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• (1105)

[English]

The Chair (Kelly McCauley (Edmonton West, CPC)): We are in session.

My sincere apologies. I was dealing with an unavoidable emergency upstairs for a few minutes. I thank you for your patience.

Welcome to meeting number 31 of the House of Commons Standing Committee on Government Operations and Estimates.

We welcome back our colleagues from PSPC on the supplementary estimates (C).

The floor is yours for an opening statement. Please go ahead.

Arianne Reza (Deputy Minister, Department of Public Works and Government Services): Thank you, Mr. Chair, for welcoming us today.

Before I begin, I would like to acknowledge that we are gathered today on the traditional, unceded territory of the Algonquin Anishinabe people.

With me today are Nathalie Bertrand, senior assistant deputy minister, receiver general and pension; Michael Hammond, chief financial officer; and Lorenzo Ieraci, assistant deputy minister, policy, planning and communications.

We are pleased to appear before you today to answer your questions regarding the \$43 million being sought through the supplementary estimates (C) for Public Services and Procurement Canada, commonly known as PSPC.

[Translation]

As the country is confronted with rapidly developing economic and security challenges, the federal government remains committed to investing in Canada while reducing expenditure on daily operations. The wide scope of PSPC's mandate allows the department to directly support many of the government's goals.

Mr. Chair, before taking your questions, I would like to provide details on PSPC's role regarding specific government priorities targeted within the Supplementary Estimates and also outline a number of funding requests directly applicable to PSPC.

[English]

In the face of continued economic and security uncertainties, the department is requesting \$17 million to support advertising across other government departments and agencies. These funds are for

campaigns that were unforeseen and cannot be supported by existing departmental or agency funds.

Mr. Chair, the supplementary estimates also contain a request for \$13.5 million for accommodation costs for employees who provide pension services relating to the Public Service Superannuation Act, the Canadian Forces Superannuation Act, the Royal Canadian Mounted Police Superannuation Act, and the Canadian Forces pension fund and reserve pension fund. That's a lot of funds. This funding is a yearly administrative adjustment requested through supplementary estimates exercises.

Among the other requests contained within the estimates is a \$2-million request for funding to establish a joint transition office to support defence procurement reforms.

[Translation]

The money is to be used to support the government's effort to streamline defence procurement and modernize Canada's military capabilities, as well as increase co-operation with allies.

These supplementary estimates also contain a request for \$6.2 million of funding for the public lands for homes plan. This money would provide funding for the Canada public land bank and support the federal lands centre on disposals to unlock federal public lands across the country for housing.

We have a number of net transfers between government departments in the supplementary estimates before you today. These include transfer of unused funds from Global Affairs Canada to PSPC for costs incurred during the hosting of last year's G7 summit in Alberta.

[English]

Finally, I would also like to highlight that as a result of the government's work to transform its information technology infrastructure, data centres are being consolidated, leading to power and space savings. Consequently, PSPC will transfer \$900,000 to Shared Services to compensate for power and space savings reductions, among other transfers.

In closing, Mr. Chair, PSPC is committed to further cost efficiencies and savings as we continue to work to support the government's agenda.

We're happy to take your questions. Thank you.

The Chair: Thank you, Ms. Reza.

Mr. Jones, welcome back. The floor is yours for five minutes.

[*Translation*]

Scott Jones (President, Shared Services Canada): Thank you very much, Mr. Chair.

I would like to begin by acknowledging that we are gathered on the traditional, unceded territory of the Algonquin Anishinabe people.

Thank you for the opportunity to appear before you today to discuss Shared Services Canada's requests in the 2025-2026 supplementary estimates (C).

I am joined today by SSC's chief financial officer, Scott Davis.

Shared Services Canada is responsible for modernizing and operating the government of Canada's core IT infrastructure, and is the department mainly responsible for delivering the government's agenda for digital transformation, efficiency, and the deployment of AI tools and automation throughout the Canadian government.

We deliver enterprise digital services that support departments in carrying out their mandates, while reducing duplication, strengthening cybersecurity, and driving efficiency across government. Modern and secure digital infrastructure is foundational to service delivery, national security and public trust. SSC delivers this foundation through shared, government-wide connectivity, hosting, digital and cybersecurity services. These services are common to the whole of government and are managed at enterprise scale.

Budget 2025 reinforced three clear priorities for the public sector: fiscal discipline, digital modernization and better services for Canadians. Shared Services Canada plays a direct role in advancing all three. Our ongoing work to modernize GC systems improves performance and reliability, while we continue to reduce costs by providing a government-wide enterprise approach to digital services.

[*English*]

Examples of this include SSC's enterprise platforms service as a single, secure and cost-effective solution for enterprise applications, rather than departments creating and managing their own costly and siloed hosting environments. Our department is also launching its enterprise desktop service initiative, which will unify and modernize desktop delivery across the GC by providing a consistent, secure and accessible digital tool kit for public servants and move away from the current fragmented model, where each department manages its own engineering, assets and support. We also support the government's commitment to digital sovereignty by protecting government data, securing critical infrastructure and maintaining control over key digital assets.

These priorities are reflected in SSC's ongoing procurement to establish sovereign Canadian cloud capabilities for the GC, which

prioritizes Canadian-owned and -controlled cloud service providers, in light of increasing geopolitical and cybersecurity risks. We contribute to the government's buy Canadian objectives by fostering Canadian innovation and strengthening domestic digital capacity.

The funding before the committee supports two core outcomes: strengthening cybersecurity across government and meeting increased demand for secure digital services, particularly in support of national defence priorities.

For the 2025–26 supplementary estimates (C), SSC is seeking a net increase of \$11.4 million, bringing its funding from \$2.687 billion to \$2.699 billion. This includes \$13.3 million in new funding to support an enterprise security information and event management, or SIEM, solution, as well as \$200,000 in associated employee benefit plan adjustments and \$2.1 million in net decreases related to transfers with other organizations.

In addition, SSC is seeking an increase of \$25 million in vote-netted revenue authority. This reflects increased service volumes to support the Department of National Defence's operational and modernization requirements for this fiscal year. The associated revenue will fully offset costs, resulting in no net impact on funding.

SSC works closely with the Treasury Board of Canada Secretariat and the Communications Security Establishment to protect government networks and infrastructure.

Each year, SSC blocks approximately 6.5 trillion cyber-threats—an average of 18 billion a day—to ensure that government systems remain operational and secure. The security information and event management solution will significantly strengthen our defences by automating and accelerating security monitoring across government, and it will replace an old legacy system that has existed. This will improve our ability to predict, detect and respond to cyber-threats, helping to ensure that critical government services, whether related to benefits delivery, defence operations or secure communications, remain available, trusted and resilient for Canadians.

SSC remains focused on delivering secure, reliable digital foundations that enable government to serve Canadians effectively. The funding requested in these estimates will allow us to strengthen cyber-defences, support growing service demand and continue to advance the government's digital transformation agenda.

Thank you, Mr. Chair. I look forward to answering your questions.

• (1110)

The Chair: Thank you, Mr. Jones.

We'll start with—

Jeremy Patzer (Swift Current—Grasslands—Kindersley, CPC): I have a point of order, Chair.

Before we begin, I just want to make note of my disappointment in Minister Lightbound for not showing up and respecting our request for him to appear at committee. We were told that he was going to be away on paternity leave, yet we saw him in the House of Commons this week answering questions. We saw him all over social media, touring the countryside, hosting meetings—all kinds of things.

It's pretty disrespectful to this committee for the minister to decide not to show up when, clearly, he actually did have the time to be able to come to this committee. I think we went to great lengths to extend lots of time for him to be able to come. I just wanted to register that disappointment with the committee.

The Chair: Thank you very much.

Mrs. Block, the floor will be yours for six minutes.

Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you, Chair.

Thank you, Ms. Reza and your other departmental officials, for joining us today, including Shared Services Canada.

I know it is our bureaucracies that tend to do a lot of the heavy lifting once direction is provided to you from the government. I know that we are here to discuss supplementary estimates (C) and that this is the third request by the government for additional spending this year.

I don't think I heard you mention it, but these estimates include a \$1-billion loan for Canada Post. The government is running a deficit of \$80 billion this year. Where exactly are you getting the money to hand over another \$1 billion to Canada Post?

Arianne Reza: Yes, my opening remarks were uniquely focused on PSPC, but we have two Crowns that are seeking, through the supplementaries, some funding.

On Canada Post, we were recently with Minister Lightbound at this committee speaking about the potential for the \$1-billion loan. It had been announced that day. It is currently structured as a loan, so there will be different repayment structures being examined with Finance.

I'll just turn to Lorenzo to see if he wants to add anything here.

Lorenzo Ieraci (Assistant Deputy Minister, Policy, Planning and Communications, Department of Public Works and Government Services): Thank you, Deputy.

Obviously, as to how this fits into the broader financial situation of the Government of Canada, the Department of Finance would probably be in a better position to provide a specific response to that question. The request was submitted and considered by the government and approved, and the announcement was about the repayable loan.

Kelly Block: The Parliamentary Budget Officer, in his report on the supplementary estimates, noted a section on frozen allotments. In your opening remarks, Ms. Reza, I think you spoke about funding being transferred from one department to another, but you have absolutely no idea how this money is being transferred to Canada Post in the form of a loan.

• (1115)

Arianne Reza: Let me start by making a distinction. The transfers that I referred to in my opening remarks are between core departments where there are adjustments, where services were rendered, as we did, for example, for the G7.

Canada Post is net new money being requested from the fiscal framework, which is really from the finance department, from the sender, from the Prime Minister, to look at different elements. That would be, as my colleague indicated, really more the mandate of Finance Canada to give you an assessment about.

Kelly Block: I think you've answered my question by saying that it's net new dollars. It's not something that's being transferred across departments. I thank you for that.

You mentioned the minister's last appearance at committee. That was on February 10. At the time, Minister Lightbound said that it was his "heartfelt wish" that Canadians would get their money back from the loans to Canada Post.

