open, transparent, and accountable. We will continue to strengthen the culture of results, measurement, evaluation, and innovation as we push forward to achieve greater transparency, openness, and accountability, and while we also push forward with our plan to invest in Canadians and in communities to grow the economy and support the middle class.

● (0855)

Thank you, Madam Chair. I look forward to engaging with the committee members.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you, Minister.

We'll move to our first round of questions.

[Translation]

Mr. Ayoub, you have the floor for seven minutes please.

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

Thank you, Mr. Brison and members of the committee.

To get to the heart of the matter, Mr. Brison, the 2017-18 Main Estimates provide \$7 billion in spending for new infrastructure, which you told us about.

Could you provide the committee with more details about this infrastructure spending and explain how it is related to the government's priority of investing in Canadian communities and growing the economy? Can you outline what is planned?

Hon. Scott Brison: First of all, you are correct in saying that our government's priority is to invest in infrastructure, and it will do so with an investment of \$7 billion. That includes \$1.3 billion for investments in the federal infrastructure of 23 organizations, including Fisheries and Oceans Canada, National Defence, Parks Canada, the Canada Science and Technology Museum, the National Arts Centre Corporation, and many other organizations. It also includes a further \$3.2 billion in investments for public transit and green infrastructure, to ensure that Canadian communities can live and work in healthy and productive environments, and to help fight climate change.

There are other investments, but you asked about the Infrastructure Bank. I am confident in the fact that we are following the trend seen in other countries such as Australia, England, and many others around the world. These countries attract investments from pension funds in order to improve their infrastructure.

Canadian pension funds have in fact long been leaders in infrastructure investments around the world, including in Australia, England, and Latin America. Canadian pension funds have been used for a long time to improve living conditions in communities elsewhere, but not in Canada. We think it makes sense to use Canadian pension funds and global funds to invest here to improve living conditions in Canadian communities. Australia and England have been successful in this regard, and I am confident that our model will also be a success.

Our government will continue to invest public funds, such as the funds we are discussing here, as presented in the 2017-18 Main Estimates. That said, this is not enough to meet infrastructure needs in all parts of Canada. So it makes sense to involve investors in this undertaking and to attract global pension funds to our country.

• (0900)

Mr. Ramez Ayoub: I'm sorry to interrupt, Mr. Brison, but I must do so even though I know that you could continue talking about this for a long time.

I have a more specific question. According to the budget, infrastructure investments will boost GDP by 0.4% in 2017-18. Has that been considered in preparing the budget? Does the Treasury Board Secretariat consider economic indicators to guide infrastructure investments?

Hon. Scott Brison: We work very closely with the finance department, which is responsible, together with Treasury Board, for our budget systems. We consider economic growth, working closely with the finance department.

The infrastructure investments will clearly stimulate economic growth here, in Canada, and elsewhere. The global economy is still fragile. So it is very important to continue making major investments in the community in order to create conditions favourable to stronger economic growth and greater competitiveness.

Infrastructure investments will certainly boost our economic growth, both now and in the future.

Mr. Ramez Ayoub: Thank you.

[English]

The Vice-Chair (Ms. Yasmin Ratansi): You have 45 seconds.

[Translation]

Mr. Ramez Ayoub: I do not have very much time, but I would ask you to tell us quickly about the Department of Veterans Affairs. From our budget, it is clear that we want to give more. Veterans Affairs is a sensitive department. We are sometimes criticized by the other side for not investing, not giving the department enough, and not treating our veterans well.

I can see, however, that the department's budget has in fact been increased to ensure that services are provided to veterans.

Can you provide a few details quickly?

[English]

The Vice-Chair (Ms. Yasmin Ratansi): You've just used up your 45 seconds.

We are now going to Mr. Nater.

Welcome to the committee.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Madam Vice-Chair.

It's good to be here.

I am filling in for Mr. Lukiwski, but I certainly can't fill his role. He certainly will be missed until he returns, and we hope that will be sooner rather than later.

• (0905)

The Vice-Chair (Ms. Yasmin Ratansi): I'm not doing such a bad job, am I?

Mr. John Nater: You're doing a wonderful job, yes.

Thank you to the minister and to the departmental officials.

I hate to start on a negative note, but there is the issue of cultural sensitivity. There are Leafs fans, Oilers fans, and Habs fans on this committee, so perhaps an update on the TB policies on cultural sensitivity may be in order.

Hon. Scott Brison: I'm a Habs fan.

Mr. John Nater: Habs, okay. Very good.

I had the opportunity earlier this week to sit in on the Standing Senate Committee on National Finance, where Mr. Mendelsohn, the deputy secretary to cabinet for results, appeared. He spoke a fair bit about the work that you, as minister, and the Treasury Board Secretariat are undertaking to improve reporting outcomes to Canadians, and to parliamentarians as well.

I was hoping you might be able to provide this committee with the Excel spreadsheet of the performance targets for the 400 or so government programs that currently exist. Specifically what we're looking for are the indicators and results for the 2015-16 and 2016-17 years for all departments, agencies, and crown corporations.

Am I to understand that such a document exists? I was hoping that you could share that through the clerk with the committee.

Hon. Scott Brison: Thank you very much.

That's not a negative note at all. Actually, it's a very positive note. We launched the policy that Mr. Mendelsohn was referring to, our results policy, last July.

What we are doing is quite different. In the past, there was reporting, but it wasn't necessarily the clearest reporting in terms of being pertinent, useful, and clearly reflecting what departments and agencies were doing and the results.

Our new reporting, Mr. Nater, is focused on three things. First is that departments and agencies, through their DRFs, delivering results frameworks, clearly indicate what they do. It is important to understand clearly what they're doing. Second—

Mr. John Nater: Can I just—

Hon. Scott Brison: Second is why they're doing it, and third, the results.

We also want to move not just on engaging and providing information to you, but also to Canadian citizens. That's where we're moving.

Mr. John Nater: That's great, but could we get that spreadsheet with the 400 government programs shared with the committee?

Hon. Scott Brison: Again, in terms of the broader policy, we're moving forward with unprecedented reportage to Parliament. It's not just information, but useful information, useable information, digital information—

Mr. John Nater: No. I understand that, but specifically, could we get that spreadsheet shared with the committee?

Hon. Scott Brison: Brian may have something to add to that.

Mr. Brian Pagan (Assistant Secretary, Expenditure Management, Treasury Board Secretariat): Thank you, Minister, and thank you for your question.

As the minister mentioned, under the new results policy, departments are now providing us with the indicators and results expectations for their program activities, their departmental results frameworks. Those have been compiled individually by departments and provided to us. We have loaded those in our online reporting tool called TBS InfoBase. It's available to the committee, and to Canadians, to access indicators by department or for the whole of government. It will take some time for us to turn that back into an Excel spreadsheet, but we can do that and report back. It is available to you online, though, through TBS InfoBase.

Mr. John Nater: I think we may be on different pages here. As I understand it, there is currently an Excel spreadsheet.

Ms. Yaprak Baltacioglu (Secretary of the Treasury Board of Canada, Treasury Board Secretariat): I think you're asking for the whole results of the departmental results frameworks. The departments have until next November to prepare them. They're not fully done.

Mr. John Nater: No. I'm looking for the indicators and results for 2015-16, 2016-17. I'm told that such a document does exist.

Hon. Scott Brison: I'm glad to have the conversation with Mr. Nater, but the new results policy was introduced a little less than a year ago. As to the previous years, we'll provide you with what information we can.

Mr. John Nater: Okay, we'd appreciate that.

Hon. Scott Brison: We'll do the best we can.

Mr. John Nater: Could you do that within two weeks or so?

Hon. Scott Brison: Let's make sure we're providing what you need.

Mr. John Nater: If we can follow up on that—

Mr. Brian Pagan: Do you mean for 2015-16 or for 2017-18?

