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

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**EVIDENCE**

**Thursday, February 15, 2018**

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**Chair**

**Mr. Tom Lukiwski**



## Standing Committee on Government Operations and Estimates

Thursday, February 15, 2018

• (1100)

[English]

**The Vice-Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)):** Ladies and gentlemen, it's 11 o'clock. Today's meeting, as you know, is on supplementary estimates and interim estimates. I know that the Library of Parliament's briefing notes came in a little late, so if anybody is looking for them, we have printed copies available.

As you know, the first panel will be from the Treasury Board Secretariat. It's going to be 11 to 12 o'clock, so I guess we'll be able to finish the whole round.

We have Madam Renée LaFontaine, chief financial officer and assistant secretary. We have Mr. Pagan, assistant secretary, and Marcia Santiago, executive director.

Welcome, all. Do you have any opening remarks?

**Mr. Brian Pagan (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat):** I do.

**The Vice-Chair (Ms. Yasmin Ratansi):** Do you know the 10-minute limit?

**Mr. Brian Pagan:** I appreciate the 10 minutes.

[Translation]

Thank you.

It is a pleasure to be here again to explain the process surrounding the supplementary estimates (C), and, to introduce the 2018-19 interim estimates.

We have a number of things to discuss today. First of all, I will talk about the changes made to the main estimates to better align with the federal budget. I will then turn to certain aspects of the last supplementary estimates, 2018-19. Third, we will briefly examine the first interim estimates, where you'll find the initial requirements for 2018-19. Finally, I will point out the organizations that are mentioned for the first time in these estimates.

[English]

On page 3 of the PowerPoint presentation, we simply set out some of the challenges that this committee would be very familiar with, with respect to their study of the estimates. You will recall that the President of the Treasury Board appeared before you last year on a number of occasions to begin the process of aligning the budget and the estimates and to reform the estimates process. This committee has been very active in that process, including the 2012 study of estimates and supply.

Page 4 is just a very brief summary, a reminder to the committee of the proposals made by the president to improve transparency and alignment. The most common complaint that we've heard about the estimates is the difficulty caused by having a main estimate showing much different planned spending than the federal budget, and there have been two causes for that. The first is that, under previous orders of the House of Commons, the main estimates were tabled on or before March 1, whereas there is no fixed timing for the budget. What has happened over the preceding years is that we were tabling the certainty of the main estimates in advance of the budget. Then we were using supplementary estimate exercises to catch up and to reflect the government's budget priorities for Parliament.

As a result of discussion at this committee and agreement of parties in the House, there has been a change to the Standing Orders so that, for the next two years, we will table the main estimates on or before April 16, and that is to say, after the budget. Timing has been a very important factor in the confusion between the documents.

Another challenge has been the differing scope and accounting methods of the two documents. The budget is comprehensive. It is inclusive of all expenditures of the Government of Canada, including tax expenditures, crown corporations, and consolidated special purpose accounts such as the employment insurance account. It presents parliamentarians with a full view of all federal expenses.

The estimates, in contrast, represent a subset of that federal spending. They represent the cash requirements of departments for a specific fiscal year to deliver the programs and services of government. We understand the challenge, and we have identified means of addressing this, most notably through a reconciliation table that has appeared in the last two exercises in the spring in our supplementary estimates (A), where we do a crosswalk between the expenses in the budget and the expenditures in the supplementary estimates, accounting for accrual differences, tax expenditures, crown corporations, etc.

The third idea advanced by the president was to better use our new focus on results to perhaps identify changes to the vote structure approved by Parliament. Currently, funds are approved by Parliament according to individual votes for departments, and these votes are organized according to function: operating expenses, capital expenses, and grants and contributions expenses.

Our focus on results is bringing some clarity in terms of what departments' core responsibilities are and the specific programs supporting those core responsibilities. We currently have a pilot with Transport Canada to look at their grants and contributions vote and to break that out by purpose. It was proposed by the president that we might expand on that and try additional pilots according to purpose.

• (1105)

The fourth pillar is better reporting. I believe we have improved the format of departmental plans and departmental results reports, and we have presented much more detail online on what we call GC InfoBase.

That is an overview of the proposals, and where we're at.

This year, as a result of the changes to the Standing Orders, we have tabled for the first time the document entitled "2018-19 Interim Estimates". This allows departments to begin the fiscal year with authorities until full supply for main estimates is voted on in the House in June.

On April 16 we will be tabling the main estimates, which will include as many budget items as we can bring forward for approval. Coinciding with that will be the departmental plans that I mentioned.

Turning to the details of the two documents tabled earlier this week, the first is the supplementary estimates (C), which concludes fiscal year 2017-18. The supplementary estimates (C) provide information on \$4 billion in voted budgetary appropriations for 48 organizations. This funding supports many initiatives announced in budget 2017, as well as spending set out in prior budgets, and updated by the Minister of Finance in his fall statement.

The estimates also provide an update on forecasted statutory spending, and through these estimates we are forecasting a reduction in statutory spending of \$336 million.

The front end of the supplementary estimates (C) provides an introduction and some detail, including highlighting the major items, the major areas of expenditure over \$150 million. These include \$622.9 million for the service income security insurance plan, \$435 million for defence spending in support of the new defence policy, \$277.6 million for military missions, and then a number of other programs and priorities of the government, including the G7 summit and increased spending for veterans.

If we group all the \$4 billion according to certain themes, we see that wages and benefits comprise about 25%, or just over a billion dollars; defence totals \$746 million, or almost 20%; then we have climate change and the environment at \$438.9 million; and indigenous programming at \$337.6 million.

I'll be happy to address more questions on supplementary estimates (C).

Before concluding, Madam Chair, just a word on these interim estimates that we tabled. It introduces the interim authorities of 122 organizations, totalling \$30.9 billion. Again, this will be complemented by the main estimates to be tabled on April 16. When we compare the interim authorities of \$30.9 billion this year to last year,

it's very close to what was sought last year as an interim authority of \$30.1 billion.

• (1110)

[*Translation*]

This concludes my introductory comments.

[*English*]

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

We'll start the first seven-minute round with Monsieur Ayoub.

[*Translation*]

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

My thanks to the witnesses. I am happy to see you again with us.

I enjoyed the presentation very much. I think I understand it well, though I only received it quite recently.

I have a question that is perhaps trivial. This year, the budget will be brought down on February 27. Usually, it is brought down towards the end of March. Does bringing down the budget several weeks in advance allow the Treasury Board a little more time to better identify and plan for expenditures, when compared to past budgets?

**Mr. Brian Pagan:** Thank you for your question, Mr. Ayoub.

The fact that the budget will be brought down to Parliament on February 27 will help us enormously, because it will give us time to work with our colleagues in the departments and the Treasury Board to approve the necessary authorities for fulfilling the priorities in the budget after it is brought down, and before the main estimates are introduced on April 16.

**Mr. Ramez Ayoub:** In the future, it would therefore be ideal to table the federal budget a few weeks before March 1, which is normally the deadline for introducing the main estimates.

**Mr. Brian Pagan:** The idea to postpone the release date of the main estimates comes from the fact that there is no fixed date for the federal budget. Under the current circumstances, the deadline was extended to April 16, because the federal budget is always brought down before then. For us, it's a good thing.

**Mr. Ramez Ayoub:** That's excellent.

Let's go a little more into detail for certain requested additional expenditures.

The supplementary estimates show the 10 major items, each of which represent over \$150 million. In many cases, these are military expenditures. In the House, we are often told that we are not investing enough in veterans particularly. Recently, this seems to be the opposition's leitmotif. However, I can see that over \$177 million is to be allocated to support services for eligible veterans and their families.

Can you tell us a little more about these expenditures, namely what will they offer veterans, and the additional services veterans will benefit from?

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

In fact, close to 98% of this sum of more than \$177 million will be allocated to the three following programs:

[English]

disability awards, earnings loss benefit, and other health and purchased services.

[Translation]

These programs already exist.

I am sure that you know that the government announced new programs in the 2017 budget. These programs were presented to Parliament in the supplementary estimates (B), so in November. This will be reflected in the main estimates, 2018-19.

This sum of more than \$177 million is for programs that already exist. These increases are due to demographic factors. As the number of veterans increase, so do the costs for mental health services.

**Mr. Ramez Ayoub:** Have you planned to include additional funding to address these needs? We're now talking about the current year, but how will we support our veterans, particularly concerning mental health, in the medium term, for the next two or three years? I am specifically thinking about the issue of post-traumatic stress disorder, which another committee studied.

• (1115)

[English]

**Mr. Brian Pagan:** In terms of details on the specific programs, I would obviously defer to the department. I'm not familiar with the committee you mentioned that may have also looked at this.

In terms of forecasting costs, we work with the department to look at their pattern of historical spending, the actual spend, and then we look at demographic information and cost drivers to extrapolate into the future to get a sense of demand for these programs. In many cases, we work closely with the chief actuary and his staff to make sure that our projections with respect to certain benefit plans are rigorous and conform to forecasting standards in the actuarial area.

[Translation]

**Mr. Ramez Ayoub:** Thank you for your answer. My colleagues will perhaps go into further detail on this issue. As for me, I have one more question.

A significant amount, more than \$622 million, has been allocated for the service income security insurance plan. This was done to address a deficit. What will be the expected deficit of this plan?

Is this situation temporary or recurrent? Interest rates, as we have seen with pension plans, aren't necessarily co-operating. So, there is a deficit.

[English]

**Ms. Renée LaFontaine (Chief Financial Officer and Assistant Secretary, Corporate Services Sector, Treasury Board Secretariat):** I can start the response. I have three points to make. We've been to this committee before in terms of this program and looking for one-time funding, because the volume of Canadian Armed Forces members who are returning, falling ill, and being medically released has been increasing. The biggest portion of the funding that's required this time around, so of that \$623 million, is related to an increase in volume. That's what's driving the cost.