Are there any terms in the loan agreement that dictate that the money must be repaid within a specific period of time, and what happens if they are never in a position to repay it?

Arianne Reza: Those are very broad questions, but in terms of the actual structure of the loan, there have been long-standing terms and conditions associated with repayment, so that is the intention.

I don't know if Lorenzo wants to add anything.

Lorenzo Ieraci: Thank you, Deputy. I can add to that.

This funding is identified as repayable funding for Canada Post. There is, at this point in time, no specific timeline as to when there will be an ability to repay. There are obviously a number of factors being considered by Canada Post and the government, not the least of which is that Canada Post and its union are right now working to be able to ratify a collective bargaining agreement, which, if ratified, should actually help the situation because it would be the first time in over two years when there would be labour peace between Canada Post and its union.

To answer your question more directly, section 32 of the Canada Post Corporation Act indicates that if Canada Post is not in a position to repay an amount, the Government of Canada would then be paying for that. Right now it's considered repayable funding.

Kelly Block: Right, so Canadian taxpayers will be responsible to pay for it if Canada Post does not find itself in a position to do so.

We did ask a Canada Post official for the loan agreement, and she told us she would communicate our request to her superiors. We have yet to receive it, even though at this committee we expect requests for information to be met within three weeks.

Ms. Reza, can you agree to table both the new loan agreement and the previous one with this committee?

Arianne Reza: I will take that back and get back to the committee chair as quickly as I can, to see what is within the parameters.

To go back to the loan agreement as well, as you know, Minister Lightbound has asked for a transformation plan to position Canada Post to optimize its business processes to be able to come back to make the chance of repayment.

Kelly Block: Thank you very much. I will just note that the minister made the announcement of that transformation plan at a time when there was still job action taking place and there was a sense of urgency around that. He's had that plan for four months and has not yet rendered a decision on it.

Thanks.

The Chair: We have Mr. Gasparro for six minutes, please.

Vince Gasparro (Eglinton—Lawrence, Lib.): Thank you, Chair.

Thank you all for your service and for coming here today.

I think, given the current moment, we can all agree that we have to make regulatory changes and improve the speed at which government moves, delivers services and, quite frankly, innovates.

How do the changes in Bill C-15 to the Red Tape Reduction Act improve efficiency for Canadians and, more specifically, Canadian businesses?

Arianne Reza: Thank you for the question.

I will start by giving some examples. At PSPC, we obviously have a big portfolio, a lot of acts, a lot of regulations. We have identified those that we think are low-value and that are barriers to, for example, SMEs doing business. We're removing some of the ones related to physical infrastructure, such as docks, those areas that are very much based on some of the old infrastructure. We're removing those barriers so businesses can come and move more quickly.

On a broader scale, what we're trying to do from a procurement perspective is to look at all the different regulations that govern federal procurement and look to introduce harmonized procurement regulations, which will reduce the dwell time and the complexity and help optimize some of the key regulatory pieces that we're looking at. We have a list of them that is public. We're also currently reviewing the translation bureau regulations, which is a key part of how we undertake and provide official-language services.

I'll pause here.

• (1120)

Vince Gasparro: I have a follow-up on that. Do any other jurisdictions around the world follow similar practices?

Arianne Reza: Do you mean in terms of doing a review of their regulatory...?

Vince Gasparro: Yes.

Arianne Reza: We're constantly engaged with like-minded partners on this, especially in the world of procurement. You know, Canada is really doing a lot of work at this level in terms of harmonizing what we're doing at the federal level and working with

provinces and territories but also seeing what's going on internationally.

In fact, the U.K. parliamentary committee has put a commission in place on procurement regulations and efficiencies, and yesterday they reached out to ask to come to Canada to study best practices. I think there's some synergy around how procurement is done, especially from the public procurement perspective, and we're looking to harmonize some of the best practices to make it easier for Canadian SMEs also to scale up globally.

Vince Gasparro: I appreciate your touching on the efficiency piece and the fact that our public service is working with other public services in other jurisdictions to learn from best practices. I'm glad you touched on that.

I have a quick follow-up on that. How will giving ministers increased autonomy to grant regulatory exemptions improve service delivery for Canadians and help our government deliver on its mandate?

Arianne Reza: I'll give a very practical example. PSPC is the common service provider to about 103 different government departments. When government departments come and they have a business requirement or a capability they want to acquire, to get to that level of being able to procure it and engage with Canadian SMEs or Canadians large-scale, there are a lot of various elements that have to be managed. Some are on the security side. Some are on accessibility legislation. Some are even on the diversity of our supplier base. Being able to move more rapidly through that and provide the procurement apparatus the chance to rationalize all those different regulatory requirements, as well as what will happen internally around some of the Treasury Board policies that we have, our own internal policies, will provide more rapid execution so Canadians will get the goods and services they require.

Vince Gasparro: How much time do I have, Chair?

The Chair: You have a minute and 40 seconds.

Vince Gasparro: That's great.

Can you quickly tell us about the red tape review progress reports?

Arianne Reza: As I mentioned.... Maybe I'll start back. Over the summer, there was a concerted effort to look at red tape. We were all asked to look at what we could live without in terms of our regulatory requirements. For PSPC, not only do we have the public works act and the Defence Production Act, but we also have a myriad of other acts. I'm going to say about 20 or 22. I might have to turn to Lorenzo, because I think he helps oversee some of them.

What we did was ask what we could live without. That really is an opportunity for Canadian business, because that regulatory delay, especially for SMEs, is where there's a dwell time, a lag time, that makes a very big difference. We tried to be as minimalist as possible. We walked through the scenarios within that of how we should prioritize which ones would have the highest value to Canadians and to Canadian SMEs, and we provided those to Treasury Board.

For example—I'm looking at my list just to give you a sense of the range, because I think it will be interesting—we have removed some of the regulatory red tape for seized property disposition. When property is seized, whether it's by CBSA or through proceeds of crime or in many other areas, we seize it and hold it and sell it as surplus. Trying to find a faster way to get that out has been helpful. I also noted the translation bureau regulations.

One area where we do a lot of work that has a lot of red tape is controlled goods. If goods coming into Canada have a security risk or a nuclear risk or are controlled substances or are being exported, we provide the apparatus around that. Again, that's key for, let's say, defence contractors to have faster access to their authorities.

• (1125)

The Chair: Thanks very much.

We'll go to Madame Gaudreau, please.

[Translation]

Marie-Hélène Gaudreau (Laurentides—Labelle, BQ): Thank you very much, Mr. Chair.

I'd like to thank the witnesses for joining us. Your participation is important.

We always have questions for you. You won't be surprised by mine. In fact, I always put myself in the citizens' shoes. They want to know more.

I'll start with the increase in budgetary authorities.

Public Services and Procurement Canada's budget will reach \$7.4 billion in 2025-2027. That's an increase of more than 37%.

What are we telling people about this?

That's a huge increase in two years. How do you justify that increase?

[English]

Arianne Reza: Thank you very much.

[Translation]

There are a lot of reasons that justify that increase. We received funding for construction of buildings, for properties, for land. Bridges and buildings cost a lot of money. We need to have funding sources to pay for the real estate.

Moreover, we really want to make sure we can start the process of disposing of real property. So we need funding to cover that work.

We also do a lot of translation and we have to cover the interpreters' salaries, among other things. There are a lot of funding lines within the department.

Marie-Hélène Gaudreau: I know the Board of Internal Economy is discussing this. I'm very concerned that tenders are being awarded to the lowest bidders, but you're telling me the quality factor, among others, won't be ignored and it's being discussed.

Arianne Reza: Yes, it is.

We always look at price when it comes to supply. Even if the quality is the same, we have to set some criteria to determine the best value for Canadians. Sometimes we talk about regulations, but we have to strike a balance so the procurement cost isn't the end game. It's very important.

Ms. Bertrand, from the receiver general point of view, can you tell us why there's been an increase in the past two years?

Can you give some examples?

Nathalie Bertrand (Senior Assistant Deputy Minister, Receiver General and Pension Branch, Department of Public Works and Government Services): The advertising budget is one that has gone up. There's always been a million dollars set aside for the emergency needs funds. This year, the fund's value increased by \$17 million through the supplementary estimates (C) and now sits at \$29 million.

Marie-Hélène Gaudreau: This leads me to two questions about the mechanisms related to advertising activities. I'll come back to the housing issue later.

What are the control mechanisms in place? People will think there's extra money and wonder what the government plans to do with it. Are we really going to promote the government's political priorities rather than inform citizens? That worries me.

Nathalie Bertrand: There are multiple parties involved in advertising, and approval is subject to a lot of control.

At PSPC, we respond to requests from the Privy Council Office, which approves all advertising. Moreover, all ads valued at more than \$250,000 are also reviewed by Treasury Board.

Marie-Hélène Gaudreau: What I meant is I'm not interested in hearing the “Canada Strong” motto. We want to inform citizens.

Have you also adopted criteria to ensure the message is the same across the country, whether in Quebec or elsewhere? Do you have any mechanisms in place for that?

Nathalie Bertrand: The contract managed by Treasury Board is one of those mechanisms, and it's about advertising standards. These standards ensure non-partisan messages in both French and English.

Marie-Hélène Gaudreau: Okay. That's perfect.

I want to come back to the housing issue now. I don't have much time left.

The \$6.2 million you mentioned is for the public lands for homes plan, which aims to use federal lands. If I understand you correctly, there are costs related to that.

How many sites specifically have been designated? Do we have a number?

• (1130)

Arianne Reza: I'll have to get back to you on that. I know we've designated about 88 sites as prime land, sites that'll work well for housing. There are also a lot of sites targeted in the disposal process.

Regarding the \$6 million, we'll have to look at how we can use the disposal of real property process to move more quickly. The process takes about nine years, because we have to see who wants access to these properties. That said, housing will be the priority.

The idea is to reduce the time it takes before being able to distribute the land and see what sites are best suited for housing across the country.