Mr. John Nater: I meant 2015-16 and 2016-17.

Mr. Brian Pagan: Do you want the indicators or the actual results?

Mr. John Nater: I'd like the indicators and the results.

Mr. Brian Pagan: Okay.

● (0910)

Hon. Scott Brison: Some of that would have been under the previous regime's framework.

Mr. John Nater: Certainly.

Moving on, then, I want to talk a bit about performance targets. Is there a policy you could share with the committee on how those are established? I'm sure it's evidence-based. Could you share a little bit of that, of how you establish performance targets?

Hon. Scott Brison: Each department is now developing indicators, some of which are qualitative. For most, though, the objective is to quantify, with indicators, the objectives as well as the results.

In the U.S., under the Obama administration, there's a website named performance.gov. I am very inspired by that kind of public reportage, which the U.K. has done as well. It is our desire to do more public reportage, not just to parliamentarians but also to Canadians.

Mr. John Nater: Is there a policy framework in place now that helps...?

Hon. Scott Brison: Yes. In fact, what I'd like to do sometime, if you'd like, Madam Chair and committee members, is to come back and talk about the results policy, which I think is something that's probably overdue. We've had some overviews of it, but I'd like to come back sometime and actually go through the results policy. It is something that intends to drive better results and more public reporting.

Mr. John Nater: In the meantime, could you elaborate on what happens when a program fails to meet a performance target? What's undertaken by Treasury Board or by the secretariat?

Hon. Scott Brison: We work very closely—

The Vice-Chair (Ms. Yasmin Ratansi): Actually, you've run out of time.

Hon. Scott Brison: If I may, Madam Chair, I'd like to come back sometime and talk about this because it's something that's important to all members of Parliament and to Canadians. If a department or agency is falling short of its objectives, I think there's merit—and you'll see this in the U.K. and the U.S. models—in public reportage of this.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Mr. Weir.

Mr. Erin Weir (Regina—Lewvan, NDP): Thank you for being here, Minister Brison.

As you know, there are still tens of thousands of federal employees who have pay problems, and now tax problems, as a result of the Phoenix boondoggle. You and other cabinet ministers have formed a task force to try to finally fix Phoenix. I'm wondering, how many times has that task force met?

Hon. Scott Brison: The Phoenix pay system issue is one with which we are seized as a government. It is one that engages every department and agency.

When the implementation of the Phoenix pay system occurred, there was a letting go of about 700 pay or pay—

Mr. Erin Weir: With respect, Minister Brison.

Hon. Scott Brison: Sure.

Mr. Erin Weir: I'm just trying to find out how many times this task force has met. You're on it.

Hon. Scott Brison: In the past we met and had meetings and/or had calls, I believe, four times in the last period. We are having discussions as cabinet, members of that committee, on an ongoing basis.

What's really important from this terrible situation is to learn in terms of the future. When you're implementing an enterprise-wide IT solution, you ought to maintain the legacy system during that period until the new system is working well.

Mr. Erin Weir: Why didn't your government do that? There were all sorts of problems with phase one of Phoenix—

Hon. Scott Brison: It was actually the previous government.

Mr. Erin Weir: —and you ploughed ahead with phase two.

Hon. Scott Brison: The previous government laid off 700 pay professionals to try to save \$70 million to contribute to an illusory surplus on the eve of the election.

I can tell you—

Mr. Erin Weir: I share that criticism of the previous government

Hon. Scott Brison: —when we get this fixed, it will cost more.

Mr. Erin Weir: Given that the previous government made that bad decision, why did your government go ahead with the implementation of Phoenix?

• (0915)

Hon. Scott Brison: Well, in fact, the previous government did actually lay off those people.

Mr. Erin Weir: Indeed.

Hon. Scott Brison: It put us in a situation where we needed a pay system, but, for all intents and purposes on the human resource perspective, they had really gutted the previous legacy system, which was important.

In terms of what we are doing, and in fact, your minister from Saskatchewan...

Mr. Erin Weir: My neighbour MP, yes.

Hon. Scott Brison: Your neighbour MP Ralph Goodale is the chairman of that committee. We are working closely with him. Treasury Board is working closely with him, but also with other ministers. We are working closely with the unions representing the public service.

Mr. Erin Weir: Of these cabinet ministers, who's going to ultimately be accountable for Phoenix?

Hon. Scott Brison: We are the government and we take our responsibilities to fix this seriously. It is something to which we are committed.

Mr. Erin Weir: If by some point in the future, Phoenix is still a mess, are all six of you going to resign?

Hon. Scott Brison: We are committed to fixing Phoenix, Mr. Weir.

We are, in good faith, working very hard and exhausting all options to fix what is a very complex and difficult challenge operationally.

I can tell you—

Mr. Erin Weir: Indeed. In doing that—

Hon. Scott Brison: Mr. Weir, if it were simple, it would have been fixed by now. It's not. It's a big problem. It's one to which we are absolutely committed. We have a moral responsibility to pay our public servants on time and accurately.

Mr. Erin Weir: I completely agree, and in trying to address this big problem, your task force is going to spend up to \$140 million. I'm wondering if you could tell us how that figure was arrived at.

Hon. Scott Brison: It's going to take significant investments. There are investments obviously in IT and systems, but also in the inputting and management of that data and the people required to do that. We have increased resources through satellite offices. We've increased resources in Miramichi. We have increased resources in departments and agencies. We will continue to do that.

Mr. Erin Weir: Can you provide a breakdown of the \$140 million between those different uses?

Hon. Scott Brison: In fact, there will be more investments to doing this, and I can tell you the investments reflect both the human resource and the IT challenges.

I want to come back, Mr. Weir. Where you and I are on the same page is that there is an absolute commitment to fixing this. This is one that our Prime Minister shares—

Mr. Erin Weir: Is there a commitment to providing a breakdown of this \$140 million? Is that something you can provide to this committee?

Hon. Scott Brison: —and we will back it up with the resources that are required to do this.

Mr. Erin Weir: Is that something you are prepared to provide to this committee, a breakdown of this \$140 million? It struck me that the government is saying that Phoenix was supposed to save \$70 million a year, and that's only going to use up two years of savings. I hope there's some methodology that's more convincing than just multiplying \$70 million by two.

Hon. Scott Brison: I can assure you that we are making the kind of strategic investments that we believe will help fix this, but it is very clear. From the outside looking at Phoenix, and the situation, it may look simple to you. I can tell you it's not.

Mr. Erin Weir: I think it's a very complicated problem. That's why I'm asking about it.

In particular, I'm wondering if you're going to be able to come back to the committee with a breakdown of how this \$140-million figure was calculated.

Hon. Scott Brison: First of all, in terms of the investments we're making, we will invest and we will continue to invest, and we will get this done.

Mr. Erin Weir: Okay.

Hon. Scott Brison: It has been, from a public policy and an operational perspective, a huge challenge.

Mr. Erin Weir: I appreciate that you might not have the numbers off the top of your head. That's fair enough. I'm just wondering, and I think this is, essentially, a yes or no question, whether you can come back in the next couple of weeks and give us a breakdown of that \$140-million figure.

Hon. Scott Brison: In fact, most of that money—

The Vice-Chair (Ms. Yasmin Ratansi): Minister—

Hon. Scott Brison: PSPC, as a department, is seized with this as one single department. That's where the Phoenix pay system rests. At Treasury Board, we are the employer, but PSPC operates the pay system. We work closely with them and we view our responsibility to work closely with them and to fix this, as the employer, as being very serious. But the specific operations of the Phoenix pay system rest in PSPC.

• (0920)

The Vice-Chair (Ms. Yasmin Ratansi): Thank you, Minister.

We now go to seven minutes, Ms. Shanahan.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you, Madam Chair.

[*Translation*]

Hello, Mr. Brison. It is always a pleasure to welcome you to the committee.