One of the reasons we have to make this lump sum payment now is that actually there's the contract we have with Manulife, which provides the benefits to these medically released Canadian Armed Forces members. There's a condition in the contract that in order for it to be financially sustainable, they need to keep at least 40% of all of the premiums they're going to receive for this plan in a reserve. The reserve has gone into deficit, because more and more CAF members are falling ill and becoming medically released, and are taking advantage of these benefits. Manulife has paid out their claims, so we are now in deficit. The point of this one is to top up that deficit.

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

Mr. McCauley, you have seven minutes.

**Mr. Kelly McCauley (Edmonton West, CPC):** It's good to see you. It's been a long time, Mr. Pagan and Ms. Santiago.

A couple of days ago, when we were having the estimates briefing, we were talking about the departmental reports and the departmental results reports. Who is responsible for the editorial content of those and in the estimates? The reason I ask is that some of the items here.... We talked about pillar four being to provide higher-quality information on performance targets and results, and we talked about the difficulty in making our way through the estimates and understanding them. I want to read a couple of the items here.

We have \$3.5 million to ensure the smooth functioning of courts and greater access to justice for all. We have money for grant payments for strengthening Canadian identity, amplifying the office of the Governor General, and helping build a stronger Canada. Who is writing this stuff?

It doesn't make it very transparent what the money is being used for. I want to get back to the departmental reports and why I'm asking who is responsible for them. The former PBO Kevin Page commented that they're merely communication vehicles for the government, and that no one uses them because there's no value to them. I point you to the Public Services departmental plan, where it doesn't even mention Phoenix, but it talks about one of their achievements being the Canada Post report, where we spent a long time travelling across the country and spent \$500,000 of taxpayers' money.

The government didn't even respond to the report, but among her achievements she notes that she thanked the committee for the report and the hard work. We spend \$500,000 travelling the country for Canada Post—whether they broke their promise or not is beside the point here—but in the departmental report there's no real comment about what they're actually doing or their achievements. Who is responsible for ensuring that you're actually fulfilling pillar number 4? If it should be the minister, let me know and we'll skip to other questions.

• (1120)

**Mr. Brian Pagan:** Thank you, Mr. McCauley. In fact there are two dimensions to your question. The first, in terms of the language used in these documents to explain initiatives, that's our language, but to the greatest extent possible we work with Finance to make sure we're using the same language to describe funding that might be in the budget and then in the estimates.

**Mr. Kelly McCauley:** If the language isn't clear and our whole goal is to make the estimates more understandable, why are we using...? I want to read something to you, "Funding to implement the Impact Canada initiative to accelerate efforts toward solving Canada's big challenges". It's \$1.4 million, so our big challenge is not the issues with the vets who are protesting, or that right now we're fixing Phoenix. It's \$1.4 million.

I have to again ask, why even bother putting this dribble in if our whole goal is to make it more transparent to Canadians and parliamentarians?

**Mr. Brian Pagan:** I certainly share that objective, Mr. McCauley, but again the starting point is that if the government is articulating a priority in the budget, to the greatest extent possible we try to use the same language so that parliamentarians and stakeholders can follow the money. I take your point and I'll go back to my colleagues at the Department of Finance and ask for that consideration.

**Mr. Kelly McCauley:** For the DPs and the DRPs, who is ultimately responsible? Is it the individual ministers, the DMs, or Treasury Board?

**Mr. Brian Pagan:** The ministers themselves sign off on their departmental plans. Those are owned by the departments. My team at the Treasury Board Secretariat has a role in terms of shaping content. We provide guidelines to departments in terms of content. We set out templates in terms of the financial detail and type of information.

**Mr. Kelly McCauley:** To match pillar four, do you provide instructions to your counterparts in other departments that say, "Here is the goal that the Treasury Board president is working towards," so that we have clarity?

**Mr. Brian Pagan:** Yes, we do.

**Mr. Kelly McCauley:** Do you go back and point out, "This isn't clear" or "You're missing this"? Should that be the minister...?

**Mr. Brian Pagan:** Again, these are approved by the minister. We ask for drafts of documents. These departmental plans for 2018-19 will be tabled with the main estimates on April 16. We've asked for drafts from departments in the weeks leading up to that so that we can—

**Mr. Kelly McCauley:** That answers my question. I'm going to move on.

Ms. LaFontaine, I understand how the \$623-million shortfall has come about and why we're putting it in. How did we fall behind on this liability?

**Ms. Renée LaFontaine:** We didn't want to stop making out payments to all of the new CAF members.

**Mr. Kelly McCauley:** Of course not, but how did we fall behind on this liability, topping up the money to Manulife? Were they just

slow in asking for money or we didn't foresee this crush of people coming forward?

**Ms. Renée LaFontaine:** In the past, we've done actuarial reviews every three years with where we are, because it had been at a steady state. We find that because of some new increased cost drivers such as retroactive salaries—

**Mr. Kelly McCauley:** That answers the question. It's just on a three-year cycle.

**Ms. Renée LaFontaine:** That's right.

**Mr. Kelly McCauley:** Mr. Pagan, I'm not sure if you can answer this. There's money throughout the estimates for negotiated salary increases. I'm curious. What is the average increase, including salary, pension, sick pay—all of the topics—that we're giving out right now or that are getting negotiated right now?

**Mr. Brian Pagan:** In percentage terms, Mr. McCauley, the pattern was 1.5% over—

**Mr. Kelly McCauley:** I mean "all in" per year for the ones that are getting negotiated right now or that are getting covered in the supplementary estimates.

**Mr. Brian Pagan:** It's 6% over four years, with some group-specific adjustments to deal with—

**Mr. Kelly McCauley:** Can you get back to us on an average percentage per year, including pension, sick pay, and all the extras, and how much it is costing?

**Mr. Brian Pagan:** Yes, happily.

**Mr. Kelly McCauley:** What is the \$1.4 million "to solve Canada's big challenges" going to be used for? That's under Privy Council.

**Mr. Brian Pagan:** Right.

**Mr. Kelly McCauley:** I don't know if we're going to get very far with \$1.4 million.

**Mr. Brian Pagan:** The big challenge initiative was announced in budget 2017. It's primarily two issues: smart cities and clean technology. It's \$300 million over 10 years for smart city initiatives and \$75 million over four years for clean technology solutions.

• (1125)

**Mr. Kelly McCauley:** Or perhaps it's about a quarter of the cost of an ice rink on Parliament Hill.

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

**Mr. Kelly McCauley:** Thanks.

**The Vice-Chair (Ms. Yasmin Ratansi):** Mr. Blaikie, you have seven minutes.

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

Thank you for your presentation.

I want to come back to the question of the delayed tabling of the main estimates and coordinating between the budget and the main estimates. I understand from the minister—both from his document and having heard him present at committee a number of times—that the ultimate goal for the President of the Treasury Board is to release the main estimates and the budget simultaneously. We're not there yet, but we're experimenting with delayed estimates in order to better integrate the process.

Of course, part of that process means having the Treasury Board Secretariat work more closely with the Department of Finance in the lead-up to the release of the budget, so that the budget isn't a surprise to the Treasury Board Secretariat. Even under our current process, the idea was to try to increase co-operation between those two departments, so that some of the information about the budget would be shared with the Treasury Board Secretariat in advance of the release of the budget in order to better coordinate the main estimates.

All that to say, has that started to happen? Is the Treasury Board Secretariat getting more information in advance of the release of the budget from the Department of Finance in order to facilitate a better coordination between the main estimates and the budget? Or are you having to wait until the release of the budget on February 27 to begin that work, and then you're left with the window between February 27 and April 16?

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

Obviously I can't speak to details of budget 2018. The date was announced to be the 27th.

What I can tell you is that over a number of years now, there has been increasing co-operation between Finance and Treasury Board, not only on the budget and estimates but on a range of programs and priorities for the government. We're building on that close co-operation and the fact that we will have a budget this year by the end of February. The main estimates on April 16 will create this opportunity where we do everything possible to bring the budget items into the main estimates for April 16.

Finance is well aware of the discussions that we've been having with the government operations and estimates committee, and with parliamentarians. They're well aware of the confusion that's created by having documents that are misaligned, and I think I can say they've been a very active partner with us in finding solutions and ways forward on this.

**Mr. Daniel Blaikie:** Without speaking to what they might be sharing, is it fair to say that there is increased sharing and that the work of coordinating the main estimates and the budget is already under way, even though the budget has not yet been announced?

**Mr. Brian Pagan:** I think it's fair to say that, yes.

**Mr. Daniel Blaikie:** Thank you.

I have a quick question, and maybe somebody could get back to me in writing. I know there was a transfer from Citizenship and Immigration to the Department of Justice for legal aid money to help refugees. It was for the provinces of Ontario, British Columbia, and Manitoba. I'm wondering if someone could get back to me with the portion of funding that's allocated to Manitoba. It's not something we have to do right now, so if you could follow up in writing, I'd appreciate it.

I want to ask about the \$250-million item for the Treasury Board Secretariat for payroll requirements, which seems to have a lot to do with accumulated severance pay benefits. I was doing a telephone town hall on Tuesday night with my riding, and there was a woman who called in. She is near the end of her career with the civil service, and a bunch of her colleagues and friends are as well. She was saying that there have been a lot of challenges with receiving their appropriate severance pay when they leave the civil service, and she attributed that to problems with Phoenix.

I'm wondering, first of all, is part of the problem that the government has not yet come to Parliament for the proper authorities in order to be able to dispense these severance monies, or is it really a problem with Phoenix or some combination thereof? Are you confident that this money that's going to be approved in supplementary estimates (C) is going to get disbursed to the people it ought to in a timely way?

**Ms. Marcia Santiago (Executive Director, Expenditure Management Sector, Treasury Board Secretariat):** Thank you for the question.

The \$250 million in supplementary estimates (C) is specifically to deal with the last remaining agreement from two rounds ago now of negotiations. It's one specific group in the Canada Revenue Agency. To my understanding, they've already paid out at least that \$250 million, and the item in supplementary estimates (C) is to reimburse them for what they've already paid to their employees.