Marie-Hélène Gaudreau: That's perfect.

In my second turn, I'll ask about the state of affairs, because we talked about the idea of housing in Saint-Sauveur, for example. Now that the MP for the Saint-Sauveur riding is a Liberal, maybe it'll happen more quickly.

Thank you, Mr. Chair.

[English]

The Chair: Thank you, Madame.

Mr. Patzer, go ahead.

Jeremy Patzer: Thank you very much, Mr. Chair.

I want to pick up on the previous line of questioning from my colleague, Mrs. Block.

When it comes to the transformation plan, there hasn't been a strategic plan approved for Canada Post since 2019. That is pretty ridiculous, given the amount of structural change that needs to happen in Canada Post, yet here we are with another \$1-billion loan on the horizon.

Why has there not been a strategic plan approved for Canada Post for seven years? Meanwhile, we're just dumping money down the toilet. What's going on here?

Arianne Reza: Let's start with the strategic plan. With the strategic plan, you normally need to come in with a completely covered source of funds. With the structural deficit that Canada Post has been encountering over the last few years.... Let us remember that mail has gone from seven billion pieces of mail to two billion, while the structure in terms of letter delivery standards and the workforce hasn't changed. There's been, I'm going to say, an insurmountable problem. With the new transformation plan, that's now turned into an opportunity to be able to move past this.

I would note that the last time the minister came, he talked about studying it. We're now moving.... Canada Post will be engaging municipalities on the first tranche of it, which is the location of

community mailboxes, because that will be a key enabler. That work is under way.

I think the key piece to understand is that there's been a lack of a strategic plan because, fundamentally, there have been a lot of rate-limiting factors in moving forward. Many of those have now been adjusted, and we're on the cusp of knowing how we're going to proceed, including with the labour discussion that is now coming to a close, hopefully.

Jeremy Patzer: I think the point, though, is that it's not like there was a sudden drop-off in mail. It was a progression over time. I know that the pandemic impacted them as well, for sure, and we can't deny that, but prior to the pandemic, they were already basically operating at a structural loss. There were changes that were needed back then.

If we haven't approved the strategic plan for seven years, that's prevented them from being able to make some of those structural changes that were needed as far back as seven years ago, because I'm sure they would have been looking at this situation internally and trying to understand it. Again, I don't really buy the whole argument that now, all of a sudden, we have to meet the moment and we're going to do this. No. Seven years ago, they identified changes that needed to be made, and none of those changes were made.

Is there a chance that there were some political reasons that this was never done? I ask especially because you just mentioned that community mailboxes were going to be the first bit of it, so how can people not come to the conclusion that this was political?

Arianne Reza: I can just speak to the community mailboxes. That is because of the construction season, and because municipalities across Canada are thinking a lot about where they're going to go. It is a natural place to start.

Going back to whether or not there was a structural deficit in prior times, I can say that they were bringing forward their plans. They were covering it off. It became much more stark and apparent, as you know, in the last seven years.

Perhaps Lorenzo has more details.

Lorenzo Ieraci: Yes. Thank you, Deputy.

Just to clarify, we're talking about a strategic plan, but I think we're referring to a corporate plan. The last two corporate plans have been approved and are moving forward. We are seeing some progress in this space.

I just wanted to add that. Thank you.

Jeremy Patzer: Okay. Well, that's new information that was not given by either the minister or Canada Post when they were here. It's interesting that you would say that.

I want to move quickly to another topic. One of the towns in my riding received payment for the lease of Canada Post office space from a company in Utah. Apparently, the Government of Canada is outsourcing payment to a company called Conservice that is based in Utah. It is quite ironic that a company that can't make money, or that is losing money at such a rate, isn't even the preferred carrier for paying the bills for that company. They're shipping it through UPS.

I'm curious. Is it standard practice within Public Services and Procurement to use American companies to pay utility bills for a public entity?

• (1135)

Arianne Reza: I'll answer it in two stages. One, we will follow up with Canada Post, because we don't have any visibility. They're a stand-alone Crown on this. We will certainly look into this.

From a PSPC perspective, I would anticipate that all of our bills are paid through Canada Post.

The Chair: Thanks very much.

Mr. Osborne, go ahead, please.

Tom Osborne (Cape Spear, Lib.): Thank you.

I have a couple of questions.

Some of the biggest pressures on Canada today are homes, defence and security. I will start with the public lands for homes plan and just ask for the progress we've seen there to date.

Arianne Reza: Unfortunately, I'm only going to be able to speak to the PSPC piece, because in terms of the work we're doing now, as you may be aware, the Build Canada Homes organization is under housing and infrastructure. They are taking the lead in terms of moving forward on that.

What I can tell you is that the role of PSPC has been, to date, on the federal land portion of it and on what federal lands we have available. Over the last year, we've been ramping up our efforts to identify those properties that have high value for housing across the country. We have all kinds of geospatial tools. We have that information available on the public-facing website. I encourage everybody to go and look, in your own municipalities and your own areas of interest, at what we've identified as being high-value for housing. We've taken into account transit. We've taken into account the flood plains, the highway systems and the various elements that would be interesting.

It's an interesting tool. I'm always looking for people to go and look at it. On it, we've also put in kind of an active offer of interest if people are interested in doing that. That work is now being knitted into the much more significant broad framework about buy Canada homes and what that looks like. It's moving very quickly. It's really about the execution of taking those lands and turning them into housing.

There's another area we're working on. PSPC is one of 26 custodians in the government. We are the largest. We have a lot of responsibilities for office buildings. Can some of those office buildings be converted, and if so, which ones and when? How do we actually expedite the process of disposal? Once a building or some land is identified as disposal-ready, we have to go through and identify other things: Is it contaminated? Is the province interested? Are the municipalities interested? Often, we have French-language or English-language communities that also have a right by law to be consulted on it. It's about seeing what the use for it is, or whether there's an indigenous aspect to it as well that we want to honour.

There are many different pieces of it. What we're trying to do is identify, in broad swatches, groups of housing-ready properties so that instead of doing them one-off, we can consolidate and work with Build Canada Homes to be able to bring, say, 10 or 15 to the forefront as quickly as possible to make the land commercially available.

Tom Osborne: Thank you.

Can you give us an update on the establishment of the joint transition office to support defence procurement reforms and how that will support defence procurement?

Arianne Reza: That money came through out of a commitment in a budget 2024 announcement. We've been using that money, which is roughly \$2 million, to amend and update the Defence Production Act and to look at what we're doing with the new Defence Investment Agency, which I believe has come forward to OGGO. We're looking at the regulatory requirements that need to be adjusted to identify work with international best practices in the space of defence procurement.

It's really a kind of incubator money, I'm going to call it, to launch DIA on whatever path it's going to take to support the defence investment strategy.

• (1140)

Tom Osborne: Thank you.

I will throw a bouquet to Shared Services Canada, because while you've had a new ask, you've maintained your spending in line with last year.

On the new ask for the security information and event management solution, can you give us an update? What does that look like and what successes can we expect from that system?

The Chair: I'm sorry, Mr. Jones. I'm afraid there are only 10 seconds for a response, so perhaps we can get it in writing from you to the committee, unless you want to answer in 10 seconds.

Scott Jones: Okay: contract signed, executing now, replacing legacy system, modern way of managing data and events.

Voices: Oh, oh!

The Chair: We'll look for the half-page written report as well.

Madame Gaudreau.

[*Translation*]

Marie-Hélène Gaudreau: Let's talk about that, actually. I'm not done yet.

I talked about foreign interference in the elections. I noticed we lack legislative tools to be adequately protected. Now, we're hearing about all sorts of reforms and increases. That's what we're talking about today.

Nowadays, we're talking about new AI and cybersecurity technologies. How will you ensure Quebeckers and Canadians are well protected?

Scott Jones: Thank you for the question.

We need to build layers of protection within the programs.

To start with, we're trying to create a sovereign, Canadian-controlled database to protect the data as best we can. There are many ways to do that. It can be done physically by hosting our own data centres to house servers, databases and information.

Then there's cybernetics, where you have multiple layers of defence. We work very closely with the Communications Security Establishment and the Treasury Board Secretariat to ensure the layers of defence are complementary.

Marie-Hélène Gaudreau: I don't have much time left, and I'd like to ask you another question.

I talked this morning with representatives from the Notre-Dame-du-Laus municipality and they voiced a number of concerns about Canada Post reforms and the \$1 billion government loan. We don't even know when that loan will be paid off.

When will they know if their local post office will remain open? It's taking a long time.

Lorenzo Ieraci: Thank you for the question.

There will be no major changes to the Canada Post network over the next few years. We know one of the recommendations from the study was to allow Canada Post to close offices in communities previously considered rural, but where there are now too many branches for the level of service needed. That's what Canada Post will be looking at.

Unfortunately, I don't know the details regarding the municipality you're talking about, but I can tell you that Canada Post will use those parameters to make its decisions.

Marie-Hélène Gaudreau: Thank you very much, Mr. Chair.

[English]

The Chair: Thank you.

Mrs. Jansen, go ahead, and then we'll finish with Ms. Rochefort.

Tamara Jansen (Cloverdale—Langley City, CPC): Thank you, Chair.

Just for quick context for anybody who's watching, today we're here with Public Services and Procurement Canada. They are basically the central purchasing agent for the Government of Canada. The reason they're here is that the government is coming back to Parliament asking for more money than was originally budgeted. That's what the supplementary estimates are about.

As I was going through the new numbers, one thing caught my eye, and that was the increase in government spending on advertising.

First, I just want to confirm with you, Ms. Reza, that in the estimates, your department is asking for \$17 million in additional funding for government advertising programs. Is that correct?

• (1145)

Arianne Reza: That is correct.

Tamara Jansen: Okay.