As you know, I am also a member of the Standing Committee on Public Accounts, and we are eagerly awaiting the auditor general's report, to be released in the fall.

My riding of Châteauguay—Lacolle is not known for having a lot of federal employees. That said, a surprising number of people have told me they were let go under the previous government and have been called back to deal with this problem. Everyone is getting down to work to try to sort this problem out.

My question, which is also a concern to my fellow citizens, pertains to the Canada child benefit. I note that the Main Estimates include a change in statutory spending, that is, a reduction in the universal child care benefit. That was the old program. Our government has in fact replaced it with the Canada child benefit to put more money in the hands of the families that need it. I am talking

about the real difference between fiscal measures and statutory measures.

Can you explain this change?

Could you explain more clearly to parliamentarians how this change in statutory spending can be compared to the fiscal measures that implement the Canada child benefit?

Hon. Scott Brison: Thank you very much for your question, Ms. Shanahan.

The universal child care benefit was a transfer payment included in the Main Estimates. The Canada child benefit, on the other hand, is delivered through the tax system. Fiscal spending is not included in the Main Estimates.

The Main Estimates tabled in May, after the budget, would include the table reconciling the planned spending for 2017-18 with the forecasts in Budget 2017.

[*English*]

This is an example of the Canada child benefit. The new program is delivered through the tax system. It's a progressive measure that is phased out as family income goes up, whereas the previous universal program was delivered through program spending. As a result of that, they were accounted for differently. There is a confusion here that would be more easily explained if the main estimates followed the budget and there could be a reconciliation of those two.

In fact, the Canada child benefit has a significantly higher value. It's actually \$23 billion, and again, as a progressive measure it means, for example, that a single parent making \$30,000 per year with one child would be \$6,000 better off, tax-free, over the previous system.

Again, one of the measures, the universal one, was accounted for differently in terms of spending versus the tax-based approach of the Canada child benefit, a progressive tax-based approach.

Mrs. Brenda Shanahan: Thank you for that, Minister.

I can certainly attest to the comments I've had from citizens in my riding, appreciating that they didn't get any nasty surprises at tax time. The money they received in their bank account they get to keep for their families.

Continuing on that theme around the difference between statutory and other types of spending, in 2017-18 Treasury Board is anticipating a \$103-million decrease in its statutory forecast from the amount presented the year before. This decrease is due mainly to an adjustment to the employer contributions made under the Public Service Superannuation Act and other retirement legislation, and the Employment Insurance Act.

Could you or a member of your team talk to us about what the legislative amendments are behind this decrease in statutory expenditures, and what percentage of this forecasted decrease is due to an adjustment to the employer contributions? Talk to us a little bit about that.

• (0925)

Hon. Scott Brison: I'm going to ask Renée to answer that specific question. It's in her wheelhouse.

Mrs. Brenda Shanahan: Excellent.

Ms. Renée LaFontaine (Assistant Secretary, Corporate Services Sector and Chief Financial Officer, Treasury Board Secretariat): Thanks very much for the question.

In terms of the statutory payments that are made each year to make sure the public service pension plan is financially sound, there are really two types of inputs that go in. They are what the employees contribute through their paycheques, and what the employer pays in terms of their fair share of the service costs to maintain the pension plan.

In addition to that, we get actuary reports every couple of years. According to section 6 of the Public Pensions Reporting Act, those actuarial reports have to come to us. Right now our pension plan, from a financial sustainability perspective, is in a bit of a deficit, and, over years, we have been paying these lump sum annual payments to the deficit.

The last actuarial report that was provided to us and was tabled in Parliament on January 25, 2016, actually said we've been doing well in paying down these actuarial deficits and they have actually reduced the amount we have to pay by \$103 million a year.

That's the explanation.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

We now go to the five-minute round.

Monsieur Clarke.

[*Translation*]

Mr. Alupa Clarke (Beauport—Limoilou, CPC): Thank you, Madam Chair.

With regard to the Phoenix fiasco, there are new excuses every month. If half the energy and time spent on blaming the previous government had been spent on finding practical solutions quickly, perhaps we would not still be talking about this today.

I would like to share with my fellow committee members a conclusion from an internal report by S.i. Systems, which was submitted to Public Services and Procurement Canada, or PSPC, in January 2016. It is similar to the Gartner report, which you commissioned in February, Mr. Brison. The internal report submitted to the department stated that all the necessary employees were working in Miramichi and in other compensation sectors. The real problem, it said, was the backlog of cases that you would not acknowledge until March and April.

Now that we have a good idea of the scope of the problem, we know that the backlog is part of it. For several months, your government has come up with a new excuse, saying that the previous

Conservative government laid off 700 people. Moreover, as I said yesterday—and I would like Ms. Shanahan to hear this—, can you confirm, Mr. Brison, with due respect for your Liberal colleagues, that your government laid off 250 compensation experts from February to April 2016?

Hon. Scott Brison: Thank you for your question. Once again, it is the previous government that is responsible for laying off 700 compensation professionals who processed the pay in the public system. It was a bad decision, which left our government short of human resources for the implementation of this system.

I can assure you that dealing with this problem is a priority for our government. It is our responsibility as the current government. We take our responsibilities relating to this problem very seriously. And we will resolve it with the help of PSPC, all departments, and our departmental task force.

Let me reassure you that it is our responsibility as the government to resolve this problem and that we will resolve it.

• (0930)

[*English*]

Mr. Alupa Clarke: Thank you, sir. I understand that.

I just want to make clear an interesting parallel. Do you remember the election of 1984 when Turner said to Mulroney that he had no choice but to confirm those nominations?

Mulroney then told him—and that's when Mulroney won the election—that, yes, he did have a choice.

I know that you know perfectly well what I'm talking about.

Hon. Scott Brison: I was hardly born in 1984.

Voices: Oh, oh!

Mr. Alupa Clarke: I wasn't born.

Minister, what I'm getting to here is that the process of firing 700 people was perhaps started by us, but the 250 people who were fired between February and April are part of those 700 people. Your government should have stopped that, just like Harper did after the election when he said that we would postpone the firing of those 250 people and postpone the launching of the system because it wasn't ready and we needed those experts.

Your government decided, at the same time as it launched the Phoenix system, to fire those 250 people, so that their problems are on your back, not on ours. That's the reality, and Canadians need to understand that. When you say—because it's your third excuse in a year—that the problem is caused by a lack of employees.... You fired 250 people. You should at least confirm that to your colleagues.

Hon. Scott Brison: Let's be very clear that not maintaining a legacy system and the removal of 700 pay experts was a mistake of the previous government that enfeebled the implementation of the new system. Let's also be clear that—in fact, even as late as Monday of this week—we have appealed across the public service to current and past public servants with pay experience, the pertinent experience we need so that they can show up and help right now.

Currently, we're appealing to people to come in for overtime to work to help address this, and we're also appealing to past public servants. This situation is one that our Prime Minister and our government consider to be our responsibility to fix. We're the government, and we are working to fix this. This is a terrible situation.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you, Minister.

Hon. Scott Brison: And it's one, I can tell you, that going forward will have a huge impact on how our government, and I believe future governments, consider any enterprise-wide IT implementation.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you, Minister. Your time is up.

You have five minutes, Mr. Peterson. Thank you.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Thank you, Madam Vice-Chair, and thank you, Mr. Minister, for being here.

Mr. Clarke alluded to the 1984 election, and my guess is that you were probably cheering for Mr. Mulroney in that election, but we won't hold that against you.

Some hon. members: Oh, oh!

Mr. Kyle Peterson: It was back when the Conservatives were a Progressive Conservative Party.

Hon. Scott Brison: I might have even been putting in lawn signs.

Mr. Kyle Peterson: In any event, I want to just continue on Phoenix and let you elaborate on the points you were trying to make.