The CRA, to my understanding, is not a pay centre or Phoenix department. I can't speak to—

• (1130)

**Mr. Daniel Blaikie:** This is CRA. It's not—

**Ms. Marcia Santiago:** This is CRA specifically, yes.

**Mr. Daniel Blaikie:** Thank you very much for that.

Coming back to the question around the SISIP that Mr. McCauley was asking about, it talks about halting charges, so I recognize that there may not be enough in the account. Does that mean we're paying penalties now? Is that a feature of the contract, then? How are those penalties assessed, and how long have we been paying those penalties?

**Ms. Renée LaFontaine:** Thanks for the question.

I don't have a lot of details, but I can give you a one-year example. In the contract, there are conditions whereby 40% of the premiums that are paid have to be kept on hand by Manulife to ensure it's financially sustainable. If they fall below that amount, Manulife uses its own money, so they give us a capital charge—they call it a “c charge”—and they charge us interest.

I have for you that we paid interest of \$616,900 in 2016, and the longer that goes on, the more interest we pay.

**Mr. Daniel Blaikie:** It's a penalty that's assessed, more like a loan.

**Ms. Renée LaFontaine:** It's like a loan, right.

**Mr. Daniel Blaikie:** It's not per claim.

**Ms. Renée LaFontaine:** It's to pay them for any of their capital costs that they use because they're using their own money.

Does that make sense?

**Mr. Daniel Blaikie:** Yes, it does. Thank you very much.

My last question has to do with the money for paying the public sector unions the dues they haven't received. I'm wondering about the mechanics of that. I guess normally that would be employee money, which is why it wasn't initially budgeted. Is this extra money?

Do we know when to expect that this issue will be resolved? If so, is this expenditure going to be worked into next year's budget, if—

**The Vice-Chair (Ms. Yasmin Ratansi):** Mr. Blaikie, you better cut your question short.

Mr. Pagan, give us a quick answer.

**Mr. Brian Pagan:** The way the process works is that when employees are paid, a portion of their pay is directed to union dues. Because of challenges with the Phoenix system, we have not been depositing all of the union dues owed the unions. In supplementary estimates (C), there is an item for PSPC. It's a non-budgetary vote. They will be advancing money to the union to make good on our obligation. It's a \$14-million appropriation. When the challenges with the Phoenix system are resolved, that will be paid back to us.

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

Madame Mendès, you have seven minutes.

**Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.):** Thank you for being here and for trying to shed light on some of the details under supplementary estimates (C).

I was curious about the budget of \$172.5 million for the stabilization of the Government of Canada's pay system. We're talking about Phoenix, I imagine. What would this imply? Is this just for the hiring of more pay experts and advisers? What does this mean?

**Mr. Brian Pagan:** The item you're referring to is presented as a horizontal item in the supplementary estimates, "Funding for the stabilization of the Government of Canada's pay system". This comprises funding for two departments.

For Public Works and Government Services Canada, it's \$166.1 million. This is essentially threefold. In the first place, it is money to add capacity. They are hiring additional compensation advisers to address the backlog. Second, there are system fixes. They're going into the software of Phoenix and making changes to that system so that it functions properly. Finally, there are the changes to the underlying HR-to-pay process, looking at all of the rules, including the classification system, overtime costs, acting assignments, and promotions. All of this is being looked at to make sure it is streamlined and efficiently supports the system.

• (1135)

**Mrs. Alexandra Mendès:** Doesn't that go with the IT part of it?

**Mr. Brian Pagan:** IT systems are intended to automate the underlying processes. What we found, through the Phoenix system, is that there were certain challenges to our underlying HR processes.

We're looking at those business processes and making the changes necessary so that the system can function properly.

**Mrs. Alexandra Mendès:** These processes, then, were not found to be lacking in the old pay system, or were they being dealt with manually?

**Ms. Marcia Santiago:** Some of the processes that have been in place have been in place literally for decades. One of the things we found, for example, was that there are some relatively simple pay transactions that have to be approved and reapproved, say, three or four times before a cheque enters the pay record. What we should have done in updating the IT system was to update the business processes as well, so that they would be more efficient. I think that's what we're trying to do now. We're trying to address those things at the same time as we're addressing the backlog.

**Mr. Brian Pagan:** The second element of this horizontal item is funding to the Treasury Board Secretariat, which is \$6.3 million, and this is multi-dimensional.

To support this business process review, we've stood up a new HR management transformation sector. We are working with PSPC and with the chiefs of HR in all the departments to understand the current processes and what can be streamlined. We have also established a claims office, so that those employees who have been negatively affected by Phoenix and are incurring fees for accounting services or interest on credit cards can be reimbursed for those charges.

**Mrs. Alexandra Mendès:** Would that also include the excess taxes they're paying on their income because of badly calculated T4s at the end of last year?

**Ms. Renée LaFontaine:** No. CRA is looking at processes to ensure that if an employee has been overpaid and then they are overpaying their taxes, there is a process to get reimbursed for that. The claims office wouldn't deal with that. But if the employee has to go out and hire an accounting firm or an H&R Block or somebody to resubmit their taxes with updated T4 slips, we would certainly pay for that, because that shouldn't have happened.

**Mrs. Alexandra Mendès:** Thank you.

In the international assistance priorities, I think we're adding this \$202.5 million to what was voted in the 2017-18 budget. I'd like to understand why.

**Mr. Brian Pagan:** Just to be sure I understand the question, you're taking about funding for Foreign Affairs?

**Mrs. Alexandra Mendès:** It's the international assistance priorities. That's what I have here, \$202.5 million.

**Mr. Brian Pagan:** Right. This is a top-up to the existing budget at the Department of Foreign Affairs, Trade and Development. The funding is being transferred from the international assistance envelope, so within the framework, there are monies identified for international priorities, and specifically—

**Mrs. Alexandra Mendès:** Does this include the Rohingya top-up for donations that was announced by the government at the end of 2017?

**Mr. Brian Pagan:** I don't know about that specific initiative, but I can tell you that this money, \$202.5 million, is intended for multilateral programming that is aimed at disaster assistance, humanitarian relief, and grants to multilateral institutions. I believe this might be part of that humanitarian relief, but I would have to confirm that.

**Mrs. Alexandra Mendès:** Then you have the other item that says "help developing countries to address the impact of climate change". I know it's different. It's very specific to climate change. Would this be going also to Global Affairs, or is this something that you would...?

**Mr. Brian Pagan:** It's also an item for Foreign Affairs. We're talking about \$169.7 million. This program is set up with the International Finance Corporation of the World Bank. There are two streams to this. There's the Canadian climate change program, which has a global reach. So through the IFC, Canadian money is being pooled with funding from other donors and it is available to support climate change programs around the world. Then there is a second stream, which is the Inter-American Development Bank Canadian climate fund. That is focused on the Americas.

• (1140)

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

We'll now go to the five-minute round starting with Mr. McCauley.

**Mr. Kelly McCauley:** Thanks. I have some quick questions.

Under the TBS, the \$6.3 million for Phoenix, is any of that money being used for outside consultants?

**Ms. Renée LaFontaine:** The quick answer is yes, but I will kind of tell you how. Of that \$6.3 million that we're focused on, \$4.9 million is basically to look at, as Brian talked about, taking our HR systems and how they feed pay—

**Mr. Kelly McCauley:** Who are the outside consultants?

**Ms. Renée LaFontaine:** Depending on what it is, we have several initiatives under way, so there are lots of professional services plus other companies. I'd have to get back to you.

**Mr. Kelly McCauley:** That would be perfect if you wouldn't mind.

**Ms. Renée LaFontaine:** There are quite a few actually working with us right now.

**Mr. Kelly McCauley:** Perfect. Great.

I've heard stories that the government is going to put out a very large RFP for outside consultants to assist with Phoenix. I've heard stories that it's about a three- to six-month RFP period. I'm wondering if you can tell us about that.

**Ms. Renée LaFontaine:** I'm sorry, I can't actually. We have posted the request for service but we haven't yet signed a contract.

**Mr. Kelly McCauley:** Have you posted publicly?

**Ms. Renée LaFontaine:** We've asked for bids.

**Mr. Kelly McCauley:** Is the RFP public?

**Ms. Renée LaFontaine:** Yes. We put it out.

**Mr. Kelly McCauley:** What's the scope of the RFP and what's the value as well, please?

**Ms. Renée LaFontaine:** We were looking for consultants who actually have a very good understanding of the PeopleSoft system. That's our HR system that feeds pay.

**Mr. Kelly McCauley:** This is all about PeopleSoft.

**Ms. Renée LaFontaine:** That's right.

**Mr. Kelly McCauley:** Okay.

There's money, as there always is, for advertising. In this committee, we actually put forward a report suggesting that the government should move the advertising away from Facebook and more to traditional Canadian companies, local newspapers, etc.

Have you received any direction from the government that this money should be pushed toward that or do you know if this money is going right into U.S. digital media for advertising?

**Mr. Brian Pagan:** This specific request in supplementary estimates (C) is for Public Works and Government Services. It is digital advertising to support moving Canadians to direct deposit. I'm not part of the discussions on the broader direction of the advertising policy.

**Mr. Kelly McCauley:** I'm sorry. I'm getting away from Treasury Board. There's \$5.9 million for fighter jets. Can you tell us exactly what that is for? We haven't even really launched anything yet.

**Mr. Brian Pagan:** It's two streams. Approximately \$4.1 million of that amount is for the interim replacement. We struck an agreement with the Government of Australia to purchase F-18s and parts. We're ramping up for that.

**Mr. Kelly McCauley:** We're seeing 2020. It's another two years before the first 40-year-old jet shows up, so what's that \$4 million for?

**Mr. Brian Pagan:** I'd have to get more details.

**Mr. Kelly McCauley:** Do you mind? What's the other \$2 million of that?

**Mr. Brian Pagan:** The other is setting up the project office for the design and development of the replacement fighter program.

**Mr. Kelly McCauley:** That's great. Very quickly, there's \$1.5 million for rehab of the West Memorial Building. That's Public Works again. What is that for?