I want to go over, for a moment, one ad campaign that was launched last month. I think it popped into my Facebook feed or something like that. It's from the Financial Consumer Agency of

Canada. I thought it was really interesting. You're advertising a website for them that has a mortgage calculator and a household budget planner. It has a credit card repayment calculator. It compares bank accounts, planned savings and goals, and management of monthly expenses. I was really quite impressed with all the different apps, although I know that those apps are available for free elsewhere. They're all designed to help Canadians budget carefully and stay on track financially, especially when times are tight. The basic message of that ad campaign is that when money's tight, careful budgeting matters.

I know that, as members of Parliament, we also get a budget. We have this great tool. It's kind of like a dashboard that lets us know whether we're within the budget or whether we've overspent. The advertising is the one thing that I find the easiest to keep track of. If you're getting close to the end, you just stop with the advertising so that you don't go over your budget.

Does your department have something similar for you to make sure you don't go over budget?

Arianne Reza: Certainly. There's a lot in there to unpack.

On the \$17 million, that's for unplanned needs that the government is thinking—

Tamara Jansen: It's all discretionary. Is that correct?

Arianne Reza: Well, it's unplanned needs that have come up. The campaign you indicated would have been something planned that would have been part of their individual budget.

Tamara Jansen: Okay.

Arianne Reza: In terms of the budget controls we have, as you indicated, we're here on supplementary estimates (C). The main estimates are tabled for parliamentarians to vote on. Things come up during the year and adjustments need to be made. The supplementary estimates are a kind of traditional process in which we can present the wrap-up of what needs to be adjusted.

Tamara Jansen: What I find really interesting is that you wouldn't know ahead of time what your ad campaigns would be. You regularly come asking for additional spending beyond what was originally planned. I find it really tough for Canadians who are paying millions of dollars for advertising that teaches them how to stay on budget while the government continues to run deficits and increase spending. Maybe you can see that Canadians find it ironic that government is spending their tax dollars advertising the importance of budgeting.

Arianne Reza: Again, on advertising, it's run in a very structured way, as my colleague indicated earlier. For example, at PSPC we spent \$210,000 all year on advertising. The \$17 million, if needed, is what the government has access to for an unplanned advertising campaign. The money that doesn't get spent goes back to the fiscal framework.

Tamara Jansen: I have a quick question. Do you have a right to refuse ad dollars when you're over budget, or is it more of a rubber-stamp in your office?

Arianne Reza: I would just like to say that there's no rubber-stamping in the office of the deputy. I have been to this committee many times. Rubber-stamping is dangerous. We have—

Tamara Jansen: If you don't mind, I just want to finish up. The Liberal government is asking Parliament for another \$17 million in advertising, including campaigns that promote tools like mortgage calculators and household budget planners to help Canadians manage their finances. Canadians are struggling with affordability today because of this government's reckless overspending. With higher taxes, rising debt and years of inflation that have driven up the cost of groceries, housing and everyday life, families are already budgeting. They do it every week at the grocery store and every month when the mortgage payment comes due. They're making difficult choices because life has become so unaffordable.

Now the same government that helped create the affordability crisis wants to spend millions of taxpayer dollars advertising lessons on budgeting to the very Canadians it has put under financial pressure. Canadians don't need advertising campaigns telling them how to survive hard times. They need a government that stops making life unaffordable in the first place.

Thank you.

The Chair: Thank you very much.

We will go to Ms. Rochefort, and then we will have a quick vote on the supplementary estimates (C).

Ms. Rochefort.

• (1150)

Pauline Rochefort (Nipissing—Timiskaming, Lib.): Thank you, Mr. Chair.

I was delighted to learn today about how you are reaching out to communities and to municipalities through the Canada Post modernization project. I find that to be a very positive step forward. We've heard from mayors in some of our meetings that this is going on. I find that very important.

I was also delighted by my colleague's line of questioning on red tape and to learn about the progress that's being made. It's a continuous process, but other countries are coming to us. They view us as a best practice when it comes to some of the reductions in red tape. I want to thank you for those comments.

I want to pursue a little bit more the comments from Shared Services. I found them very interesting. I'd like to understand more about the ongoing consolidation of some of the data centres throughout the country. Can you elaborate on what's occurring there?

Scott Jones: Absolutely. Thank you for the question.

One of the goals when Shared Services was created, in 2011, was to consolidate the government's IT footprint. Over time, the number went from about 500 data centres to about 700. We're now down to fewer than 200 legacy data centres remaining, with four modern enterprise data centres that have been built for government use.

In addition, we're working closely with the private sector to identify opportunities to build something that is not just for government. It can be for our level of government or for provincial and territorial or other governments as well to meet some of the security requirements. This is part of the necessary modernization. Ms. Reza referred in her opening remarks to the transfer of funds back. As we free up space, it returns to our colleagues at PSPC for repurposing for other uses in government, or for reducing electrical consumption.

The modern data centres we've deployed are eco-friendly. They run very clean. I think they are LEED silver, at minimum, in terms of environmental sustainability, but they are also a modern enterprise way of running IT distributed in a number of locations. This has helped us both modernize the Government of Canada's footprint and reduce our costs, because if you are maintaining up to 900 small ones across the country, you get efficiencies by consolidating and bringing things together.

Pauline Rochefort: Are the 200 distributed across the country?

Scott Jones: They are. They're small data centres, a big term for what could be a computer room in a closet, not really suitable for some of the technology that's running in there. As a department, you have to fit in a certain space; that's what was happening before. With the creation of this, we now have full enterprise grade where there's redundancy, power redundancy, infrastructure, generators and proper cooling space. It gives us an important piece of physical stability for running government operations.

Pauline Rochefort: We have secure data centres across our country.

Scott Jones: We do. We have four enterprise-grade secure data centres.

Pauline Rochefort: I'm interested in understanding more about the security information and event management solution. Can you describe that further?

Scott Jones: Absolutely. This is the tool that is used by cybersecurity analysts to analyze events wherever they happen across the vast Government of Canada network. We support over 5,000 locations where Government of Canada users work. That means a distributed connectivity network. All those events get consolidated here so that our analysts can look at it: Are we seeing events? Are we seeing things happening in our infrastructure? Are we seeing a little thing over here and also over there? In cyber, a lot of times you have to put together small things. This lets us bring those small things together, use data analytics and say there is something here we need to investigate. That's something we do with the Communications Security Establishment. It is a very complex environment.

In addition, it also now lets us manage that information and look back in time: Did something happen? When did it happen? What was the impact on the Government of Canada? Cyber is an environment that is evolving incredibly fast, in terms of the use of AI against us in cyber technology. A lot of actors out there are interested in what the Government of Canada does. This is part of making sure we're able to continuously upgrade those defences, along with our partners at CSE.

Pauline Rochefort: How would you describe Canada's expertise in this domain compared with other countries?

Scott Jones: I was head of the Canadian centre for cybersecurity in my former job, so I'm going to say that our expertise is right up there. Honestly, I'm incredibly proud of what we've built in terms of the defence of the Government of Canada. The creation of Shared Services Canada let us consolidate and bring great network defences in place. The Communications Security Establishment, with its innovation, layers on top of what we do commercially. It lets us protect government information and citizens' information that we're entrusted with by running that through the different layers.

You can never be complacent in cyber. Unfortunately, it's one of those domains where our adversaries get a vote. Our adversaries are making a significant amount of investment, so we need to continually adapt and change how we do cyber.

• (1155)

Pauline Rochefort: Thank you. That's it.

The Chair: Thank you very much, everyone.

PSPC, it's wonderful to have you back.

To Shared Services, Scott and Scott's team, thank you very much.

Before you go, very quickly, Mr. Jones, you mentioned in your opening statement the number of cyber-attacks we're experiencing. How many are there per day?

Scott Jones: I will make sure I get the exact number and—

The Chair: Perhaps you can get back to us. I'm interested to know whether you're tracking where those are coming from.

Scott Jones: We typically don't track where they come from. Wherever they come from, we have to defend against them, so our goal is defence—stopping them.

We do make sure this information is available to the security intelligence community in order to inform them, as part of the government's attribution framework.

The Chair: They are mostly state-sponsored, I assume.

Scott Jones: It depends. There's a lot of criminal interest in the Government of Canada. Sometimes hactivists are just interested in seeing what they can do. It is a full range. It is everything from states to hactivists and individuals who want to see what they can do.

The Chair: Thank you again for your time. We appreciate it.

Colleagues, we are running out of time in supply days, so we're going to get to the votes on the supplementary estimates (C).

CANADA POST CORPORATION

Vote 5c—Payments to the Corporation for the purposes referred to in section 31 of the Canada Post Corporation Act.....\$1,008,000,000

(Vote 5c agreed to on division)

DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT SERVICES

Vote 1c—Operating expenditures.....\$39,634,699

(Vote 1c agreed to on division)

NATIONAL CAPITAL COMMISSION

Vote 1c—Payments to the Commission for operating expenditures.....\$2,465,000

Vote 5c—Payments to the Commission for capital expenditures.....\$16,450,000

(Votes 1c and 5c agreed to on division)

PRIVY COUNCIL OFFICE

Vote 1c—Program expenditures.....\$4,500,000

(Vote 1c agreed to on division)

SHARED SERVICES CANADA

Vote 1c—Operating expenditures.....\$13,255,834

(Vote 1c agreed to on division)

TREASURY BOARD SECRETARIAT

Vote 15c—Compensation Adjustments.....\$31,195,709

Vote 30c—Paylist Requirements.....\$140,000,000

Vote 50c—Defence and Security Initiatives.....\$1,000,000,000

(Votes 15c, 30c and 50c agreed to on division)

The Chair: Shall I report supplementary estimates (C) 2025-26 to the House?

Some hon. members: Agreed.

The Chair: That's wonderful.

We'll suspend for about five minutes and bring in our new witnesses.

Thank you very much.

• (1155) _____ (Pause) _____

• (1200)

The Chair: Thank you, everyone. We are back in session. I appreciate your patience.

We have a second half of the meeting with witnesses regarding CER, the comprehensive expenditure review.