My friend, Mr. Weir, I don't think realized you were answering some of the questions because he kept asking them as if you weren't speaking. I want to give you just a chance again so that we can have your answers in the transcript. I know it's hard for the great people who are working on making these transcripts to actually record two people speaking at once. It's almost impossible. If you can elaborate on some of the answers you were trying to give at that point, it would be great, just so we can get them on the record.

Hon. Scott Brison: Again, I've been a member of these committees over a period of almost 20 years since I was first elected in June 1997, so I know parliamentary committees well and have great respect for the work they do.

We, as a government, take our responsibility to fix Phoenix. This is an unacceptable situation and this is one that, as a minister, I have been engaged in.... This is my second time, but I have dealt with intractable and challenging issues as a minister. My previous department was Public Works, the predecessor to Public Services and Procurement Canada, when I was in Paul Martin's cabinet. This is one of the most complicated and challenging operational problems I have seen.

The pay system for the Government of Canada, by the way, is the biggest pay system in Canada. For instance, for any company that does something similar no one would have had the same scale, which is important to realize. Beyond that, in the approach to it—and we accept our responsibility to fix this—you need to have the human resources and you need to maintain the legacy systems, when you're implementing a new IT system. We are working closely...and in fact Yaprak is helping chair a working group with the public service

unions, on this, that meets regularly. We are working with and appealing to public servants because we need more people. We need more people with pay expertise to help us on this, because there is a human resource issue. Even this week we sent out another appeal, and in fact we've reached out to the people currently working and retirees with PSAC and PIPSC, the unions representing public servants, to get what we need.

It's taking, and will take, more financial resources to fix, far more than the money saved by laying off people prior to the implementation. We need to make those investments, but let me be very clear that this operationally is one of the toughest challenges I have seen in both my private sector and government experience.

Let me ask Yaprak if she has anything to add on there as a public servant who's been around almost as long as Ralph Goodale.

• (0935)

Mr. Kyle Peterson: That's a long time.

Hon. Scott Brison: I meant that positively.

Some hon. members: Oh, oh!

Ms. Yaprak Baltacioglu: I don't have anything, Minister.

Mr. Kyle Peterson: The question's too long to fit in the 30 seconds I have left, but I just do want to thank you, as the minister of your department, and the staff who are here, for your commitment to solving this problem. All members of this committee, essentially, just want this problem solved, so thank you for your commitment to that.

Hon. Scott Brison: Thank you for—

The Vice-Chair (Ms. Yasmin Ratansi): While you commended Yaprak, you forgot to say that she received the Public Policy Forum award. Yes, she has done a fantastic job. Congratulations.

Some hon. members: Hear, hear!

Hon. Scott Brison: I have had the privilege of working with some exceptional public servants, and I do so on a daily basis with Treasury Board. Yaprak's story, someone who comes here from Turkey at the age of 22, becomes a student in Canada, and serves this country as a public servant, speaks not just to the excellence of our public service but the importance of new Canadians in shaping a better Canada.

The speech she gave in Toronto a few weeks ago I would commend to all members as one that really does reflect the passion for Canada that the people who choose Canada bring to this country. As modern-day nation builders, I thought their contributions were summed up in a very poignant way by Yaprak at that time.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

Mr. McCauley, you have five minutes.

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

First, Mr. Brison, there's an old saying about never asking a lady her age, and I think you may have partially violated that by comparing her age to Mr. Goodale's length of service so please be more careful.

Hon. Scott Brison: We believe in equality.

Mr. Kelly McCauley: Mr. Weir asked the question, but I want to ask very succinctly, how many meetings has the committee headed by Mr. Goodale had? Please, no preamble, just a number.

• (0940)

Hon. Scott Brison: There have been meetings and calls.

Mr. Kelly McCauley: Of the one Mr. Goodale's chairing, how many meetings have they had? We've heard it's zero.

Hon. Scott Brison: No, that would be—

Ms. Yaprak Baltacioglu: It's either three or four.

Mr. Kelly McCauley: Thank you. I want to move on to my next question.

Hon. Scott Brison: May I be on the record?

Mr. Kelly McCauley: With the Phoenix issue—

Hon. Scott Brison: No, may I...? Because you've put something out there that is patently false.

Mr. Kelly McCauley: Just tell me a number, please.

Hon. Scott Brison: We have met repeatedly.

Mr. Kelly McCauley: Thank you.

Hon. Scott Brison: We have met repeatedly and had calls on this issue, and we are seized with.... I don't want the number you said to rest because it is patently false.

Mr. Kelly McCauley: Okay, you've said that. You're using up my time, Mr. Brison. I know you love to talk but let's get back to this, please. Thank you.

Hon. Scott Brison: Sure, yes.

Mr. Kelly McCauley: Thank you.

I want us to go back to Phoenix for a bit. There are a couple of issues. I want to point out that when Mr. Clarke talked about the layoffs, it was February 19. We were sitting in committee with you, and your department said it was a stunning success. It was February 19, yes, in 2016, when your department commented that it was a stunning success. About a month later, Ms. Foote said it was, again, a stunning success, a testament to government operations. At the same time, your government was laying off those people. I do recall that Mr. Weir and I were asking your government very specifically about keeping the legacy program going. Your officials said not possible, not possible, not possible. I just want to get that on the record.

I realize that it's a big issue, and people are working very hard on it. But I have been digging through this for many, many months—a year and a half now—with ATIP after ATIP after ATIP. Every report was showing that it was very clearly a big problem. As Mr. Clarke said, your government could have said no. When they didn't say no, and when we first brought the issues up, it was all blamed on the backlog, which your government was warned about and chose to ignore. They still continued to ignore the problem even up until July, when we called a special committee. Your government fought that special committee until the media got hold of it. That's the only reason we got your government to actually act on all these Phoenix issues. That goes back to July.

Your government ignored problem after problem. We have document after document refuting every single one of your government's excuses all along. That's what we told Ms. Foote when she was here. With all the time she's spent blaming others for this, if she'd spent half that time on fixing this we wouldn't be in this issue. The government blamed it on not knowing about the backlog, but we have documents to her in November that say to clear the backlog, which she ignored.

We were told later by your government that there was no training. We found results saying to finish the training, which you ignored. We found documents from every single one of your chief financial officers, in November, in a briefing note to Minister Foote, that it's not ready, it's not ready, it's not ready. The response from your government was that you'd report back in a month. On December 15 these internal documents, which we had to fight to get, came out very clearly: a 35% failure rate with Phoenix. You still went ahead.

It's a big problem, and I recognize that a lot of people are working on it. I don't blame you specifically, but it's a big problem and it does rest with your government.

On the issue about looking for all these pay workers, Ms. Lemay was here two weeks ago, saying that they've been looking for an entire year, but we spent this week looking through all the job postings—you said you'd just started looking again—and we found no job postings. So you contradicted what Ms. Lemay said. She said that every week, for an entire year, they've been looking in order to try to rehire those people they laid off. Now we find that just very recently you started looking for these people. I just want to put that on the record, that this Phoenix....

I'm not blaming you specifically, but I do point my finger at Minister Foote and I do point it at Ms. Lemay for ignoring the problem, ignoring the backlog, and letting it snowball out of control. By the time they finally chose to address the backlog, which was probably about July or August, or maybe in May they started, it was too late. That's where the problem lies, period.

I just want to get—

The Vice-Chair (Ms. Yasmin Ratansi): Sorry, you overspoke. I was watching....

Mr. Nick Whalen (St. John's East, Lib.): I certainly want to take exception to what Mr. McCauley has just laid out—

The Vice-Chair (Ms. Yasmin Ratansi): I have to recognize you first, Mr. Whalen.

You have five minutes. Go ahead.

Mr. Nick Whalen: I certainly want to take exception to what Mr. McCauley just said.

We've sat in these meetings, and Madam Chair Ratansi and I had an opportunity this morning to attend a session with the the Telfer school of business on complex project management and the cultural issues associated with that.