**Mr. Brian Pagan:** This is preparing West Block to become the site of the Supreme Court. There's going to be a major renovation of the Supreme Court building commencing next year, so we're just finishing up "swing space", as we call it, to move the Supreme Court into that space.

**Mr. Kelly McCauley:** The PBO's transitioning from reporting to the library to a new role. There's \$690,000. How much of that is going to extra resources for the PBO, which are greatly needed, and how much is transitional costs? Are these new resources, or is this going to be used up in paperwork as it moves to being an officer of Parliament?

**Mr. Brian Pagan:** Those requirements are presented and approved by the Board of Internal Economy. If Treasury Board has no.... As part of the new legislation in creating an independent PBO they are adding capacity. Staffing is going to increase, and I understand part of this is for that.

•(1145)

**Mr. Kelly McCauley:** It will be for new resources.

**Mr. Brian Pagan:** Yes.

**Mr. Kelly McCauley:** That's very good. Thank you.

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

We'll go to Mr. Drouin.

[*Translation*]

You have five minutes.

[*English*]

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

Thanks to the witnesses for being here.

Madame LaFontaine, I think you answered some questions regarding the service income security insurance plan, and you said this was to replenish the reserve funds of \$622.9 million. You said you work with actuaries. Next year are we going to expect to see the same amount, or are we going to adjust for next year?

**Ms. Renée LaFontaine:** I guess it depends on the number of medically released. We have made an assumption. The previous assumptions were based on 1,600 new medically released CAF members a year. We have upped that now in these new estimates to 2,500. Based on our experience last year and the year before, we expect that to be the amount going forward, and then we expect them to decline again, but we'll be updating as things change. Does that answer your question?

**Mr. Francis Drouin:** Yes. It would jump from 1,600 up to 2,500? That's a significant increase in one year.

**Ms. Renée LaFontaine:** That's why we got into a deficit. It happened over a three-year period. Manulife continued to pay out the claims so we got ourselves into deficit. We're paying charges so now we're bringing ourselves back to financial sustainability.

**Mr. Francis Drouin:** Okay. That's great.

Brian, I want to congratulate you guys on the new InfoBase website. I think it's a good starting point. Slight improvements might be made, as I'm sure you know. My Prime Minister always like to say "better is always possible". I'm wondering how Treasury Board is working with other departments to ensure that the data and the plans of departments are reported. I'll give you one simple example. It has to do with CRA and the blocked calls and what the Auditor General has reported.

Of course they decided to block calls to meet their objectives. Most Canadians would say that's disingenuous. It's not being honest on the way we should be reporting to meet service standards. I'm wondering if Treasury Board is working with departments to ensure this does not happen again, and it will also have an impact on the departmental plans and the results that come out of this.

**Mr. Brian Pagan:** Thank you, Mr. Drouin. There are two parts.

First of all, on InfoBase, I appreciate the recognition that it is improving. I agree that better is always possible. In my world, we'll get InfoBase to the point where I don't have to come here anymore.

**Voices:** Oh, oh!

**Mr. Brian Pagan:** Everything you want to know is going to be on InfoBase.

In terms of the issue of departmental reporting, it builds on Mr. McCauley's question.

We've worked very hard over the last year. There's a new policy from TBS on results, so departments have come forward with new ideas about how they present their business and what their core responsibilities are. We challenge them on that, and once we agree on what their core responsibilities are, departments articulate what they're trying to achieve and what the result target is. We challenge them on that and then on what the indicators are that they're going to use to measure progress against that target.

That has been a discussion between ministers. There's an agreement between ministers that this is who we are, what we're trying to achieve, and how we're going to report. Once we have that frame in place, we provide the guidance in terms of how to develop a report and how to fill out the tables.

In terms of the editorial control, at the end of the day it is a report that is owned by ministers. They sign off on it. We do have a role in looking and challenging, as do two other important observers. There are departmental audit committees that are discrete—these are external third-party committees that provide guidance and, in some cases, direction to departments—and there is the Auditor General, as you mentioned. When we bring those three together, I think we have the makings of the governance to ensure that reports are credible and accurately reflect what departments are trying to achieve and what they have achieved.

•(1150)

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

We'll go to Mr. Kelly for five minutes.

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

Regarding access to information and changes that have been made to the access to information law, there's additional funding. Do you know how many new employees that will translate to? Is there anything you can say about the efficacy of access to information under the new law and with the new funding? The delays on ATIPs remain, and the backlog is still what most Canadians would find unacceptable.

**Ms. Renée LaFontaine:** I'm sorry. I didn't note the number of new staff that we'll be hiring at TBS to do this, but I want to give some precision on what exactly this money is for.

I think you know that our proposed new legislation is currently in the Senate. This funding is to support those proactive publication mechanisms that are being proposed in that new legislation. For example, when we prepare briefing binders like this for our minister to come to committee, these would be proactively disclosed regularly. This money is for the future, when the new Access to Information Act is in place. It's focused on the current departments and agencies that are involved in access, and it also adds crown corporations, the Prime Minister's Office, and the ministers' offices.

**Mr. Pat Kelly:** For several years, we've seen additional money having to go in to try to address the backlog, yet the backlog remains. Is there any...?

**Ms. Renée LaFontaine:** I think that's probably happening at the departmental level, depending on the backlogs experienced by each department. Hopefully, when we get into the position where we are proactively disclosing things, departments can organize themselves not to wait for a request but to put it out there so that Canadians can go and help themselves.

**Mr. Pat Kelly:** There's additional funding for operational pressures related to the Government of Canada's pay system for the CRA. This is for the CRA to deal with all of the anticipated additional assessments, reassessments, and appeals, and all the problems that are expected to be generated from the general fiasco that is Phoenix. Is that correct?

**Mr. Brian Pagan:** That's correct. For instance, there's been an increase in call centre volumes for calls on tax issues from employees affected by Phoenix. This provides additional resources for CRA to address both the call centres and some of the processing and audit work related to this.

**Mr. Pat Kelly:** The Auditor General, in his report on Phoenix, commented on the general lack of preparedness and that the resources that have been contributed to deal with this problem have not been adequate thus far. Do we think this is going to do it or are we going to be here next year with longer backlogs and addressing an ever-compounding problem? Does this reflect, do you think, the true need for additional resources?

**Mr. Brian Pagan:** This addresses the needs identified to respond to the problem for this year. There is a multi-year plan in place now to resolve Phoenix and the requirements for future years to support that plan will be presented in the main estimates or supplementary estimates next year for those future requirements.

**Mr. Pat Kelly:** The 40,000-odd employees at CRA are not part of the Phoenix pay system. Is that correct? Did I get that correct from Ms. Santiago?

**Ms. Marcia Santiago:** They're not served by the pay centre directly, no.

**Ms. Renée LaFontaine:** Right.

**Ms. Marcia Santiago:** They have their own pay advisers.

**Mr. Pat Kelly:** That's fine.

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

We go to Mr. Peterson for five minutes, and that's the last round.

**Mr. Kyle Peterson (Newmarket—Aurora, Lib.):** Thank you, Madam Chair, and thank you again, witnesses, for being here today

I know that there are a lot of things being balanced right now. You're shifting from the old system vis-à-vis timing into the new system, so we have two streams happening at once, but it's good to see that the legacy system is being maintained while we're implementing the new system to make sure that there are no gaps in service. I think that's to be commended, but I know it gives you a little bit of extra work to do. I appreciate your being here. I only have five minutes, but I have a number of questions.

There is more to the new system I think than just the alignment, of course. It's also the transparency component, I'll call it, and a lot of that has to do with the reporting and information. Really, to get the full picture, someone would have to drill down into the numbers. The departmental plans are really just a segue into those numbers. I want to talk about InfoBase. Does that allow the public to look at these expenditures, if they're so inclined, and have access to the same numbers that we have here at the committee?

• (1155)

**Mr. Brian Pagan:** In fact, InfoBase presents information not only about what you see here in this document, but also allows stakeholders to drill down and get a great deal more information, including FTEs or employees working on specific programs, where those employees are located, the NCR versus the regions. We have demographic data about those employees, so you can see an age band and distribution.

Most recently, to Mr. Drouin's point about always striving to do better, there have been incremental adjustments to InfoBase. In November of this past year when the departmental results reports were tabled that support the final accounting of actual expenditures in the public accounts, we added to InfoBase, for the first time, results information that show departmental progress against their commitments. These are both quantitative—we achieved a 95% response rate—or qualitative, depending on what the target had been.

I thank you for your interest. The president is very keen on popularizing InfoBase and making sure that it's out there and, as I say, we actually aspire to the point where it is so comprehensive that it makes my appearance here redundant.

We did present this to a Senate committee last year and we would be happy to come back and provide a demonstration of that tool, if the committee were interested.

**Mr. Kyle Peterson:** As one member, I'd be interested in that. I'll defer to the will of the committee on that, of course, but I appreciate the insight.

I have a specific question. I don't want to dwell on the Canadian Armed Forces benefits, but with this increase in claims, do you foresee an increase in premiums?

**Ms. Renée LaFontaine:** Yes.

**Mr. Kyle Peterson:** Who pays the premiums now? It's the employer, I take it, the forces.

**Ms. Renée LaFontaine:** There are various categories, but on average, the employer pays about 95% and the CAF members pay about 5%.

**Mr. Kyle Peterson:** Right, so with the increased claims, we're either going to have to fund the reserve or pay for more premiums.

**Ms. Renée LaFontaine:** Yes—

**Mr. Kyle Peterson:** Either way, it's going to cost the government more money.

**Ms. Renée LaFontaine:** I think we'll be back at this table for the main estimates, or following the supplementary estimates, once we get an estimate of what the new premiums should be to make sure it maintains its stability.

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

I have just one more specific question, and it has to do with the write-off of unrecoverable Canada student loans at \$203.5 million.

When we say “write-off”, first of all, are we selling our debt to any third parties to collect it at this point?