We have opening statements. We'll start with Mr. Harlow. Then we'll welcome back Ms. DeSousa, and then we'll have either Mr. O'Reilly or Ms. Poirier. I ask everyone to please keep to five minutes or below in order to stop me from having to cut you off.

Mr. Harlow, the floor is yours.

Thanks very much. Go ahead.

Gregory Harlow (President, Association of Justice Counsel): Thank you, Mr. Chair and members of the committee.

Thank you for the opportunity to appear today.

The Association of Justice Counsel, or AJC, is the federal union representing Canada's legal team, which is more than 3,500 federal Crown counsel and articling students employed by the Government of Canada, including the Department of Justice, the Public Prosecution Service of Canada and 34 additional federal agencies, tribunals and courts across Canada. AJC members are the legal backbone of Canada's democracy, ensuring fairness and accountability by upholding rights and the rule of law, and protecting Canadians.

The committee's study of the comprehensive expenditure review is most welcome. Your examination of these decisions, ensuring that the concerns of organizations like ours are on the public record, reflects the seriousness of what we are seeing. The AJC is deeply concerned about how the cuts stemming from the expenditure review will impact the administration of justice in Canada.

It became clear in 2025 that a series of decisions, particularly the \$40-million reduction to the Department of Justice budget over the next two years, which will reach \$58 million by the 2028-29 fiscal year, and the nearly \$2-million reduction to the budget of the Public Prosecution Service in the upcoming year, have begun to hollow out Canada's legal capacity.

The impact was exemplified in February of this year, with the \$9.5-million budget cut at the bureau of pensions advocates within the Department of Veterans Affairs Canada. While the government has stated that this was not part of the comprehensive expenditure review, the fact remains that this fiscal decision was made within the context of the expenditure review.

The bureau of pensions advocates is a national team of lawyers who provide legal advice and representation to veterans appealing disability benefit decisions, either through departmental review or through the Veterans Review and Appeal Board. These lawyers represent veterans who must challenge their own government to receive the benefits they are owed and who are successful in doing so approximately 89% of the time when they appealed the initial decision denying them benefits.

In February, the BPA announced that it would cut 22 lawyers working on term contracts, out of a total of 61 lawyers. That's over one-third of its legal capacity. Some of these lawyers have served for years as term employees.

This occurs while demand for service is rising. The bureau expects approximately 25,000 new files in 2026, which follows a 200% increase in demand since 2018. These cases can be complex, involving occupation illness, cancers, military sexual trauma and PTSD. BPA lawyers' caseloads are significant. At least one term lawyer reported carrying a caseload of approximately 300 files in any given month. Regional impacts are expected. Veterans in some regions may lose in-person access to BPA lawyers as a result.

BPA lawyers work closely with veterans to develop files and present arguments. This work establishes precedents that shape how similar cases are handled. The results are often significant for veterans, including retroactive payments when entitlements should have been recognized earlier, as well as significant decisions that have become relevant to under-represented groups of veterans, including women. AJC members deliver accountability for Canadian veterans, again, resulting in increased benefits 89% of the time.

These financial decisions to cut counsel are not strategic or thoughtful. The numbers demonstrate a need for strategic investments in legal capacity in key departments and organizations, such as the BPA. My members are deeply concerned about their own livelihoods and for their clients: veterans who will not receive assistance if these cuts are realized.

As one of our members remarked, this staffing cut at BPA means that the increase in wait times could limit the retroactivity period of the disability benefits. Some elderly clients could become incapacitated or could even die while waiting for a hearing date.

AJC members continue to deliver justice and accountability for Canadians every day. However, the government's current trajectory, with cuts and reductions in counsel ranks, will remove or drive away experienced legal professionals and weaken Canada's ability to govern effectively and defend itself in an increasingly complex era of legal reality.

Hollowing out the ranks of counsel in a rule-of-law society undermines the institutions Canadians rely on for fairness, accountability and public safety, leaving Canadians vulnerable to legal defeat by those interests better able to fund their legal fights.

I am joined today by the AJC's director of advocacy and bargaining, Sayward Montague, and we'd be pleased to respond to any of the committee's questions.

Thank you very much for your time.

• (1205)

The Chair: Thank you very much, Mr. Harlow.

Ms. DeSousa, welcome back. The floor is yours for five minutes.

Sharon DeSousa (National President, Public Service Alliance of Canada): Good afternoon. My name is Sharon DeSousa and I'm the national president of the Public Service Alliance of Canada.

Thank you for inviting me to appear as part of your study on the comprehensive expenditure review. I apologize that I cannot be there in person today. I'm in New York and serving as a delegate to the United Nations Commission on the Status of Women.

I'm joining you today from the traditional and sacred homeland of the Lenape peoples. As a visitor on these lands, I commit myself to put truth, reconciliation and decolonization at the centre of my work.

PSAC represents over 245,000 workers in every province and territory across Canada. Over 180,000 of these workers are employed by the federal public service and believe investing in our public services is the best way to build a strong, stable economy that supports us through challenging times. Every dollar invested in federal public services generates a return of up to \$1.28 for the Canadian economy and \$1.22 to boost our GDP.

Public service workers deliver critical supports that millions of people rely on every day. They manage national emergency responses, inspect our food, work overtime during wildfire season and protect our health, our borders and the environment. However, this work is at risk of being negatively impacted by the severe cuts of \$56.7 billion from 2025 to 2029.

In July 2025, the finance minister launched the comprehensive expenditure review, directing departments and agencies to find ambitious savings by reducing their spending by 15% by 2029. Departments had only about 35 business days to submit their proposals, leaving no time for proper research, consultations or assessments. Over 13,000 PSAC members have received workforce adjustment notices, and the government plans to cut a total of 30,000 public service jobs within three years.

This government is choosing to cut public services first, and explain later. Cutting public services has impacts that will cost taxpayers more in the long term: slower service delivery, reduced administrative capacity and stalled progress on departmental and legal obligations like the Pay Equity Act. The government is years behind launching a pay equity plan for workers in its core public administration, and the pay equity commissioner's office is severely understaffed. Under the act, over 1.3 million workers would be paid for equal work of equal value. Over the past 40 years, women in the

workforce have accounted for one-third of Canada's economic growth. Funding cuts kill this progress.

Instead of eliminating jobs, the government should be cutting the billions being spent on private consultations and outsourcing. The government's main estimates for 2025-26 show that they plan to spend \$26 billion on professional and special services.

Billions in savings are also being lost by scaling back the office portfolio reduction plan. Instead of saving up to \$6 billion, the government will waste billions to maintain its office space portfolio while forcing workers into offices four days a week unnecessarily. This has never been about fiscal discipline. It's always been about optics. It's performance penny-pinching.

Transforming Canada's public service requires strategic planning that involves reviewing staffing needs across federal programs and services and close collaboration with workers and unions to develop a unified staffing strategy. If Prime Minister Carney's government isn't prepared to honestly lay out what programs and services will be impacted by these cuts, we shouldn't consider this an expenditure review. It's a reckless hacking exercise.

• (1210)

The size of the public service should be determined by meeting the needs of the people it serves. Canada's population has grown, and it will continue to grow and age in the coming years. It's crucial that the federal government commits to investing in Canada's public services so that our economy can face the challenges ahead.

Thank you.

The Chair: Thank you very much.

We will now go to Mr. O'Reilly.

The floor is yours, please.

Sean O'Reilly (President, The Professional Institute of the Public Service of Canada): Mr. Chair and members of the committee, thank you for the invitation to appear today.

I'm the president of The Professional Institute of the Public Service of Canada.

PIPSC represents more than 85,000 professionals, most of whom work in the federal public service as scientists, engineers, IT specialists, auditors and inspectors. Our members help keep Canadians safe every day, quietly and reliably. They inspect the bridges you drive on and the runways you land on so that small cracks do not become catastrophic failures. They chart underwater hazards so that cargo ships and ferries can navigate our coasts safely. They monitor and issue product recalls before the products cause illness or harm. They defend government networks from cyber-attacks, protecting citizens' data and the integrity of essential public services—and so much more. In short, they are the experts who make sure that the critical systems Canadians rely on every day actually work.

Most of this work is invisible to the average Canadian. When systems work properly, Canadians rarely notice, but when expertise is reduced, risks increase. These reductions mark a clear break from past workforce adjustments. They risk removing critical expertise at scale and reshaping the capacity of the public service for years to come. This isn't about protecting bureaucracy. It's about protecting the expertise and operational capacity of the systems Canadians rely on every day.

I'd like to begin with one example that illustrates what is at stake with the comprehensive expenditure review: the proposed cuts affecting scientists, veterinarians and inspectors at the Canadian Food Inspection Agency. Millions of Canadian families trust that the food they buy to feed their children is safe. Hundreds of international trading partners trust that Canada's inspection and certification system will ensure that the food we export meets rigorous safety standards. When the trust is misplaced, the consequences can be severe. Food-borne illness can spread before contamination is detected. Export markets can be shut down overnight when confidence in a country's food inspection system is shaken. When that experience is lost, it is extremely difficult to replace.

• (1215)

[*Translation*]

There is a similar risk in another area that Canadians rely on every day: rail safety.

Canada's rail system moves millions of passengers and billions of dollars in goods across the country each year. Its safety depends on engineers and technical specialists at Transport Canada who oversee complex infrastructure, equipment standards, and operating practices. Rail safety depends on trained professionals who detect problems before accidents occur.

These engineers and technical specialists oversee infrastructure, equipment standards and operating practices. When that expertise is weakened, the consequences can be serious.

[*English*]

More broadly, the comprehensive expenditure review raises a fundamental question about how the government chooses to find savings. Canadians want a strong country with public institutions they rely on. That strength depends on the expertise inside the government. Cuts that remove the expertise may look efficient on paper, but when expertise disappears, the risks and costs return later.

When internal capacity is weakened, governments frequently turn to outsourcing to fill the gap, yet federal spending on external consultants has already reached historic levels. Outsourcing has doubled since prepandemic levels, and by the government's own estimates, spending has come to \$26 billion, which is a 100% increase since 2019.