If we look at the document that I'm going to table, it's a report from a Brigitte Fortin and Rosanna Di Paola, who were advising the minister. This is from back on February 18, around the time of the pilot project. It says, "Where are we on Technology?...Ready to Go!", "Where are we on Process?...Ready to Go!", "Where are we on People?...Ready to Go!" It also says that the independent third party review said, "On the basis of the evidence provided the Review Team feels that the TPA Initiative should proceed to the next phase".

In all the high-level advice provided by the ministerial staff to the minister and the department staff, the minister indicated that the project was ready to go. The testimony that we've heard today seems to indicate that there's some type of a cultural failing within the system, whereby a number of people were let go in departments two days before the election. There was authority granted to the departments to let go their pay advisers that extended throughout this period, and the advice that was being given to the minister appears to have been patently false. We're not sure what the incentives were to encourage the bad behaviour, but it's a cultural problem that we want to address and avoid, so that we can move forward and solve the problems that not only are currently plaguing Phoenix but which also may plague some of the other systems that were put out, some of the other consolidation measures that were put in by the previous government.

When I look at Shared Services Canada—and these are some of the questions I want to ask about, Minister—you've identified in your departmental plans, or your department has identified limited IT capacity as a major risk. In October, your department tabled a strategic plan for IT services for 2016-2020. When I asked Mr. Parker about that plan, he didn't even know the name of it in the last meeting, so there seems to be some disconnect in the service of the level of risk that people around this table see regarding IT consolidation, the level of risk that your department clearly sees, and the department that is meant to deliver on the very plans that are put in place.

Can you speak to us a bit on the extra staffing and extra spending that might be required to manage, again, the systems that are in place, the legacy systems, in addition to the transformation initiatives, which were clearly not properly financed under the previous government but I think have been identified as being a real problem umpteen times within this committee? What additional resources are being put into the information technology side to manage the systems but to separately fund the changes that are required so that we can avoid more problems like Phoenix?

• (0945)

Hon. Scott Brison: Thank you very much, Nick.

The underfunding of IT investment in governments in Canada has gone on for a long time. We have very creaky IT systems right across governments. Some departments are using COBOL-based systems, some using creaky old mainframe systems. There is an inability to share information between departments. Part of it is technological, but some of it has to do with other things in terms of legislative and

statutory changes that would have to occur. This is not unique to Canada. This is not unique to Canadian governments, but it has to be fixed and we have to make the kinds of investments and implement the kinds of digital reforms that other countries have undertaken.

Probably one of the worst government IT failures anywhere, in any government, was when Obamacare was implemented in the U.S. on the HealthCare.gov website. On that day, 4.7 million Americans tried to register for health care. Only six citizens succeeded.

The Obama administration looked at that as a call for action and it created a reprioritization of IT for that government and they created, among other things, a government digital services unit—18F. One of the things we're doing as a government, and we're establishing it—it was in the budget—is a Canadian digital service unit. It is being modelled after some of what was done in the U.S. and also the U.K.'s government digital services and the Australian government's digital services.

The reality is that everything has changed in the last 10 years in terms of digital service delivery, and the Canadian government, to a certain extent, is a Blockbuster in a Netflix world. Canadian citizens want to and wonder why they can't receive the same quality of digital services from their government that they can get from Amazon. We have identified what the barriers to doing that are, and rest assured, I want to tackle those challenges one by one.

The Auditor General, I must say, in his last couple of reports has talked about government service delivery and the importance of that. Governments tend to focus 90% of their efforts on policy and 10% on execution.

• (0950)

We have to actually focus more on execution and good service delivery. That's going to require a lot of work and it's going to require resources. You're talking about a subject that I have a great deal of passion for and interest in.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you, Minister.

Mr. Weir, you have three minutes, and that's the last round.

Mr. Erin Weir: Thank you.

I think we've heard two different narratives about Phoenix from Minister Brison and Mr. Whalen.

I believe, Mr. Brison, you've suggested to the committee that all the bad decisions were made by the former Conservative government, including not maintaining the legacy payroll system. That is interesting, because when Minister Foote was here previously, she and her officials told us that they got rid of the legacy system because there was no way to maintain it, whereas Mr. Whalen has suggested that the Liberal government in fact made some mistakes because it was getting bad advice from departmental officials.

I just want to clarify whether the story is that all the bad decisions on Phoenix were made by the previous Conservative government or that your government made some mistakes but made them because it was getting bad advice from officials.

Hon. Scott Brison: Mr. Weir, we have an excellent public service in the Government of Canada and they provide advice to ministers, fearless advice and then loyal implementation. You may feel comfortable in throwing public service members under the bus—

Mr. Erin Weir: No. I don't, but it seemed that Mr. Whalen did, though.

Hon. Scott Brison: That may be your practice. It certainly doesn't reflect what I view as a tradition of the New Democrats defending public servants and workers. As a minister, in particular as the employer of the public service, I'm not going to sit here and throw public servants under the bus.

Mr. Erin Weir: So you take responsibility for going ahead with phase two of Phoenix.

Hon. Scott Brison: I have a responsibility as a minister to do my utmost, and I'm driven by advice provided by public servants. The decisions made by ministers ultimately are their decisions, and the advice provided by public servants is the best possible advice they can provide and try to provide.

It's easy sometimes to throw groups such as the public service under the bus, but governing isn't easy.

Mr. Erin Weir: I'm glad you're not doing that. I'd like to clarify that your government will take responsibility for implementing phase two of Phoenix and getting rid of the legacy system.

Hon. Scott Brison: In fairness, the narrative of your question is that you want me to blame the public service for this.

Mr. Erin Weir: No, I don't want you to. I want you to take responsibility for your government's decision—

Hon. Scott Brison: I take responsibility, very serious responsibility—

Mr. Erin Weir: —to have implemented phase two of Phoenix and that you got rid of the legacy payroll system, which you now acknowledge was a mistake.

The Vice-Chair (Ms. Yasmin Ratansi): Mr. Weir, you've run out of time.

Hon. Scott Brison: I take responsibility for fixing it.

The Vice-Chair (Ms. Yasmin Ratansi): Either you allow the minister to answer you or you give your questions, but you've run out of time.

Mr. Erin Weir: Thank you very much.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much.

Thank you, Minister.

We will suspend for a couple of minutes and then we'll invite the other witnesses from the Public Service Commission to join us at the table.

• (0950) _____ (Pause) _____

• (0955)

The Vice-Chair (Ms. Yasmin Ratansi): Committee members, please take your seats. We don't have much time and I will need 10 minutes for some committee business.

Mr. Borbey has been kind enough to say that he will shorten his remarks. You already have his speech, so he will just give the highlights.

Congratulations, Mr. Borbey, on your appointment.

[Translation]

Mr. Patrick Borbey (President, Public Service Commission): Thank you, Madam Chair.

[English]

It's a pleasure to appear before the committee to talk about our main estimates.

[Translation]

We will talk about our main estimates, and about the Public Service Commission's departmental plan.

Allow me to introduce my team. I am joined today by Mr. Tim Pettipas, acting senior vice-president, and Mr. Philip Morton, acting vice-president of corporate affairs, as well as the Public Service Commission's chief financial officer.

I would like to thank the committee.

[English]

I appreciate your support. As you know, my appointment was confirmed and effective yesterday, so this is my second day on the job. I'm very pleased to be back here.

The Vice-Chair (Ms. Yasmin Ratansi): Welcome.

Mr. Patrick Borbey: As the chair has indicated, I have already provided my remarks to you. To save time, I will not address them. I know you're short of time for questions.

[Translation]

Let me begin by reminding you of the components of the Commission's main estimates.

[English]

The PSC has \$83.5 million in planned spending for the current and next fiscal year. The majority of the organization's spending is on salaries. We have approximately 800 full-time equivalents who work both in the national capital region as well as in regional offices across the country. Our people continue to be our most important resource as we deliver on our priorities to promote and safeguard a merit-based, representative, and non-partisan public service that serves all Canadians on behalf of Parliament.