**Mr. Brian Pagan:** In fact, the Canada student loans program supports 500,000 students who receive benefits, and it costs about \$2.7 billion to \$2.8 billion annually. The total outstanding loan portfolio as of March 31, 2016, was \$18 billion, and the average loan at graduation was just over \$12,000.

The way the loan repayment works, this government introduced changes in budget 2016 so that if you're earning less than \$25,000, we don't try to recover the loan until you're earning a working wage, and then debt repayment schedules are negotiated.

If someone falls into default, there is a process with the Canada Revenue Agency in which, over a six-year period, we try to recover that debt. Only after six years, if we've been unsuccessful in recovering the debt, do we write it off. That's not the same as debt forgiveness. We're not forgiving the debt. We're simply removing it from our books. This is in keeping with accounting standards and an agreement with the Auditor General, where we want to project our real liabilities and the real likelihood of recovering costs.

• (1200)

**The Vice-Chair (Ms. Yasmin Ratansi):** Thank you very much. This brings us to the end of the first round.

I thank the witnesses. I think there are a couple of questions that have been posed for which you will be sending information back to the committee.

We will suspend for a minute and return ASAP because the minister is here, and I'm sure everybody wants to ask him questions.

• (1200)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1200)

**The Vice-Chair (Ms. Yasmin Ratansi):** Committee members, if you want to spend time with the minister, you had better sit down.

Continuing with our study of the supplementary estimates (C) and the interim estimates, we have our second panel with the Honourable Minister Scott Brison, President of the Treasury Board. We also have Madam Baltacioglu, Madam Renée LaFontaine, and Mr. Brian Pagan.

Welcome, Minister. I believe you have some opening remarks, which you will keep short, I hope.

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

**The Vice-Chair (Ms. Yasmin Ratansi):** We have time constraints.

**Hon. Scott Brison (President of the Treasury Board):** Madam Chair, I don't know how to take that.

**The Vice-Chair (Ms. Yasmin Ratansi):** Take it as a friendly....

**Hon. Scott Brison:** As committee members are aware, I'm very sensitive so I will heed that.

I'm delighted to be here with you today. I've said this before but I think it bears repeating. I have a lot of respect for the work that committees do. Having been a member of Parliament for almost 21 years, I've spent most of my time in opposition, in fact. I enjoyed and valued my work on committees, and I understand full well the importance of the work of committees.

I'm delighted to be here with Brian Pagan, Renée LaFontaine, and Yaprak Baltacioglu, the secretary of the Treasury Board.

If you will indulge me for a moment, this will be Yaprak's last appearance before a parliamentary committee, I believe. Sadly for me, and for Canadians, Yaprak is retiring after 30 years of public service, having served a lot of governments. Her story is of somebody who came here at the age of 22 from Turkey, who was educated here, raised children here, and chose to serve a Canada that she loves. She has made an immense difference in the lives of Canadians over that period of time. She has been an exceptional public servant, and I want to thank Yaprak, on behalf of all of us, for her work.

**Some hon. members:** Hear, hear!

• (1205)

**Ms. Yaprak Baltacioglu (Secretary of the Treasury Board of Canada, Treasury Board Secretariat):** Thank you.

**Hon. Scott Brison:** Over the last hour, I know that our officials have been with you discussing the highlights of supplementary estimates (C) and the interim estimates 2018-19.

[Translation]

Madam Chair, with these supplementary estimates, the government is asking Parliament to approve funding for issues that are important to Canadians. This is why we are trying to obtain, as you have heard, \$4 billion in additional expenditures for 48 organizations.

[English]

These include \$177 million to support veterans and their families, \$435.4 million in support of Canada's defence policy, \$202.5 million towards international assistance, and \$277.6 million for Canada's military contributions to international missions. We're seeking Parliament's approval to create more opportunities for indigenous peoples, attract talents, strengthen university research, build strong indigenous communities, and innovate to solve Canada's big challenges.

We're happy to take your questions on both supplementary estimates (C) and also the interim estimates for 2018-19.

I would like to briefly discuss our broader agenda to reform the estimates process and to improve its alignment with the budget.

[*Translation*]

As Mr. Pagan said, the main estimates will be brought down on April 16 at the latest, for the duration of this Parliament. I know that Mr. Pagan and Ms. Lafontaine are as excited as I am with the idea that this year's main estimates will reflect the budget, thanks to this change of date.

[*English*]

One consequence of that change is that we have tabled interim estimates. This is the first time that the government has provided Parliament with a document showing the specific amounts that we proposed in an interim supply bill, for each vote of each department with an appropriation. The purpose of the interim estimates and the interim supply is to provide the government with sufficient cash and authority to start the fiscal year, until we request the full authority for the full supply of the main estimates.

To better support this purpose, you will notice an important change in the way that voted authorities are presented in the proposed schedule to the appropriation bill. Now, we show both the amount of cash that the department requires for the first three months of the fiscal year and the total authority, which is the value of contracts, grants, and contribution agreements, for example, that they can commit against the vote for the year beginning on April 1.

If you had followed the progress of the second budget implementation act last fall, you'd recall that we saw an amendment to the Financial Administration Act to enable this change. This simple change to vote wording provides greater clarity for departments, which then work, and must work, within the authorities approved by Parliament.

• (1210)

[*Translation*]

This is another example of our commitment towards improving the clarity and transparency of the process of determining budgetary forecasts and authorities.

[*English*]

With this change, we are improving the clarity and transparency of the estimates and the supply process. As important as these interim estimates are, they're really just the teaser for the main event and that's the next budget and the main estimates.

As the Minister of Finance has announced, the next budget will be tabled on February 27, and by delaying the tabling of the main estimates, we will be able to include new spending measures, from the budget, in the main estimates, and to get those funds working for Canadians as soon as possible after they're announced in the budget. It really does make the estimates process more meaningful.

In the past, we would have the main estimates before the budget. We would debate the main estimates and then the budget would come along, rendering much of what we talked about in the main estimates irrelevant. I value your time as committee members, and I hope that this enables you to play an even greater role in terms of

just holding our government to account but future governments to account.

As Brian and Renée explained, we're continuing to work on the other pillars of estimates reform. There's the option of changing the nature of the vote to reflect the purpose, the why, rather than just the nature of the how, the expenditure. We're also committed to having the 2018-19 departmental plans tabled at the same time, or very soon after the main estimates.

That concludes my opening remarks. I'm looking forward to having a discussion. I always enjoy this committee.

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

We'll start the first round, the seven-minute round, with Mr. Peterson.

**Mr. Kyle Peterson:** Thank you, Madam Chair.

Thank you, Mr. President, and to the officials for being here. We appreciate this component of our committee. It's a role that we all take seriously, and I think we can all agree that the new alignment will perhaps allow us to fulfill that function of our committee work a little more effectively.

The alignment, of course, is just one feature of the new process. I wonder if you can elaborate on other steps that are being taken to ensure that the process continues to be more transparent, more clear, and aligns departmental priorities with the budgetary process.

What other steps, behind just the alignment, are being taken to make this process more open and transparent?

**Hon. Scott Brison:** One of the things I'd like to come back to the committee to discuss are the departmental results frameworks, which is a very different reportage of departments to Parliament. It is much more results-focused than ever before. In the past, reports were focused on outputs. We are trying to focus reporting on outcomes. In the past, reports were focused on processes. We want to focus on objectives and what we actually get done on behalf of people.

The indicators you will see in the departmental results framework first of all relate to objectives that we believe Canadians would share and understand. The old reporting was not one that I think was understandable or pertinent to citizens.

That's something where I'd like to come back sometime and have a more in-depth discussion, and go through and compare the old program architecture reports and the new departmental results framework so that you can see. We can do it in a couple of departments to show the difference. What it is doing is creating an alignment between the government ministers and the public service. In terms of a transparent reportage process to citizens, that ensures we're keeping our eye on the ball in terms of what we're trying to achieve.

I would like to come back and spend more time on that, and program-based reportage—the work we're doing with Transport, as an example—which provides a lot more detail than you would have had in the past.

I mean the objective here... I think the changing of the sequencing of the budget and the main estimates is an important step forward. It will take time to achieve the full results of that. You're dealing with the machinery of government in terms of Finance, Treasury Board, and departments. It is a significant change. I looked at the gold standard in terms of budget estimates process. I like the Australia model, where budget and estimates come out basically simultaneously. From an efficiency perspective and an accountability perspective, I think it's really good. We're moving in that direction, and I think that's positive.

•(1215)

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

This may be a little more of a technical question, but there is also going to be a change in the accounting methods. There's still some work to do, even in the assessment by officials of the reconciliation tables introduced and the budget and estimates.

How far are we along that road? How big of an undertaking is that? Is that just a technical accounting change, or is there much work to do?

**Hon. Scott Brison:** I did notice that when you had a technical question that was really tough, you looked at Brian, not me. But I do believe that the reconciliation tables we are including now, which help align cash and accrual accounting, the estimates and budget accounting, are really important in terms of parliamentarians' ability to understand what we're doing, and they make it clearer to people such that they can follow the money.

Brian.

**Mr. Brian Pagan:** As mentioned in our previous remarks, we've been working very closely with Finance over the last number of years on our shared agenda to make the numbers more understandable. For the last two years in our supplementary estimates in the spring, we've had that reconciliation table. This year, because we're tabling the main estimates after the budget, we are going to have that reconciliation in the main estimates. That's a terrific advancement.

We have continued this effort at reconciliation. In the supplementary estimates (C), there are a number of online annexes. There is an annex there that compares the budget to the estimates and provides that ongoing reconciliation. It's more than just accounting, as we've explained previously. The budget is comprehensive, so it reflects all expenses of government including tax expenditures like the Canada child benefit. We break out the totality of expenses and then account for that accounting difference, that difference between cash and accrual. It's actually quite small. It's about \$6 billion.

**Mr. Kyle Peterson:** I can assure you, Mr. President, I wasn't implying by just the way I was looking at you that you weren't capable of answering the question.

**Hon. Scott Brison:** You know I'm very sensitive.

**Mr. Kyle Peterson:** We share an alma mater so I know you're a well-educated, young man.

**Hon. Scott Brison:** That's right.

That's a plug for Dalhousie University.