This isn't just fiscal discipline. It is dependent on private firms that charge up to 26% more than equivalent public service staff. Every taxpayer dollar spent on private consultants is a dollar not spent on building internal public expertise. The result is a hollowed-out public service forced to rent back the very skills it once had in-house. That's not efficiency or savings; that's waste.

If the goal of the CER is to find real savings, outsourcing is the obvious place to start.

Your average person does not often have the opportunity to stop a nationwide disaster before it happens, but that is exactly the opportunity you have now.

[*Translation*]

By protecting the expertise that keeps Canadians safe, you can help prevent the next crisis instead of studying it afterward. When expertise disappears, problems don't; they just show up later, they're bigger and they cost far more to fix.

I look forward to your questions.

[*English*]

I'm joined by Christine Poirier, our director of the task force on WFA and RTO.

Thank you.

The Chair: Thank you, Mr. O'Reilly.

We'll start for six minutes with Mr. Richards.

Welcome back to OGGO, sir.

Blake Richards (Airdrie—Cochrane, CPC): Thank you.

Mr. Harlow, talking about the cuts to the bureau of pensions advocates, which represents veterans when they go to the Veterans Review and Appeal Board, you mentioned in your opening remarks that 89% of the time, the veteran ends up with increased benefits or a decision to reject their benefits overturned. That means it's the place where veterans actually get the help they need.

Can you speak to the impact that this is going to have on veterans and their benefits?

Gregory Harlow: Fundamentally, what's going on here is a case of justice delayed is justice denied. My understanding is that there's already a one-and-a-half-year wait for one of these appeal cases to go through the system. It can be easily anticipated that, with a 40% reduction in staff, that wait period is going to extend beyond that one and a half years. In fact, I think Mr. El-Daher, who testified earlier this week, estimated that it would go from one to three years to up to five years now. That's just outrageous. A criminal in this country has the right to a trial in 18 months, but the people who defend us can wait for years to get their appropriate benefits.

Blake Richards: When you put it that way, there aren't even words for that. It is just sickening. That's what it is.

The government continues to maintain that there were no cuts to services to veterans as a result of its budget. It continues to maintain that. There were no cuts to veterans.

Is there any way in your mind that this could be characterized as anything other than a cut to services to veterans, when you're talking about them waiting up to five years to get a decision? Is there any way this could be characterized as anything other than a cut to their services?

• (1220)

Gregory Harlow: No, of course not, and it's not just a cut; it's a decimation. In fact, it's worse than a decimation. A decimation is technically a 10% elimination. This is three times that.

No, this is a massive cut to an essential service that ensures veterans get the disability benefits they deserve.

Blake Richards: Would you be prepared to speak to the effect that would have on a veteran?

Gregory Harlow: Obviously, it depends on the particular veteran in question and where they are. If they are aged, they might die while waiting for their benefit. If they are young, it may have other impacts on them in terms of impecuniosity during the period of time they're waiting. It may result in pile-on effects in terms of additional mental health challenges while dealing, potentially, with physical health challenges. I think the possibilities are legion, and you can just imagine what they may be.

Blake Richards: Absolutely. Unfortunately, we don't have to imagine them. We already see them, even with the wait times there are now.

I sit on the veterans affairs committee. We just finished a study on suicide prevention among veterans. One of the biggest things is the sanctuary trauma of not being able to get help from the very place they're supposed to get help. Now this is just going to add extra effects. That's one of the biggest impacts on mental health and, potentially, suicidality among veterans, so this is grave, frankly.

Were you or anyone in your union consulted at all before these cuts were announced?

Gregory Harlow: No.

Blake Richards: Not at all.

I would assume that, following the announcement of those cuts, you probably reached out to try to have some conversations, at the very least, about what the impacts will be. Were you afforded the opportunity to be consulted after the decision?

Gregory Harlow: To be fair, no, we haven't. That's because I only became aware of this about a month or maybe a month and a half ago through one of my members, whose term is actually being terminated at the end of this month, so he will be unemployed as of the end of this month. He is one of the lawyers who work with the Department of Veterans Affairs.

He thought it was important, essentially on his way out the door, that his union be made aware of the impacts this is going to have on the clients he serves. Even though he will essentially be done with work in the next 21 days, he wanted his union to know what kinds of impacts this was going to have on people, and veterans in particular.

Blake Richards: This shows how much the people who are being let go care about the veterans they're supposed to be there to serve, I would say.

Essentially, you didn't find out about it other than the fact that one of your advocates who received a layoff notice came to you after it happened. Is that how you found out about this?

Gregory Harlow: Yes. Technically, it's not a layoff notice, because he's a term employee. He's been advised that his term contract won't be renewed.

Blake Richards: Yes. It's pretty shocking to think that there wouldn't have been any conversations before or after about the impacts this would have. It's really shocking, actually.

Well, with 20 seconds, I don't know what I can ask you, but I really appreciate the information you've provided us. It's shocking and disgraceful, frankly, that this is happening.

The Chair: Mr. Gasparro.

Vince Gasparro: Thanks to all of you for attending and thank you for your service.

We had Treasury Board officials appear earlier this week to discuss the comprehensive expenditure review. They explained that, as part of the review, departments were directed to focus on their core mandates and priorities, specifically by identifying savings in programs and activities that are underperforming, duplicative or not central to the federal mandate.

Wouldn't you agree that it would be responsible of the federal government to conduct a review like this to ensure that departments stay focused on their priorities?

Sean O'Reilly: I believe these departments should be focusing on their priorities. My concern is that we are cutting core services. I look at the cuts at the CFIA and the fact that we're going to be affecting the food safety system. If you look at Health Canada, what's going to be happening there with vaccines and medical reviews?

If they really want to focus on savings, there are many ways to save money within the federal public service. First and foremost is outsourcing, at \$26 billion. That's a lot of money, and I have not yet seen a reduction of that. I've heard year after year that we're going to reduce it, and I continue to see public servants working alongside consultants doing the same work for more money.

These are not back office cuts. These are core cuts that are going to be affecting Canadians.

• (1225)

Vince Gasparro: I'm glad you mentioned core services. I'll touch on active consultants, but I'm going to pivot between the two. I'm glad you mentioned that.

When Treasury Board officials appeared before committee, they were very clear—and I know this because I asked the question—that departments were directed to find savings through the comprehensive expenditure review in ways that do not affect frontline services or core services. When we were talking about the comprehensive expenditure review—not other programs that may have sunsets—officials also confirmed that no cuts are being made to frontline personnel at the CBSA or RCMP and that we're actually looking to hire more people.

Can you explain what the issue is with our government responsibly identifying savings while ensuring the frontline core services that Canadians rely on remain protected? This is coming from Treasury Board.

Sean O'Reilly: I absolutely understand that. One of the big issues we have.... If we look back to August of last year, when the comprehensive expenditure review was first announced, we asked the government to have a discussion with us. We want to have a discussion with the Treasury Board and the departments to talk about where there are efficiencies and where there potentially are savings. To this day, we have not been able to have those discussions. I would love to have the discussion. Are there places we could look at? Are there potential savings for the government that don't affect core service to Canadians? Right now, I'm seeing my members talk about it.

When I look at Statistics Canada—the backbone of data in this country that businesses rely on, that the government relies on and that community organizations rely on—I see large swaths of my

membership and the membership of the other unions being affected. It's uncertain at this point what's actually going to be cut.

This is the concern we have. We have yet to see the actual details. All we've seen is the “affected” notices. We haven't actually seen the details on what services will be cut for Canadians, and that should be shocking for taxpayers.

Vince Gasparro: I'd also like to go back to your point around the use of consultants. There was some commentary about the correlation between the size of the public service and the use of consultants, that reducing the size of the public service would automatically lead to a greater reliance on management consultants. However, from the statistics we have, the reality is that spending on management consultants and IT services, the categories that are most often criticized, actually decreased by about 10% last year, even while approximately 10,000 public service positions were reduced.

Can you explain that correlation? The broader category of consultant spending often includes things like construction firms that help build and maintain federal infrastructure or contracting nurses to provide health care services in northern communities.

Sean O'Reilly: I'm glad to hear that there was a reduction in management consultants and IT consultants. I was not aware of that 10% reduction. I'm glad to hear that. I'm an IT professional by trade. I've seen this year after year, sitting side by side with IT consultants.

You speak about nurses in the north. Those are our members who want to do that work. The fact that we're constantly going to contract nurses, who cost more for the government, is problematic. These jobs are public servant jobs. They can be done by public servants. The government should be building that expertise in-house. It's broad-based. Contracting out, when I look back at the beginning of my career 25 years ago, has always been an issue for IT, but now I've seen it for nurses, engineers, you name it. Even our purchasers are dealing with outside contractors, because there aren't enough resources inside the government and that expertise is not there.

The government should be investing in building expertise inside instead of paying someone who's going to leave three or four months down the road.

• (1230)

Vince Gasparro: Thank you.

The Chair: That is your time.

Mr. Harlow, I'm sorry. I saw that you wanted to chime in, but we're out of time, sir. Perhaps in one of the next interventions coming up you can offer that up.

We'll go to Madame Gaudreau for six minutes, please.

[*Translation*]

Marie-Hélène Gaudreau: Thank you very much, Mr. Chair.

Ms. DeSousa, my main question is for you.

What a context we find ourselves in. We're talking about reforms, making cuts and reinjecting funds, but what about jobs?

I'll come back to you—

[*English*]

The Chair: Madame, I apologize for interrupting. We've unfortunately lost Ms. DeSousa. We're trying to get her back in.

We'll restart your time if you want to redirect your questions. We'll let you know when she comes back in.

[*Translation*]

Marie-Hélène Gaudreau: That's great. Thank you very much, Mr. Chair.