In my written remarks, you will see that I address some of the priorities that I had started talking about earlier when I appeared about a month ago, and I would be certainly pleased to further expand on those as we take questions.

[Translation]

We will be pleased to answer your questions.

Thank you.

[English]

Meegwetch. Qujannamiik.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you so much for being so brief.

We will go to the first round of questions, with Mr. Peterson for seven minutes.

Mr. Kyle Peterson: Thank you, Madam Vice-Chair.

Welcome, Mr. Borbey, and congratulations on your new role. I appreciate the fact that you're only a few hours into it.

I'm going to ask some questions, more general in nature than necessarily having to do with the dollar figures, about some of the priorities of your department, some of the stuff you alluded to when you were before us about a month ago, by way of follow-up. It may be a way for you to elaborate and expand.

I know in the opening statement you provided, you mentioned some priorities: independently safeguarding merit and non-partisanship, building a public service that is representative of Canada's diversity, and flexibility for managers to achieve results for Canadians and ensure fair and transparent employment practices.

These are all important undertakings, but they're also very large undertakings. I want you to expand a little. I know we probably don't have time in my seven minutes for you to give a full expansion, but what sorts of steps do you think we can take to make sure the public service is representative of Canada's diversity? Maybe that's something you can start off with. If you have time, you can elaborate a little on maintaining the non-partisanship of the public service, what gaps there may be now, and how you expect to fill some of those gaps in your mandate.

•(1000)

Mr. Patrick Borbey: Thank you, Madam Chair, for the question.

I'll address the non-partisanship and I'll come back to diversity.

On non-partisanship, there is a very strong tradition within the Public Service of Canada, but we also recognize that public servants have rights to engage in political activities, so we have to find the balance between their exercising that right, and under what conditions, versus maintaining that non-partisan nature and the confidence of the public that decisions made in the public service are not based on political considerations. Finding that balance is tricky, and from time to time we will end up with situations where we have to investigate and have to take action. That is a responsibility we take very seriously.

The other aspect that I talked a bit about before is the need to make sure that public servants across the country understand those responsibilities. For somebody like me who's been in the public service for many years, perhaps I have it ingrained in me, but new public servants perhaps have a very different perspective about engagement and get involved in political activities and social media.

As you know, we have the ability to be able to get involved in political or semi-political causes in an instant. I think we need to sensitize our new public servants to the risks and how to manage those responsibilities. That's certainly something we'll look at. I looked at some survey results that indicated—and you'll see in our departmental report—we're meeting our target. Seventy-five per cent of public servants surveyed indicate that they're familiar with their

responsibilities in this area, but when you look at the age bracket, it's more than 80% among the baby boomers like myself, and it's much lower among the new public servants, so we have work to do there.

On diversity, I think there are many different ways and tools that we can use to improve diversity. I'm really thrilled with the pilot that we are leading on name-blind recruitment to see how that is a way to reduce some of the barriers.

I'm really looking forward to seeing how, on the accessibility file, we will be able to, as a government, as an employer... I talked about being a vanguard employer in the area of accessibility. In other words, we would not be just meeting basic accommodation requirements but actually taking measures to go and find the talent that I think we're not tapping into, particularly with persons with disabilities but I think we can say the same thing for other equity groups.

I also looked at the statistics and I have to say we also have to acknowledge that the public service has done a pretty good job over the last number of years. The statistics show that we have improved. There are still some gaps. There are some areas that we need to invest in, pay some attention to, and look at pilot projects, working on very specific inventories, for example. There is an inventory that was created for aboriginal candidates. How can we use that to be able to improve our performance in that area?

I think there are a lot of different tools at the Public Service Commission, and I know we have a very creative team who is certainly looking at all the different ways that we can improve our diversity.

Mr. Kyle Peterson: I wonder if you could also elaborate a bit on what I think can be referred to as ongoing professional development in the public service. Can you elaborate on your commitment to that, and can you perhaps indicate whether you consider it important? If so, how are you going to implement a program?

Mr. Patrick Borbey: That's a very important question.

Sometimes we are very focused on how we get people into our organizations. How do we recruit? That's great, but how do we keep them? How do we retain them? That is, quite often, through the richness of the conditions that we provide in the workplace and the investment in professional development. The Public Service Commission has a role to play there, but we need to work with the employer and others in individual departments to see how we can create conditions under which people can come into the public service and then see how there will be investments in their capacity, they will gain the experience to grow, and they will move up in the organization.

There are professional development programs, for example, that help bring somebody in at the starting level, at the entry level, and over a period of years grow them to what we might call the intermediate level. Those are programs that can actually make a big difference in terms of retaining the talent we work so hard to recruit.

• (1005)

Mr. Kyle Peterson: Thank you.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you for that.

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

Mr. Kelly McCauley: Welcome back, Mr. Borbey. Congratulations on day two. Thank you for not wearing a Senators jersey and being more culturally sensitive to us Oilers fans.

You mentioned the good work the public service is doing. I congratulate your department, the previous administration and the current administration as well, on balance within the public service. Page 26 of the departmental plan says, "Overall, the public service is surpassing workforce availability in all four employment equity groups", which is fantastic and I congratulate you on that. However, it then says, "but three of the four groups (women, visible minorities and Aboriginal people) are underrepresented at the executive level."

Not right now, but can you provide us with currently where we're at and what the goals are for those groups? I'd like to see how close we are.

Mr. Patrick Borbey: Yes.

Mr. Kelly McCauley: Page 29, though, shows departmental results indicators for the percentage of executive employees, compared to workforce, who are persons with a disability. Last year it was 5.3%, but it has that the target is 2.3% ongoing. I can't imagine we're targeting to reduce the amount. Maybe you could just have a look at that and get back to us later.

Mr. Patrick Borbey: Let me start, and then I'll turn to my colleague for—

Mr. Kelly McCauley: Just very briefly because I have other questions.

Mr. Patrick Borbey: Okay. In terms of equity groups in the executive category, again, we can provide that information. We actually have reduced the gaps, particularly for women. There are still some gaps—

Mr. Kelly McCauley: As I'm saying, the service is doing a very good job, so I want to say congratulations but if we can just get those numbers—

Mr. Patrick Borbey: We'll provide those separately.

Mr. Kelly McCauley: Mr. Pagan, I just want to get to you. One item on page 24, has, in the very first line, "Percentage of departments that have assessed all internal controls over financial reporting in high-risk areas and annually realign, implement and monitor systems on internal control". Mr. Brison started out, at the beginning, talking about how oversight of spending is what your department does. On page 1, it talks about improving financial oversight and the quality of the information we rely on, but your target is to have 10% of all government departments not fulfilling internal controls.

Does that strike you as wrong or appropriate, that only 90% of all of our government departments would have assessed all their internal controls over financial reporting of high-risk areas?

Mr. Brian Pagan: Just to be clear, the target is 90% of departments will review their internal controls. Are you questioning whether that's adequate?

Mr. Kelly McCauley: Exactly, so it's not just 90%, but it's 10% of all government controls. Government is 44% of our spending GDP, and we're saying that 10% not doing this is acceptable.

Mr. Brian Pagan: Right. Thank you for the question.

This is a plan for fiscal year 2017-18. The office of the comptroller general works with departments to review the planning framework and the control framework on a regular basis. I imagine—and I would confirm this with the comptroller general—in this fiscal year they would be looking at 90% of the 130 departments. The idea of doing that—

Mr. Kelly McCauley: It's perfectly fine to have 13 departments not having proper internal controls by next year. Not right now but a year from now, we're saying our goal is to have 10%.

Mr. Brian Pagan: Recent changes have been made to the policy suite. Departments are introducing new entity-level controls around IT, which President Brison spoke about, and business processes. They have a timeline to be able to implement that.