**Mr. Kyle Peterson:** I know there's the pilot program at Transport Canada. How's that going, and what lessons have we learned from the program?

**Mr. Brian Pagan:** It's ongoing. Through the first two years there have been no challenges at all with respect to Transport Canada's ability to allocate their grants and contributions to their recipients.

As the minister mentioned, we have a new results policy. You will be seeing a new frame for Transport Canada this year because they are aligning their grants and contributions votes according to the core responsibilities that I spoke of earlier. As we indicated, we've advanced the idea that we might want to build on this pilot and try this with other departments, but we welcome feedback and direction.

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

We go now to Mr. McCauley for seven minutes.

**Mr. Kelly McCauley:** Welcome back, Minister.

Yaprak, congratulations on your retirement. Thanks for everything you have done for our country. I know that one year with the minister is like seven in the real world.

**Voices:** Oh, oh!

**Hon. Scott Brison:** You're stuck just with me here.

**Mr. Kelly McCauley:** Yes. I know.

Minister, we spoke to Mr. Pagan earlier about this and butted up against who's writing the editorial content of both the departmental reports. I'm glad the departmental reports are going to be released at the same time as the estimates.

I will read out to you some of the comments in here. There's money for the "smooth functioning of the Courts and to promote greater access to justice for all". Under the Department of Canadian Heritage, there's funding to "amplify the office of the Governor General, and help build a stronger Canada". It seems that we're moving away from transparency by writing what looks like political content and not accounting content to be delivered to Canadians.

I will go back to the departmental reports I was mentioning earlier. I will use Public Services and Procurement as an example. In her report, she doesn't mention Phoenix at all, but she goes on about the Canada Post report where part of her achievement is thanking the committee for the work they did. It seems quite odd that a departmental report put together, meant for transparency in terms of where Canadians' money is being spent, is written about such frivolous stuff, but also misses such important stuff as Phoenix.

Who is responsible? I guess it's the ministers, but who's overlooking to make sure they're delivering on your promise in pillar four about providing high-quality information and performance targets and results in departments?

•(1220)

**Hon. Scott Brison:** Thank you, Mr. McCauley.

You used a couple of specific examples there. One was "smooth functioning" of the court system and "justice for all". Would you imply that those are partisan things? I would think that is something that all—

**Mr. Kelly McCauley:** They're not partisan things, but they don't provide transparency on where the money is going. I think you know that and you're trying to make this a partisan issue and trying to make it appear that we don't agree with justice.

**Hon. Scott Brison:** No, but respectfully—

**Mr. Kelly McCauley:** I'm just asking who's writing the editorial, and it seems to be politicized by you.

**Hon. Scott Brison:** What is political about the smooth functioning of the court system or justice for all?

**Mr. Kelly McCauley:** You promised to provide transparency for the estimates. That's wonderful. We support that, but the writing does not explain where this money's going.

**Hon. Scott Brison:** Again, not to be a stickler, but how is the smooth functioning of the court system or justice for all inconsistent with transparency? I think it's a pretty reasonable description of what we or all parties—

**Mr. Kelly McCauley:** Where's the \$3.5 million of that going then? You can't tell.

**Hon. Scott Brison:** Now you have a question.

**Mr. Kelly McCauley:** I'm saying that should be in the line. Provide more detail for the \$3.5 million and get away from the fluffy stuff. I'd like to see the transparency that you've committed to, which is wonderful, and I support you, but we'd like to see in the estimates the commitment followed through on, which is the transparency and the openness, so that a parliamentarian or a Canadian can pick up the estimates and say, we have \$3 million, where's that going for the Department of Heritage? Oh, it's amplifying an office.

We'd like to see the details. We'd like to see the commitment of that money—

**Hon. Scott Brison:** In terms of the language—

**Mr. Kelly McCauley:** But let's go to the departmental reports.

Who's going to oversee to ensure that the departmental reports are delivered as you intended in your pillar? I support your pillar three 100%—it's a great pillar—but how are we going to ensure that's actually getting done?

**Hon. Scott Brison:** I understand.

In terms of the language, you'll see a strong correlation between estimates language and budget language because—

**Mr. Kelly McCauley:** I was going to mention that, but—

**Hon. Scott Brison:** —actually, the idea here is that the estimates reflect the programs described broadly in the budget, so you will see a strong correlation in that.

In terms of the departmental results framework, each department is to write its departmental results framework. There is a process through which deputy ministers and ministers meet with Treasury Board ministers. We have done that and we continue to do that today.

We play a challenge function. I can tell you the language being used is very much the kind of language that makes it very easy to explain what a program seeks to achieve, and the indicators are measurable and over time, longitudinally, they will show results. The best thing to do would be to actually come back and actually bring

some of those reports and compare them to the previous program architectural reports.

**Mr. Kelly McCauley:** Perfect. We'll do them with the estimates.

I want to get back to your comment about having great respect for the work the committees do, and I appreciate the long term you spent in opposition.

I want to bring this back to something we've discussed with you previously, the whistle-blower report. The report was done by the committee with unanimous support from the NDP, the Liberals, and us. It required, I think, 15 legislative changes to protect public servants. You say you respect the work the committee did but you basically just binned the report.

You've said you're going to consult. What have you done constructively to fulfill the 24 recommendations of the whistle-blower report and the very needed changes?

• (1225)

**Hon. Scott Brison:** First of all, we're working with federal institutions to seek ways to improve the protection of public servants and to ensure that our government's position is absolutely clear in terms of ensuring that public servants have a safe place and we can see through the process—

**Mr. Kelly McCauley:** You have a commitment from your government to bring about some of these recommended changes, these needed changes to protect people—

**Hon. Scott Brison:** But beyond that, as I said, I'm interested in the committee's report, and we've been working, as you know—

**Mr. Kelly McCauley:** When can we see a commitment with regard to a date from your government for these much-needed recommendations to protect our public servants, others, and taxpayers brought into effect?

**Hon. Scott Brison:** There's actually work being done on an ongoing basis within our government that reflects that desire.

**Mr. Kelly McCauley:** Would you provide a report to the committee of what you've actually done then, since the report's been issued?

**Hon. Scott Brison:** Look, I would be interested in actually coming back to the committee to discuss that whole area.

**Mr. Kelly McCauley:** We invited you but your government members voted down your appearance, if you recall.

**Hon. Scott Brison:** I couldn't.

**Mr. Kelly McCauley:** We invited you in a motion, and, if you recall, your side voted down your return to discuss that.

**Hon. Scott Brison:** No, at some point I can come back and discuss those.

Again, we have had at Treasury Board a very active agenda—

**The Vice-Chair (Ms. Yasmin Ratansi):** Mr. McCauley, your time is up.

**Mr. Kelly McCauley:** I'm out of time.

**The Vice-Chair (Ms. Yasmin Ratansi):** Yes.

**Hon. Scott Brison:** But as I've said to you—

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

**Hon. Scott Brison:** In a letter to the committee, I commended the committee for its work and expressed my interest in following up with both the direction and the specifics.

**Mr. Kelly McCauley:** Public Works commended us on our report on Canada Post as well, and that went nowhere, so...

**The Vice-Chair (Ms. Yasmin Ratansi):** Mr. McCauley, your time is up.

Mr. Blaikie, you have seven minutes.

**Mr. Daniel Blaikie:** Thank you very much, Madam Chair.

Welcome, Minister Brison. It's always great to have an opportunity to delve a little more deeply into particular issues with you here at committee.

Supplementary estimates (C) is one of likely two last chances for the government to include whatever appropriations might be required to keep the Canadian Nuclear Laboratories employees in the public service pension plan. I notice there does not seem to be anything in supplementary estimates (C) about that.

I know you're familiar with the issue because you and Minister Jim Carr have been meeting with the unions involved with the workers who are essentially being shut out of their pension plan. The deadline for that is this September, which is why there are so few opportunities for government to appropriate whatever funds might be necessary. When you were last here in November I asked for the costing for that. A decision is going to get made one way or another before September. Either a decision will be made to allow them back into that pension plan or by default they'll be pushed out if the government does nothing.

Do you have the costing of the financial impact for government to keep those employees in the plan?

**Hon. Scott Brison:** Thank you very much, Daniel.

I'd like to start, and then I'll call on Yaprak as well on this issue.

The Harper government's decision to sell AECL has had a very significant impact on CNL employees. We understand that. We're doing everything we can to offer pension protection for employees affected by that sell-off. It is not possible for CNL employees to remain in the public service pension plan as they are no longer public servants, but we are currently working to bring in regulations that will protect the employees' pension eligibility, with the goal that those new regulations would be in place prior to September. You cited September as being an important date in the transfer. The regulations would ensure that—

**Mr. Daniel Blaikie:** Would they allow them to stay in the plan or not?

**Hon. Scott Brison:** It would ensure the duration of their current and future employment with CNL and their age of retirement will be used to determine their eligibility for an unreduced pension under the public service pension plan for their service to the date of the transfer. The regulations will help mitigate adverse effects on pension benefits by also allowing survivor benefits and in situations where these employees marry or enter into common-law relationships or have a child while employed by CNL.

• (1230)

**Mr. Daniel Blaikie:** Is it the position of the government that nothing will be done to allow those employees to stay in the plan past September? You're talking about trying to facilitate the existing benefits for up to the cut-off date, but not to continue to support their pension plan.

**Hon. Scott Brison:** The issue we have, Daniel, is that if somebody is no longer a public servant, it is not possible for them to continue to participate in it.

**Mr. Daniel Blaikie:** It's an awkward employment situation, isn't it, though, because CNL is not... The employer is a company...if they are the employer, because the employees stay with CNL regardless of who gets the management contract, and I think that's a five-year management contract. If a private contractor comes in to manage the assets of CNL, including the employees, they're not technically the employer because if the management contract changes those same employees will stay with CNL. They'll be managed by the new contractor. Are the employees CNL employees, and where does CNL fit if CNL is not the employer? Or are they the employer, and then there's a management contractor?