As a member of the Standing Committee on Veterans Affairs, I simply want to reiterate that what's happening right now is terrible. We know the consequences will be felt as early as April. We're telling the government the time to act is now. There's not much time left, and we know what's coming. We know full well the 15% targeted cuts to the funds aimed at helping veterans transition from military to civilian life will be used to boost investments in defence and the Canadian Armed Forces. People need to know that. The minister knows that, and we've told her. I think it's time for the Prime Minister to act. Otherwise, we'll see the impact on our future defence force.

That's my heartfelt plea. I've had several meetings with my colleague about this, and this situation is unacceptable.

My question is for you, Ms. DeSousa. The government keeps cutting services to Canadians. I experienced the consequences of that during the pandemic. I'm sure my colleagues will agree that MP offices became Service Canada counters. People would come to our offices to talk about Veterans Affairs Canada, the Canada Revenue Agency, Phoenix and employment insurance benefits. It just went on and on. You know what? That hasn't changed.

Give me a good reason to think it'll stop, because the current situation is unacceptable. We have to take back control and provide services, despite the cuts.

I'd like to hear your thoughts on that.

Sean O'Reilly: Thank you for the question.

[*English*]

As public servants, we serve—we want to serve—the people of Canada. You speak about those cuts, and we are a service provider. I look at the pride folks have.

I'm going to mention researchers for a second, if you don't mind. We have researchers who have received layoff notices, and some of them are taking a voluntary departure, but they want to make sure that their research is completed. These people care about serving Canadians. They care about that. Even though they're being shoved out the door, they want to protect that science.

For me, we swear an oath to the government and to the people of Canada, and to be treated this way has been difficult. Services will suffer.

Gregory Harlow: To supplement that, obviously, at the BPA, that service will be gutted, and most people will not receive service in a timely fashion. I think you said earlier in the week that standing in line is not a service, and that's right. You're going to stand in line for three to five years before you get something.

Going back to Mr. Gasparro's question for a moment, yes, of course it makes sense for the government to be efficient, but it doesn't make sense for the government to pour money into the armed services but then not have the bureau available to assist veterans when there's inevitably going to be an increase in people who need that service. It doesn't make sense to pour money into the Canada Border Services Agency and the RCMP if you're going to cut the prosecution service that has to process the files those front-line agencies are going to generate. That's just going to result in a diminishment of existing capacity and poor outcomes.

• (1235)

[*Translation*]

Marie-Hélène Gaudreau: I don't have a lot of time left. I'll give you an example. Three years ago, Bloc Québécois members dared to make changes to their organization. Using our own very limited MP budget, we hired a resource whose job is to contact people every day on all immigration files, because no one can get answers. Meanwhile, we're still looking for the minister. You can imagine what's going to happen. I'm glad to hear that today.

I'd like to ask 10 million questions, but I'll ask one about contracts. WE Charity was the first case where contract issues were revealed, others followed. Now, it's Cúram. It just keeps happening. There's also Phoenix. New issues arise every day.

Through attrition, expertise is dwindling, but we're telling people they might be able to come back and work for the government as consultants. Anything is possible. I'm not giving anyone any ideas, but we have to retain the knowledge and our professionals.

Are you concerned the objective of reducing the number of contracts will remain wishful thinking?

Sean O'Reilly: You gave Phoenix as an example. The goal was to reduce system-related costs by \$400 million, it's costing us \$5 billion. The government hired an external contractor, and it's costing us more.

I can name other contracts and projects that are costing us more. ArriveCAN is another good example of a project given to the private sector.

Why isn't the federal government retaining the knowledge? Our information technicians can do the work. Why, then, are we feeding this addiction, which costs us more?

I think the government should invest more in public servant expertise rather than paying others to do the job.

Marie-Hélène Gaudreau: Mr. Chair, we can do the work, we just don't want to.

[*English*]

The Chair: Thanks.

We'll go to Mrs. Block and then to Mr. Osborne.

Kelly Block: Thank you, Chair.

Thank you to all of you for joining us today.

My questions are going to be directed to Mr. O'Reilly and Ms. Poirier.

We've talked about the fact, which you noted in the report you released on the 10 years of the Phoenix pay system, that the Liberals continue to spend on outside consultants and are planning to spend \$26 billion on outside consultants. You've outlined very well some of the risks that come with constantly outsourcing work from in-house professionals. Would that include the risk of compromising on service standards that exist within the public service? Would you like to expand on that?

Sean O'Reilly: I think it could have a great risk for service standards. When we contract out, we sign a contract with a fixed term, usually with an outside consultant, depending on what service is being provided. My concern is that those service standards could be affected if there's a transition in that contract and we're not building that expertise inside.

You mentioned Phoenix, and I'm going to go back to Phoenix. We still have a backlog of almost 230,000 cases in the Phoenix pay system. That's not the fault of the public servants who do that work. It's the fact that the system was put in place before it was ready and we laid off hundreds—thousands—of compensation advisers. We've now been hiring them back and we're getting people up to speed, but we continue with that backlog. The pay centres are still underfunded and we have not been dedicating resources to do that, yet we paid millions—billions—of dollars to prop up the Phoenix pay system. Thank God there's a replacement coming, but at the same time, we continue to pay for a system that has never worked.

Kelly Block: Thank you so much for that.

Public Services and Procurement Canada has failed to meet, in four of the last five years, their department's targets to process pay-

related cases within the service standards we've just been talking about, yet departments have said that the government's expenditure review, which we're talking about today, will not have any service-level impacts.

Do you agree with the assessment that there will be no service-level impacts with the government's proposed layoffs?

• (1240)

Sean O'Reilly: I do not.

I have a hard time believing that we're going to add 40,000 termination cases to the backlog. There's no way that doesn't affect it. I've seen no indication that they're increasing compensation advisers at the pay centre. There's no way that all of these layoffs are going to be reducing that backlog. It's going to be worse. What we're going to have is people who are being forced out the door and who are going to be wondering if their pension is starting and if they are going to get that last paycheque. We've seen people wait years for that last paycheque.

There are a lot of folks in this country who live paycheque to paycheque, and I have a hard time believing that there's going to be zero effect on the folks who are leaving the public service and the ones who are still there and waiting to get their pay cases resolved.

Kelly Block: What about the service levels within the public service? If we are moving ahead with laying off the number of public servants that has been proposed, they say that the service levels Canadians are receiving will not be impacted. Do you agree with that assessment?

Sean O'Reilly: I do not.

I see it first-hand. My father has been dealing with Service Canada through OAS. He's very frustrated. He had to wait an hour on the phone. When he eventually got to the public servant, it was great service, but to wait on the line for that length of time is inappropriate. It was frustrating for him. He's of an age and going through cancer treatments and to wait on the line is just inappropriate.

I have a fear, and we haven't talked about it, but AI chatbots.... I do not want Canadians dealing with a computer. They want to deal with human beings when they're getting services from the federal government. To be waiting on the line, to hear a computer talk to them and then maybe they'll get to a public servant, that's frustrating.

Public servants love providing the services they do, but these wait times are only going to increase. I hear of these dependencies that are going to be done with AI and that AI is going to solve everything. AI is not a silver bullet. It's a tool that we definitely should be using, but I've yet to see any work that's being done. I've seen AI chatbots actually cause harm. There have been court cases where corporations have been found liable because the chatbot gave bad advice. I'm fearful that it's going to happen to the Government of Canada.

Kelly Block: Thank you very much.

The Chair: Mr. Osborne.

Tom Osborne: Thank you.

I may get only one question in, because I feel compelled to address some of the comments that were made today. I know that the opposition complains frequently in the House about the size of the deficit, but when government tries to deal with the size of the deficit through the comprehensive expenditure review, opposition members from all parties complain about that, so I'm not sure how we reach those goals, but I—

An hon. member: [*Inaudible—Editor*]

Tom Osborne: We're not here for debate. You had your comments. I'll have mine.

I want to talk about the comprehensive expenditure review. Under modernizing government operations, the theme is “increasing the efficiency of back-office and administrative functions, leveraging new technology, and limiting spending on discretionary travel and training, and the use of external consultants”. While we've heard some of the witnesses today say that there's been an increase in external consultants, that in fact is not accurate. There's been a 10% decrease. The direction by Treasury Board is also to ensure that we look at internal expertise before any external consultants are hired and to focus as well on expanding that internal expertise. The information put forward by witnesses today is not entirely accurate. I needed to correct that for the record.

There's the streamlining of program delivery to improve services and reduce duplication. There's the recalibrating of government programs to better provide on the priorities that Canadians are looking for. If we look at ways of finding savings, we heard one of the witnesses today say that they believe investing in the federal public service is important to economic growth. We've seen a 40% increase in the size of the federal public service over the last decade. In terms of the reduction we are looking for in the size of the public service to bring it to a sustainable level, even with that reduction there will be a significant increase in the size of the public service compared to 10 or 12 years ago.

With that in mind, if government is looking at providing a more efficient government for Canadians, where the focus will be on services for Canadians, the direction under the comprehensive expenditure review is to ensure that the impact on frontline services is minimized, or that there is a focus on frontline services. Knowing that there's been a 40% increase in the size of the public service, and that there's been a 10% decrease in the last budget for consultants over the previous year, with a focus on ensuring that public servants who have the expertise get that work, as opposed to exter-

nal consultants—that is the focus—wouldn't you agree that the size of the public service has to be sustainable? It has grown exponentially over the last 10 or 12 years.

• (1245)

Sean O'Reilly: I really appreciate the question. If you look at the public service of the eighties and nineties, per capita you're actually smaller than we were back then. We've actually reduced in size from that. I want to thank the government for investing in the public service over the past decade. It has been really appreciated.

The issue is this. Our fear is that we don't have the details. We speak of these “back-office” cuts, but what we've seen, and what we're afraid of, is that we're going to cut at a time when we need to make Canada stronger. What effects will those cuts have? When I look back to the pandemic, there was a lot of scrambling and rushing to put in place things that had been cut previously—decades ago. We rushed to put them back in place.