• (1010)

Mr. Kelly McCauley: Sorry. I'm going to move on because we're short of time.

I'm going to disagree with you. I don't think 10% is acceptable. I would think a year from now it should be 100% but that's for you and Mr. Brison.

In the estimates, Mr. Brison talked about infrastructure. The PBO mentioned there is \$7 billion of infrastructure, but \$2.5 billion is missing from the estimates. Mr. Brison today talked about \$7 billion in infrastructure spending and then talked about \$4.5 billion of it. Where's that \$2.5 billion?

The reason I ask is that the Senate came out with a report on the government's infrastructure spending. They said there was no strategic plan for the infrastructure and no measure of success for the spending, apart from dollars spent. Again, it goes back to the whole point of your department, which is financial oversight.

Again, in the president's message, main priorities, improving financial oversight and the quality of the information that we rely on.... We hear again and again that the Senate was quite critical of historic infrastructure spending. The PBO can't find \$2.5 billion in the estimates. He's a lot better at this stuff than I am. I can't find it. He can't find it. The Senate says there's no strategic plan and no measure of success for \$7 billion of taxpayers' money, apart from saying we spent the money.

Mr. Brian Pagan: There are two questions there.

First on the PBO report on the main estimates, we agree with the PBO that the information presented in the main estimates is not very easy to navigate to find information. That's the reason the president has advanced a reform, a proposal that would introduce a number of changes including purpose-based votes.

Mr. Kelly McCauley: You still haven't mentioned where that \$2.5 billion is.

Mr. Brian Pagan: On the question of infrastructure in the 2017-18 main estimates there's more than \$7 billion of infrastructure spending: \$3.2 billion of that for public transit and green infrastructure, \$1.3 billion for federal infrastructure across 27 organizations, \$1.2 billion for social infrastructure across 12 organizations, and \$1.2 billion for the post-secondary institutions strategic investment fund.

The challenge here, Mr. McCauley, is that the money is disbursed across so many different organizations. One of the tools we're advancing and trying to promote is InfoBase. The idea with InfoBase is that you can tag infrastructure, ask a question as you can in Google, and it will present all the spending of government departments for that tag, whether it's infrastructure or youth or senior citizens.

Again, I agree with the PBO that the format of the main estimates does not lend itself to easy—

Mr. Kelly McCauley: The Senate report that—

The Vice-Chair (Ms. Yasmin Ratansi): Thank you very much, Mr. McCauley. Your time's up.

Mr. Weir, you have seven minutes.

Mr. Erin Weir: Thank you very much.

Mr. Borbey, I want to ask you about non-partisanship in the public service, specifically striking a balancing between that and the right of public servants as citizens to participate in the political process. I'm thinking in particular of the case of Emilie Taman, a federal prosecutor who was denied the right to run in the 2015 federal election. She did run and lost her job over it. Earlier this year, the Federal Court of Appeal ruled that the Public Service Commission had been wrong to prevent her from running.

In the wake of that decision, I'm wondering what your plans are to strike a more appropriate balance between non-partisanship of public servants and the right of citizens to participate in the political process.

Mr. Patrick Borbey: This is clearly a complex issue. I have been briefed on the decision. I'm still getting my head around it. I think, at the end of the day, the judge was not convinced that we had articulated sufficiently well the reasons we felt that the public servant

who wanted to be a candidate would not be able to exercise her functions in a fair and impartial way if she were to return.

I think we need to spend a bit more time understanding the decision and seeing what it means with respect to future cases that may come to our attention. There were a number of cases, and permission was granted to run in the last number of elections, whether federal, provincial, territorial, or municipal. I note that two former public servants were elected. Clearly in many cases the decision that was made at the end of the day was a positive decision.

This case is complex. I will have to spend more time thinking it through and understanding the implications for future consideration of—

• (1015)

Mr. Erin Weir: In Taman's case, is it your sense that the Public Service Commission made the wrong decision, or just that it provided insufficient explanation for what you still believe to have been the correct decision?

Mr. Patrick Borbey: All I can do is look at what the judge concluded, that there wasn't sufficient evidence in his or her mind to be able to determine that the commission had made the right decision.

Again, I need to get a bit more information on the case before I fully understand its implications and how we move forward from there.

Mr. Erin Weir: Okay. I asked Minister Brison what I thought was a relatively straightforward question about whether he could provide a breakdown of the \$140 million that the government intends to use to fix the Phoenix pay system. I'd like to ask officials whether it would be possible to provide a breakdown of that figure to this committee within the next couple of weeks?

Mr. Brian Pagan: There are two parts to your request. There was money that was presented for parliamentary approval last fiscal year in the supplementary estimates (B). The number in my head is about \$50 million to PSPC. We can go back to PSPC and have them break that out by personnel, IT,—

Mr. Erin Weir: I'm more interested in the other \$90 million.

Mr. Brian Pagan: For the future, my understanding is that it's not in the main estimates yet and will be presented to Parliament, probably through the supplementary estimates (B). The minister alluded to the ministerial committee that is developing plans to bring back extra compensation advisers and make investments in training and systems.

Those plans are being finalized and will be presented in the supplementary (B)s. We will provide a breakdown by personnel, by training, and by IT investments once that's available.

Mr. Erin Weir: If the process isn't really finalized in terms of adding things up, where did this figure of \$140 million come from? Is it just multiplying the savings of \$70 million per year by two?

Mr. Brian Pagan: Mr. Weir, I'm not familiar with the number of \$140 million that's being referenced. My understanding is that the discussions are ongoing.

Mr. Erin Weir: It's the number the government put forward when it announced this task force on Phoenix.

Mr. Brian Pagan: I'm afraid I'm not familiar with the number. What I can provide to you is a breakdown of the funds that have already been advanced and the funds that will be presented to Parliament, broken out by those areas.

Mr. Erin Weir: I appreciate that. I would like to stick with the Treasury Board and specifically its role as the employer of federal workers. I want to ask in particular about Bill C-7, which tries to give members of the RCMP the ability to unionize and bargain collectively.

Our Parliament passed that bill quite a long time ago, and indeed the Senate came back with amendments in June. I'm wondering why it took the government 11 months to come up with a response to those amendments.

Mr. Brian Pagan: That's really a policy question rather than a program one, and I can't speak to that. Discussions have been ongoing at the cabinet level, and I understand announcements were made last week in terms of the government's intention to proceed, but I can't speak to policy.

Mr. Erin Weir: Okay. No problem.

On infrastructure, a major component of that was funding for public transit. It's been divided up between provinces on the basis of 70% existing ridership versus 30% population.

That certainly gives a lot of money to the large metropolitan centres that already have well-developed transit systems, but it doesn't provide much money to smaller centres that are trying to improve their transit systems. For example, Saskatchewan comprises about 3.2% of Canada's population, but our province is only going to get about 1.6% of federal transit funding. I'm wondering if you could give us a sense of the rationale for this formula of 70% ridership versus only 30% population, given that most federal transfers are just disbursed on an equal per-capita basis.

• (1020)

Mr. Brian Pagan: Again, Mr. Weir, that was a policy decision of the government. In terms of the criteria and application, I would have to direct you to Infrastructure Canada.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you, Mr. Weir.

We go for the last round to Mr. Whalen, for seven minutes.

Mr. Nick Whalen: Thank you very much, Madam Chair.

Mr. Borbey, we heard about conflicting views on what happened with Phoenix, but one of the underlying questions we still have is around what would motivate managerial civil servants to dismiss employees who are involved with the pay, such as in that October 17, 2015, layoff of a large number of people involved in employee pay. What sort of motivations might exist in the managerial compensation regime that might have encouraged that behaviour,

which turned out to be a bad behaviour? Do you have any suspicions, or are you aware what the motivation might have been?