It seems to me to be a deliberately vague employment scenario, the consequence of which is that while these employees won't be the employees of whoever's hired to manage the assets of CNL, they remain with CNL as if they continued to work for the government, just as the assets nominally remain government assets, but the effect is that they're shut out of some of the benefits of working for the government. That seems to me to be a strange way to structure the management of those assets. The only really obvious substantive outcome is that those employees are shut out of the pension plan.

**Hon. Scott Brison:** These are good points that can help inform regulations, and Yaprak, Renée, and other public servants are engaged in that. You may want to add something further.

**Mr. Daniel Blaikie:** One of the concerns going forward is that if the government doesn't intervene to change the model... and one way to do that would be to try to come to an arrangement under which these persons who are effectively civil servants, though not in name, could continue to remain in the plan through an arm's-length company that technically owns the government assets, even though it contracts out the management of those assets.

This seems to me to be a bad precedent for government workers, where government can set up a shell company, transfer its assets, and its employees in some strangely defined way, and tell them they're going to continue to maintain and work with these assets, that they're going to have a different manager from time to time, but they won't have a pension anymore. That seems to me to be a bad model if you're looking at it from the point of view of the people who have maintained these assets for decades.

**Hon. Scott Brison:** The genesis of this was, of course, the decision of the previous government to sell the asset. What we have is people who were public servants and as such participated in the public service pension plan, but who are not going to be public servants in the future. I think that's the nub of it.

**Mr. Daniel Blaikie:** I think that's something the government should make right by keeping them public servants.

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

**Hon. Scott Brison:** We're seeking ways through the regulations to ameliorate some of those issues.

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

Mr. Drouin.

**Mr. Francis Drouin:** Thank you, Madam Chair, and my thanks to our witnesses for being here.

Ms. Baltacioglu, I too will get on the train to wish you good luck in your future endeavours and a happy retirement, if there is such a thing.

One of the questions I didn't get to ask Mr. Pagan previously was about the pilot project at Transport Canada. What could our committee do to build on the pilot project? Do you foresee any other departments embarking on this purpose-vote structure? I want to make sure I understand correctly—and I'm quoting a 2012 report—that this would trigger about 593 votes if it were implemented at large. It may have changed now, but I'm wondering how we can help.

• (1235)

**Hon. Scott Brison:** I can turn this back. Would there be consensus among committee members for seeing more of that? Has the Transport Canada pilot benefited you as parliamentarians in following the money and feedback? For instance, InfoBase is an example of a tool. It would be great to have feedback.

Has the Transport Canada pilot helped you and would you like to see it expanded? I would turn that back to you and our colleagues. If there's a consensus and an interest, that would help inform our thinking. The objective is more transparency and more accountability to Parliament and our citizens. Is it useful?

We did a demonstration of InfoBase to your Senate colleagues and they found it very valuable. Maybe we should do an InfoBase demo here, because it really is a big help.

**Mr. Francis Drouin:** With Transport Canada, there's a seamless transition toward a purpose-based vote structure. There were no issues there. Would you anticipate potential problems with other departments or agencies?

**Mr. Brian Pagan:** In fact, that would be very much the reason that we would propose to approach this as a pilot, to make sure that we had a measured approach in proceeding and that we could, in a very limited way, test all of our assumptions in the application of this.

Just to make it very concrete, when we talk about purpose-based votes, just using TBS as an example right now, we have \$919 million in supplementary (C)s that we're requesting. That is spread through existing votes, our operating vote, and some votes that we administer on behalf of the public service as the employer.

In a pilot of a purpose-based approach, we would take our new results framework, where we have defined roles as the employer, as the expenditure authority, and as the regulatory authority, and we would present the same items, but according to those roles. The vote would be according to our core responsibility as employer. The idea is that, as the president says, it would allow committees and stakeholders to maybe follow the money better in terms of the key responsibilities, the key activities of departments.

When we presented the ideas last year, as I think the committee recalls, there was lots of discussion around timing, and unfortunately, we really never got past a decision on timing, so we would welcome a report or recommendation as to whether this should be pursued. We do have some ideas about how we could do that, but we did not feel that there was any consensus to expand the pilot at this time.

**Ms. Yaprak Baltacioglu:** Also, if you think about the purpose-based votes, if the purpose is not clear, then it really doesn't matter how much money you've attached to a purpose if it is not understandable, so this year we put a lot of effort behind the departmental results framework.

Mr. McCauley asked who was scrutinizing this. We spent endless hours trying to make sure the language is clear, that not only we understood it but, we're hoping, that parliamentarians will clearly understand it, and more importantly, that Canadians will understand it. It should say what the money spent will do, and it should have measures around that.

If we can get the frameworks right, then it's easier to attach the purpose-based votes. We're trying to get the purpose right and the votes have to follow the purpose.

**Mr. Francis Drouin:** The other question I have is whether there are any thoughts about.... I've looked. I've surfed the InfoBase website, and I think it's a great tool. It's a great start, and I know there's always room for improvement.

The issue that I could see coming up, and maybe you will correct me if I'm wrong, but on direct program spending, I think Canadians would be interested to know how much funding is dedicated to serving Canadians. I see that we have access to the numbers, even by age of employees working in a department, but on the direct spending, we don't have access to how many Canadians it serves. Is that something you guys are working on?

• (1240)

**Hon. Scott Brison:** One of our mandate commitments is.... The service agenda of government is being led by Treasury Board, but one of the big parts of it is that you can't talk about government services today without talking about digital services. Right now we're a Blockbuster government serving a Netflix citizenry, and we have to up our game in terms of digital services.

Canadians wonder why they can't get the same quality of service from their government when they renew a passport as they've come to expect from Amazon when they buy something. We set up over the last year the Canadian digital services unit, which is modelled after the U.S. government digital services unit and the U.K. government digital services unit.

The U.S. one was set up by President Obama in 2013, and that's because on October 1, 2013, Obamacare was introduced in the U.S. On that day, 4.7 million Americans tried to register for health care on HealthCare.gov, and only six Americans succeeded. There was a big screw-up, and sometimes big failures create the environment for new start-ups, and that's what we're doing in terms of this start-up.

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

We will now go to our five-minute round.

Mr. McCauley, I guess you're sharing your time with Mr. Deltell.

**Mr. Kelly McCauley:** I'll be very brief. Minister. Thank you for committing to come back to discuss whistle-blowers. People's lives are still being destroyed. There are lives being destroyed by lack of proper whistle-blower protection.

We have a motion on hand right now that we submitted February 5:

That the Committee invite the President of the Treasury Board to provide a briefing on the progress made by the current government in implementing the recommendations made by the Committee in its report to Parliament on strengthening the Public Service Disclosure Protection Act, to better protect whistleblowers who speak out against wrongdoing in their departments, and that the meeting be held no later than March 29, 2018.

This is the same motion that we brought in about two months ago that the government side voted down to prevent Mr. Brison from attending, so I'd like to put through this motion now and have a recorded vote on it.

Then we could move back to the estimates, seeing that the minister has kindly agreed to come back.

**The Vice-Chair (Ms. Yasmin Ratansi):** Yes, Mr. Drouin.

**Mr. Francis Drouin:** For March 29, there are two weeks that we are not here, so can you be flexible on that date?

**Mr. Kelly McCauley:** It's up to the minister if he can commit. Suggest an alternative and let's move on. Get the minister to commit and come back.

**Hon. Scott Brison:** Keep the date flexible. It's been a while since I have done my scheduling, and every time I insert myself into my schedule, things get screwed up.

**Mr. Kelly McCauley:** How about by summer break?

**Hon. Scott Brison:** That would be great. Thank you.

**The Vice-Chair (Ms. Yasmin Ratansi):** Okay, and do you want a recorded vote?

**Mr. Kelly McCauley:** Yes, please.

**Mr. Francis Drouin:** I think we need to vote on the amendment first.

**The Vice-Chair (Ms. Yasmin Ratansi):** Oh, sorry. Yes, you're absolutely right.

**Mr. Kyle Peterson:** If there's consent, then I don't think we need a vote. Everyone's in agreement.

(Amendment agreed to [See *Minutes of Proceedings*])

**The Vice-Chair (Ms. Yasmin Ratansi):** I will read the motion as amended:

That the Committee invite the President of the Treasury Board to provide a briefing on the progress made by the current government in implementing the recommendations made by the Committee in its report to Parliament on strengthening the Public Service Disclosure Protection Act, to better protect whistleblowers who speak out against wrongdoing in their departments, and that the meeting be held no later than Thursday, June 14, 2018.

(Motion as amended agreed to)

**Mr. Kelly McCauley:** I'll turn it over to Mr. Deltell.

**The Vice-Chair (Ms. Yasmin Ratansi):** Okay, thank you.

Mr. Deltell.

[*Translation*]

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

Ladies and gentlemen, thank you for welcoming me to your committee.

Mr. Minister, it's always a pleasure to see you.

Good afternoon, Ms. Baltacioglu. Thank you for your 30 valuable years of public service. I guess that means that, at the time, we hired people as of the age of 10. At least, things have changed since.

**Ms. Yaprak Baltacioglu:** Thank you very much.

• (1245)

[*English*]

**Mr. Gérard Deltell:** Now, let's go to the minister. First, congratulations on your French. I can never say it enough that I appreciate your hard work in improving your French.

[*Translation*]

**Hon. Scott Brison:** Thank you. Thank you very much for your patience with my French.

[*English*]

**Mr. Gérard Deltell:** Patience, you're right.

We are very concerned when we hear the minister talk about another example to have better transparency in the government, because we all remember that one of the first pieces of legislation the government tabled was Bill C-4, which killed some transparency tools for workers. This is why we are very concerned, but we will see what the government tables, and we will pay careful attention to that.

[*Translation*]

Madam Chair, I am very happy that we can discuss with the President of the Treasury Board in such a direct manner.