It's about having that safety net. We talk about pandemics. Hopefully they happen every 100 years, but we don't know when the next pandemic will hit. That's the thing: With those cuts today, our crisis is tomorrow. That's the big fear we have, because we don't have those details. We don't have those details, and we've been wanting to see them.

Tom Osborne: Thank you.

The Chair: Colleagues, before we go to Madame Gaudreau, unfortunately, due to the IT issues, we will not be able to bring PSAC back. I'm going to ask our clerk to reschedule them for a later time. I think it's important that we have their voice. They are the largest representative of the public service. The clerk will advise when that will be.

We will go to Madame Gaudreau for two and a half minutes, please.

[*Translation*]

Marie-Hélène Gaudreau: Thank you very much, Mr. Chair.

It really is important to hear from her. I hope we can bring her back.

Let's tell it like it is. Parliamentarians want to do things right. We want to help you, and to do that, we have to expose things. That's why people say the opposition only ever opposes. Prove we're not needed. If that is the case, we'll just say everything's fine and all is well. I'm the only one who doesn't seek power, because I represent the province of Quebec and the people in my riding. You need to help us sound the alarm. There are really a number of them to sound.

We're being heard. Now the government needs to decide what it wants to do. I think there might be one government too many, because that wouldn't be necessary in Quebec.

What about the impact? What will we have in three years?

We touched on a number of topics. You have a few seconds to give us the highlights.

[English]

Gregory Harlow: I've been a federal Crown prosecutor for 18 years. In those 18 years, the cases keep getting more complex. They take longer to prosecute, and there's less and less court time. Now the government is increasing funding for the agencies that send us those files.

You can anticipate that there will be more files that just don't get prosecuted. You can anticipate that more of those files will die in the courthouse because they won't get done within the 18-month limit they have to get done in. You can also anticipate that criminals with deep pockets will beat the Crown, because there are just not enough Crowns to go around. That's what you can anticipate is going to happen.

• (1250)

[Translation]

Marie-Hélène Gaudreau: We understand that, and it's scary.

Mr. O'Reilly, what do you think?

[English]

Sean O'Reilly: I'm an IT security professional. I've seen the complexity of IT. It's exponential. The threats the president of SSC was speaking to earlier are getting more complex and more severe.

I'm glad we have all of those public servants inside, but if you start hollowing out those folks.... We have these early retirement packages. There might be folks who have been serving the government for 30 years who decide it's time to go. The biggest fear we have is that we're going to lose core parts of the public service to these voluntary departures. These people want to go to retirement, but we're not replacing them. It's hollowing out, and we don't know exactly where it's going to happen.

I'm worried that we will have large, gaping holes created by this hollowing out. That's a big fear we have. Especially as a cybersecurity person, I fear for myself, our data and Canadians.

Thank you.

[Translation]

Marie-Hélène Gaudreau: We're all scared.

[English]

The Chair: Thanks.

We'll go to Mr. Boulерice for five minutes, and then we'll finish with Ms. Rochefort.

Mr. Boulерice, welcome back to OGGO.

[Translation]

Alexandre Boulерice (Rosemont—La Petite-Patrie, NDP): Thank you very much, Mr. Chair.

I'd like to start with a comment. There are people here who work at the heart of public services and services to the public. This is what they do, every day.

And yet, I heard a Liberal member say these people are not telling the truth. I have rarely seen such contempt from a government, this Liberal government in particular, for those who serve the public directly and who know much more than us how things works.

A Liberal member said the instructions were not to touch essential services to the public.

Mr. Harlow, you told us about the cuts to legal defence for veterans.

Is it possible not to touch essential services for veterans?

[English]

Gregory Harlow: No.

[Translation]

Alexandre Boulерice: Thank you.

Mr. O'Reilly, six years ago almost to the day, the world stopped because of the COVID-19 pandemic. You said public safety and public health could be at risk because of the Liberal government's blind cuts to scientific services.

Given these cuts, would we be in a better position now to deal with a pandemic than we were in 2020? Would we be worse off?

Sean O'Reilly: I think we're worse off.

Cuts were made at the Public Health Agency of Canada in particular. When the pandemic hit, we depended on these people for vaccines and measures to take to avoid contracting COVID-19.

As I said, I think cuts to health and science are harmful. We have researchers and scientists. We rarely hear from them, but their job is to conduct scientific research to protect Canadians during such crises.

Alexandre Boulерice: What you're saying is Liberal cuts could jeopardize public health and safety.

Is that correct?

Sean O'Reilly: It's quite possible.

Alexandre Boulерice: We've often heard these cuts are being made blindly. They want to cut 15% everywhere. It's like clear-cutting.

The Liberal government wants to use AI to figure out which positions to cut, which means robots or computers would be making those kinds of decisions.

What do you think about that?

[English]

Sean O'Reilly: We know AI has bias. They've been working for years trying to get it out. AI is not a perfect thing. It is not a silver bullet. To have that reliance on AI... I hope AI has not been used to find these cuts—maybe it has. The concern we have is that we have not seen concrete examples of the services Canadians rely on every day, in terms of what's going to be cut. We think we have an idea, but it's unknown at this point. Maybe AI did make those cuts. I don't know for sure.

• (1255)

Gregory Harlow: Maybe I'll be proven wrong, but when I ask Siri to play a particular song for me, half the time it still can't recognize the title of the song I've asked for. In spite of pouring billions of dollars into creating a self-driving car, they still can't do it. So how is a computer going to replace a skilled legal expert, with multiple degrees and years of service, who has been trained to do that job effectively?

I have to add this. We're also told that if we do use AI, we're expected to verify its accuracy. Therefore, even if you use AI, you still have to do the work of being certain that it's correct, which really limits the time savings that are involved. I'll leave that to you.

Frankly, I wouldn't want to just say that I let the computer solve the question and that I hope it's right.

Sean O'Reilly: I'll add something quickly on AI.

Our members work in AI. They're data scientists. It is a tool that can be leveraged, but it's not there to replace a public servant.

[Translation]

Alexandre Boulерice: You said we need to retain our expertise. That would be key to control costs, even in terms of efficiency. It's about being more efficient.

If these cuts are made, people will leave.

Will we be able to retain that expertise? Once it's gone, it'll be hard to get it back.

What do you think?

[English]

Sean O'Reilly: I couldn't say it better myself.

When those experts leave, it takes years to.... When I joined the public service, I was a CS-1. I learned from the public servants around me, and I built that expertise and knowledge, not just in my IT background but also in how the Canadian government works.

Just to pull someone back in.... I'll use Phoenix as the perfect example. We tried to hire people back, but they didn't want to come back. They left and found other work. When someone takes an early retirement after 25 years in the public service, do you think you're going to get someone back who's going to have that pure knowledge of how things are done and how government actually functions? That's not going to exist, and that's the big fear.

Gregory Harlow: Going back to—

The Chair: I apologize, but we are past our time.

We'll finish with Ms. Rochefort, please.

Pauline Rochefort: Thank you, Mr. Chair.

I really appreciate anyone who defends our public service and who speaks in favour of it. We're a great government. We have a great public service.

Certainly, I think we can all agree that expenditure reviews are necessary at times.

In my riding, I've certainly heard about the duplication with the Canadian Food Inspection Agency and the provincial food safety authorities, and even at a municipal level with health units. I hear from my constituents involved in agriculture that there is a substantial overlap.

Mr. O'Reilly, could you comment on that, please?

Sean O'Reilly: When I speak to my members at the CFIA, there isn't duplication. Those folks are already stretched thin. Look at some of the crises that have happened. The fact that we have thousands of food processors who haven't been inspected for years because there aren't enough inspectors at the Canadian Food Inspection Agency is problematic.

I don't see duplication. I see a lack of resources.

Pauline Rochefort: As we talk about interprovincial trade, food is not yet necessarily part of that discussion, but there's a lot of focus across Canada from Canadians who would like to see food brought into that equation and further examined. Do you feel that as we refocus efforts toward higher priorities at the Canadian Food Inspection Agency this could benefit the interprovincial trade discussions going on in our country?

Sean O'Reilly: The experts we have at the Canadian Food Inspection Agency want to make sure the food that we ingest, that our children ingest and that our grandchildren ingest is safe to eat. Listen, our members work hand in hand with the folks at the provincial and municipal levels, and they want to continue to do that. They want to serve Canadians. They want to make Canada strong, but the vast cuts at the CFIA are only going to hinder, not help, decreasing those barriers.

Pauline Rochefort: Do you play a role yourself in examining opportunities from the Canadian Food Inspection Agency, for example, for interprovincial trade to benefit Canada and Canadians?

Sean O'Reilly: No, but I'd love to have that conversation with the government and with the CFIA, if there's something we can do to help. As I said, we have the experts.

There's a gentleman I work with daily who is very involved in our union. He is responsible for a lot of the recalls you see for what you shouldn't eat. He's very heavily involved and he's proud of that. He would love to work with the government to talk about those things and how we can make ourselves better.

• (1300)

Pauline Rochefort: That would be great, if you looked into that. That would be wonderful.

Mr. Chair, I just want to correct one thing. I know that Madame DeSousa is not online, but just the other day I asked a question specifically about the impact the reductions might have in terms of a disproportionate effect on women, indigenous groups, visible minorities or people with disabilities. People replied clearly—and I just want to put that forward, because I wrote it down—that the Employment Equity Act and the Public Service Employment Act guarantee that there are legal requirements to ensure that the public service “reflects the diversity of the country”. Departments must re-

port annually on hiring and workforce representation to ensure that employment equity groups are supported “and not disproportionately affected.”

There was a comment made that seemed to suggest that there would be a disproportionate effect, when in fact, by law, it's not allowed. That's my closing comment.

Thank you.

The Chair: Thank you very much.

We're only two minutes late.

Witnesses, thank you for being with us today. We appreciate all the feedback. I think it was very helpful for our study, and we certainly appreciate it.

Colleagues, we are adjourned. Enjoy a very safe and happy break week.

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