Mr. Patrick Borbey: Madam Chair, this is not a question I'm able to answer. I don't have insights or information that I can share with the committee. I can only say that as a manager in the public service I certainly took responsibility for the failure. We all have a responsibility to pay our employees fairly, on time, and accurately.

In my former department, we immediately took action when we started hearing about cases where there were underpayments or overpayments, and worked with our finance folks and our HR folks to ensure that we dealt with the most difficult cases as quickly as possible. I think that all departments took that responsibility, to be able to react and deal with as many cases as possible.

That's all I can say in terms of my experience with Phoenix.

Mr. Nick Whalen: Where you involved with any of the layoffs of the pay advisers in that period during the run-up to the 2015 election and the few months following?

Mr. Patrick Borbey: No.

Mr. Nick Whalen: Mr. Pagan, I miss your jersey. It was good. It seems with your stubble that you started a playoff beard, and then maybe after game five against the Rangers you shaved it off. Then they won, so you started to grow it again. I'm glad to see that it's not a bandwagon problem here.

I want to follow up on some of my questions to Minister Brison when he was here, in terms of the risks that were identified in the department. The slow pace of implementation of the secretariat's goals, an insufficient capacity for delivery of government-wide initiatives, and limited IT capacity were three of the risks highlighted on page 8 of the departmental plan.

With respect to the insufficient capacity for delivery of government-wide initiatives, could you speak to us about how Treasury Board, within the estimates, is allocating more funds for government-wide initiatives to address this risk?

Mr. Brian Pagan: In developing departmental plans, which accompany the main estimates and are intended to support committee review of our spending requests of Parliament, the idea is to break out our targets by area of responsibility, and then, as you referenced here, identify any risks that may come to bear in terms of achieving these objectives.

These are not necessarily real in the sense that they're going to happen. They're forecasts of what could be impediments or challenges in achieving our objectives. The idea is not necessarily to allocate money through the estimates to deal with those risks. It's to have an awareness and to make sure that there are plans in place to mitigate risks, be it by training, redeploying or reassigning staff to allow a program to deliver its objectives, or having disaster recovery plans in place so that if a system goes down or a building is closed public servants have access to the tools or a work site.

Mr. Nick Whalen: Mr. Pagan, with all their new activities, is the department sufficiently financed, through the appropriations that are being asked for, to engage in these additional activities?

If we go to TBS InfoBase, will we be able to see a project and a line item for disaster recovery planning?

• (1025)

Mr. Brian Pagan: In the presentation of a program or a proposal to the Minister of Finance for budget funding, and then to the Treasury Board for approval and presentation in the estimates, a department will address or identify the risks to the project and will explain to Treasury Board ministers their plans to mitigate those risks. That is part of the planning process, the contingencies that are built into the budgets provided, approved by Treasury Board, and included here in the estimates process.

If your question is whether we have sufficient funding, those questions have been asked at the Minister of Finance level by Treasury Board ministers. They are included in the plans presented here for parliamentary approval.

Mr. Nick Whalen: Thank you.

There is a notion that we have a lot of new information now available online. The minister said that he would like to make a presentation to us on how all the new plans and priorities, and the online information go together. My understanding is that he's not available in the morning of June 13 to do that, so I have a motion to table before the committee:

That, notwithstanding the motion adopted on Thursday, May 11, 2017, the meetings on Tuesday, June 13, 2017, and Thursday, June 15, 2017, be dedicated to the consideration of the changes to the Government of Canada's Communications Policy as it pertains to government advertising, including the consideration of the policy, procedures and the role of Advertising Standards Canada.

This is just the notice of motion. We can consider it when it comes up next for business.

I believe that should be the end of my time.

The Vice-Chair (Ms. Yasmin Ratansi): You have one minute.

Mr. Nick Whalen: I have time for a quick question.

The Vice-Chair (Ms. Yasmin Ratansi): If you don't want to use it, that's okay too.

Mr. Nick Whalen: No, no, Madam Chair.

With respect to the IT service, what's Treasury Board's role in interfacing with Shared Services Canada to deliver on the strategic plan that was tabled in October, the strategic plan for IT services from 2016 to 2020? What's the interface there and what's the oversight?

Mr. Brian Pagan: It's a two-dimensional or two-phase approach, Mr. Whalen.

First of all, within the Treasury Board Secretariat, there is an office of the chief information officer, who provides direction, standards, and guidance on project development and IT tools across the public service, including to SSC.

With respect to the go-forward plan on SSC, I think there was reference to a report from the Gartner group. The operating model of Shared Services Canada was assessed by TBS last year. We hired an independent third party to help us with this, in the form of the Gartner report. That report was presented to us in January. It has recently been the subject of some deliberation at cabinet. Looking ahead into future supplementary estimates, there will be a decision, a request for new funding, and a presentation to Parliament of the authorities for that.

The Vice-Chair (Ms. Yasmin Ratansi): Thank you.

I'd like to suspend the meeting for two minutes and excuse the witnesses. We will come back in public to vote on the main estimates.

• (1025)

(Pause)

• (1025)

The Vice-Chair (Ms. Yasmin Ratansi): Committee members, we are going to vote on the main estimates so I can let you out five minutes early. We are in public.

If you go to page 2, you will see the votes that our committee is supposed to vote on. These are referred to our committee. I would like to have unanimous consent to call the votes on the main estimates together. Do I have unanimous consent?

Some hon. members: Agreed.

• (1030)

CANADA POST CORPORATION

Vote 1—Payments to the Corporation for special purposes.....\$22,210,000

(Vote 1 agreed to on division)

CANADA SCHOOL OF PUBLIC SERVICE

Vote 1—Program expenditures.....\$63,416,105

(Vote 1 agreed to on division)

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Vote 1—Program expenditures.....\$5,534,133

(Vote 1 agreed to on division)

CANADIAN TRANSPORTATION ACCIDENT INVESTIGATION AND SAFETY BOARD

Vote 1—Program expenditures.....\$26,202,261

(Vote 1 agreed to on division)

DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES

Vote 1—Operating expenditures.....\$2,134,161,650

Vote 5—Capital expenditures.....\$1,441,927,728

(Votes 1 and 5 agreed to on division)

OFFICE OF THE GOVERNOR GENERAL'S SECRETARY

Vote 1—Program expenditures.....\$19,705,766

(Vote 1 agreed to on division)

OFFICE OF THE PUBLIC SECTOR INTEGRITY COMMISSIONER

Vote 1—Program expenditures.....\$4,957,842

(Vote 1 agreed to on division)

PRIVY COUNCIL OFFICE

Vote 1—Program expenditures.....\$129,915,146

(Vote 1 agreed to on division)

PUBLIC SERVICE COMMISSION

Vote 1—Program expenditures.....\$72,137,719

(Vote 1 agreed to on division)

SENATE

Vote 1—Program expenditures.....\$69,584,548

(Vote 1 agreed to on division)

SHARED SERVICES CANADA

Vote 1—Operating expenditures.....\$1,263,902,106

Vote 5— Capital expenditures.....\$379,955,130

(Votes 1 and 5 agreed to on division)

TREASURY BOARD SECRETARIAT

Vote 1—Program expenditures.....\$222,912,616

Vote 5—Government Contingencies.....\$750,000,000

Vote 10—Government-Wide Initiatives.....\$3,193,000

Vote 20—Public Service Insurance.....\$2,398,570,604

Vote 30—Paylist Requirements.....\$600,000,000

Vote 25—Operating Budget Carry Forward.....\$1,600,000,000

Vote 33—Capital Budget Carry Forward.....\$600,000,000

(Votes 1, 5, 10, 20, 25, 30 and 33 agreed to on division)

The Vice-Chair (Ms. Yasmin Ratansi): Shall the chair report the votes on the main estimates to the House?

Some hon. members: Agreed

The Vice-Chair (Ms. Yasmin Ratansi): I think that will be Tom's job to do.

Thank you very much. The meeting is adjourned.

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