In our point of view, the President of the Treasury Board is the chief custodian of Canadian tax dollars. Expenditures of \$330 billion must be subjected to very serious scrutiny, and it is up to the President of the Treasury Board to ensure that each dollar is wisely spent.

[*English*]

My first question is quite clear. Does the minister agree with spending \$8.2 million for a hockey rink in front of Parliament? Was it a wise spending of public money, yes or no?

[Translation]

**Hon. Scott Brison:** I'd like to start by reacting to your comment on Bill C-4.

We inherited a difficult situation with regard to negotiations with the public service, courtesy of the previous government. We are working very hard to restore a culture of respect towards the public service and its unions. We have negotiated collective agreements, which now cover 90% of public servants, in good faith. It is paramount to recognize the importance of our public service and its unions. We now have good relationships with them.

[English]

On the question of the specific investment made as part of Canada 150 by my colleague, Minister of Heritage Mélanie Joly, the Canada 150 rink is something that is contributing very significantly to the Winterlude festivities here in Ottawa. It's the 40th anniversary of Winterlude, until the end of February in fact. More than 120,000 Canadian visitors have had the opportunity to skate on it. There's ringette and sledge hockey. In fact, all Canadians can come to the national capital region and reserve their tickets to take advantage of this once-in-a-lifetime activity. We're celebrating a big deal. Canada 150 is something that is—

[Translation]

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

[English]

**Hon. Scott Brison:**—truly special. It's not like some fake lake where you're not going to get to do anything.

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

**Hon. Scott Brison:** This is actually something that you can participate in and get good physical activity—

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

**Hon. Scott Brison:**—and enjoy one of Canada's great recreational activities.

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

We go now to Mr. Simms for five minutes.

**Mrs. Alexandra Mendès:** Mr. Simms, did you not want the five minutes? Okay. We'll share.

Thank you so much, Mr. President of the Treasury Board, and thanks to your officials. That was quite a funny little end to the Canada 150 festivities. I won't go there.

I will go back to Phoenix, because as a member of the public accounts committee, I can say that it has been occupying and preoccupying us a great deal.

Going forward, I know that this item called “stabilization of the Government of Canada's pay system” is a chunk of the supplementary estimates (C). I know that one of the big items will be hiring or completing the hiring of the new pay experts that you need to get this done properly. There will be some IT expenses too.

How do we expect to get this resolved in the reasonable amount of time that our public service should expect it to be resolved in? By

that, I mean less than a year, so that we don't drag this out for five, six, and seven years like Australia had to do in one much smaller instance. Do you think this amount will be sufficient to try to address this issue within that limited scope of time?

● (1250)

**Hon. Scott Brison:** Thank you very much, Alexandra.

The IBM Phoenix pay system issue is one of the toughest ones, and I've served in cabinet in two governments. This is one of the toughest public.... Well, it's not just public policy. It is the execution issue that I have dealt with.

You mentioned the need to hire pay experts. Part of the challenge is that 700 pay advisers were let go prior to the system actually being operable and the new system implemented. One of the keys in this that you learn in terms of the future is that you don't gut the legacy system before the new system is operating. In fact, in terms of some of the people we are hiring, we're actually trying to bring back some of those legacy people, because they have invaluable experience and an understanding of the pay system on a department-by-department basis.

We have been working closely with the union leaders. In fact, we had a discussion with them again yesterday. One of the recommendations they've made, with which we agree, is that we need to put more people back in the departments, so we are working to that end. Yaprak can speak to some of where we are investing, but we're investing \$142 million to recruit, hire, and train people across government.

Beyond that, it's important to remember that the IBM Phoenix pay system was conceived about a decade ago. The technology available then and the IT methodologies practised then are very different from those that exist today. While we work very hard to stabilize the existing system with departments across government, working with PSPC and OCHRO at Treasury Board, we also believe that looking at new approaches and taking a look at.... If this were a greenfield project today, if we were looking at this situation as it is today, unimpeded by the blinders that often occur in government around the tyranny of sunk costs—you're trying to make what you've spent money on work—if we were to look at this with fresh eyes, with a fresh team of people, using modern digital protocols and technology, we may find that there is a new way that can actually address this issue faster.

You need to take look at this in a two-track approach: continuing the work we're doing right now to stabilize the existing system, but also at the same time being open to completely new approaches that reflect modern digital today and that weren't even available 10 years ago when this system was conceived.

**The Vice-Chair (Ms. Yasmin Ratansi):** Thank you, Minister. We'll go to the last five minutes with Mr. Deltell.

**Mr. Gérard Deltell:** Thank you, Madam Speaker.

[Translation]

I have a lot of respect for my friend and colleague the President of the Treasury Board, and for his skating abilities. He actually did not answer my question clearly at all.

For us, it isn't exactly nothing. Everyone in Canada knows that spending \$8.2 million on an outdoor skating rink is senseless.

The minister said that it was part of Ottawa's winter festivities. In Quebec, we have the Carnaval de Québec. If building the Bonhomme's Ice Palace cost \$8.2 million, no one would ever attend the Carnaval de Québec ever again.

[English]

I will ask a question again to the minister. He is an honest man. He is an honourable man. He can answer clearly. Does he think \$8.2 million for a hockey rink is wise public-money spending? Yes or no.

• (1255)

**Hon. Scott Brison:** Madam Chair, again, as part of the Canada 150 celebrations here in our nation's capital, this is an attraction that has enabled over 120,000 Canadians to skate and to bring their families, in the natural beauty of the Ottawa winter that we've all come to love and appreciate—

**Mr. Gérard Deltell:** So for you it's wise. It's good.

**Hon. Scott Brison:** It's an investment that has attracted over 120,000—

**Mr. Gérard Deltell:** So for you it's wise.

**Hon. Scott Brison:** Again, 120,000 visitors—

**Mr. Gérard Deltell:** Is that good?

**Hon. Scott Brison:** Again, I would—

**Mr. Gérard Deltell:** Yes or no, Minister.

**Hon. Scott Brison:** Again, Mr. Deltell, this is not some fake lake that costs a lot of money and nobody uses. This is something that actually is a recreational location—

**Mr. Gérard Deltell:** Minister, why can't you answer my question clearly?

**Hon. Scott Brison:** —that celebrates one of Canada's great pastimes, skating.

**Mr. Gérard Deltell:** What a great idea, which was killed by the stupid spending of money.

That's the reality, sir. I do respect Canada. I do respect its history. I do respect the capital. I do respect hockey, our national sport. But I will never spend \$8.2 million for a hockey rink in front of Parliament. You killed a good idea. Don't you believe that?

**Hon. Scott Brison:** Look, I believe very strongly that in Canada 150 the investments made, big and small in communities big and large across Canada, have made a real difference in terms of Canadians celebrating our country.

**Mr. Gérard Deltell:** Why is public money spent—

**Hon. Scott Brison:** I think those investments...and there were investments in Quebec City. There were investments in communities in my riding—

**Mr. Gérard Deltell:** In this case, it's the hockey rink, Minister.

**Hon. Scott Brison:** There are big and small investments across the country and I think they've made a real difference.

**Mr. Gérard Deltell:** Did this hockey rink, \$8.2 million, make a real difference? Was it a wise spending of money?

**Hon. Scott Brison:** I believe very strongly that the 120,000 people who came to Ottawa who skated on that ice and who were celebrating Canada's athletic traditions.... This is actually something, within Canada 150, that reflects a shared value of Canada—

**Mr. Gérard Deltell:** The value of Canadians to spend—

**Hon. Scott Brison:** —and that is the ability to have fun in very cold Ottawa winters.

**Mr. Gérard Deltell:** That's incredible, Madam Chair. I think it's a yes, but it's not a good signal to send to Canadians that the Treasury Board minister, the one who says yes or no for spending money, says that \$8.2 million for a hockey rink is correct in front of Parliament. That's nonsense. What example is coming from the top when we see a government spending too much money without having any control, with a deficit of.... How much is the deficit this year? When will you get back to zero deficit?

**Mrs. Alexandra Mendès:** This is going nowhere.

**Mr. Gérard Deltell:** When you spend too much, you have these kinds of stupid examples, and a hockey rink is a stupid spending of money. This is where we stand.

**Hon. Scott Brison:** Mr. Deltell, I have great respect. You're a very effective member of Parliament. Don't put that in your brochure next time, the people will be cross—

**Mr. Gérard Deltell:** I will.

**Hon. Scott Brison:** I can tell you.... You talk about hockey and you talk about the waste of money. The previous government spent about a billion dollars on government advertising. Some of that was for 30-second advertisements during the NHL playoffs, 30 seconds that cost \$100,000 each. If you want to talk about spending money when you spend about a billion dollars as a government on quasi-partisan government advertising.... Our government has actually cut by half government advertising expenses, and when you cut—

**Mr. Gérard Deltell:** What we see in that demonstration, Madam Speaker—

**Hon. Scott Brison:** —that quantum of waste, you can afford to invest in good recreational opportunities.

**Mr. Gérard Deltell:** —is a clear example that unfortunately the minister cannot say clearly that it's absolutely stupid to spend \$8.2 million for a hockey rink in front of Parliament. This is a great idea. I do support it, but not with that money, not with so much money. That's crazy. I hope the minister believes me.

**The Vice-Chair (Ms. Yasmin Ratansi):** Your time is up, Mr. Deltell. I'd like to thank the witnesses. I thank the minister for being here, and thank you, all, for being here. It's been a lively meeting.

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

Madam Chair, I want to thank all the members of the committee. It's great to be back with you, and I'm looking forward to coming back next time.

I want to come back to the departmental results framework, and I would also commend to you a demonstration of the InfoBase system. We've strengthened it a lot, and I think it would be good for you, as members, but also for staff, who are probably more familiar in some cases than members.

**The Vice-Chair (Ms. Yasmin Ratansi):** Yaprak, we wish you the best in what you do, and I hope you will keep in touch. Take care.

**Ms. Yaprak Baltacioglu:** Thank you, Madam Chair. It has been a pleasure.

**The Vice-Chair (Ms. Yasmin Ratansi):** Thank you. The meeting is adjourned.

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