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• (1100)

[English]

The Chair (Kelly McCauley (Edmonton West, CPC)): Good morning, everyone.

Welcome back to meeting number 33 of the House of Commons Standing Committee on Government Operations, widely known, of course, as the mighty OGGO.

We welcome back our friends from the Treasury Board.

Before you start with your opening statement, President Ali, colleagues, this is just a reminder to please keep the headphones away from the microphones. There's also a new request from our interpreters. If you're shuffling papers, make sure your papers are not hitting the microphones because that's causing an issue as well.

President Ali, you have five minutes. The floor is yours. Please go ahead, sir.

[Translation]

Hon. Shafqat Ali (President of the Treasury Board): Thank you, Mr. Chair.

[English]

I'm pleased to be here with my officials to discuss the 2025-26 supplementary estimates (C). In total, these estimates present \$5.4 billion in proposed voted spending. This is offset by a decrease of \$1.4 billion in statutory spending, for a total of \$4 billion in planned expenditures. With the items requested in these estimates, the government continues to invest in the national priorities that will keep our country strong and prosperous.

The government is taking action to secure Canada's sovereignty by rebuilding, rearming and reinvesting in the Canadian Armed Forces. To this end, these estimates propose \$2.2 billion to further spend on our military. Funding for the Department of National Defence will be used for equipment such as multi-mission aircraft, armoured vehicles, drones and the strategic tanker transport capability aircraft project. Proposed funding will also support operations, recruitment and retention.

These estimates also seek funding for indigenous priorities. True reconciliation means more than symbolic gestures. It requires concrete actions and investment in education, health care, governance and economic opportunities. These estimates seek \$348.4 million for first nation child and family services so that children can be cared for in their communities, and \$155.6 million to support access to health care services that are not available locally.

I will highlight one additional priority supported by these supplementary estimates. Our veterans served to protect the very rights and freedoms we enjoy today. We owe them a debt of gratitude for their service and sacrifice. These estimates request \$300.4 million for various programs and services to support veterans and their families.

Let me now turn to my department.

The supplementary estimates propose the establishment of vote 50, a new Treasury Board central vote. This vote would support urgent and unforeseen defence requirements that cannot wait for the next supply period. Access to the vote would be granted by the Treasury Board.

Let me take a moment to highlight the fact that Canada has met NATO's defence spending target of 2%. This is the first time since the late 1980s that the country has met its targets. To provide transparency, any allocation from this fund would be presented in the next supplementary estimates.

TBS is also seeking parliamentary approval to increase its vote 30, pay-list requirements, by \$140 million. This increase would provide funding to support mandatory payouts, such as access to vacation leave, parental and maternity allowances and other adjustments that have not been provided by vote 15, compensation adjustments.

TBS is also seeking parliamentary approval to increase its vote 15, compensation adjustments, by \$31.2 million. This increase would cover pay increases and lump sum payments from recently signed collective agreements and updated terms of employment for the ship repair, west, and air traffic control groups.

These estimates demonstrate that the government continues to invest responsibly and transparently to deliver on the issues that matter most to Canadians.

On transparency, I want to be very clear. The government is committed to giving Parliament and Canadians a clearer picture of how public funds are being spent. Two weeks ago, our government tabled the departmental plans in order to provide Parliament with a more complete picture of spending. The departmental plans set out how departments will deliver on these priorities. They provide detailed information on planned spending, expected reserves and performance indicators, ensuring Parliament and Canadians can track how funds are being used and what outcomes they are delivering.

My officials and I would now be pleased to take your questions on any of these items.

• (1105)

[*Translation*]

Thank you very much.

[*English*]

The Chair: Thanks.

We'll start with Mr. Patzer, please, for six minutes.

Jeremy Patzer (Swift Current—Grasslands—Kindersley, CPC): Thank you, Minister, for coming here today. I really appreciate it.

I wonder if you can tell us straight off the top if you know what the deficit is going to be going forward.

Hon. Shafqat Ali: We are here to discuss supplementary estimates (C), which have a projected \$5.4 billion in total expenditures, but we actually decreased that spending by \$1.4 billion.

Jeremy Patzer: You don't know what the projection for the deficit is going to be for the rest of the year.

Hon. Shafqat Ali: I'm saying we're here to discuss supplementary estimates (C)—

Jeremy Patzer: It's an update.

Hon. Shafqat Ali: Today's committee meeting is to discuss supplementary estimates (C), which have—

Jeremy Patzer: Okay. It's an update. I was hoping you would know the answer.

Hon. Shafqat Ali: —projected spending of \$5.4 billion. We have actually spent \$4 billion, which is a decrease of \$1.4 billion.

Jeremy Patzer: Okay.

Do you know what the increase is that we're seeing over this time last year as a result of these supplementaries?

Hon. Shafqat Ali: In the main estimates, that spending is up \$15.9 billion compared to last year.

Jeremy Patzer: I have \$24 billion in the numbers from the PBO. Actually, on a Government of Canada website, as well, it's \$24 billion, which is basically a 5% increase.

At the same time, you guys are undergoing the comprehensive expenditure review, which is supposed to find \$15 billion in savings. How's that going?

Hon. Shafqat Ali: The comprehensive expenditure review was launched to balance our operational costs in the next three years to find savings to invest in the areas that matter most to Canadians, such as defence, infrastructure and housing. We're finding savings of \$60 billion in five years, and it's going well. We're bringing our public service to a sustainable level.

Jeremy Patzer: You say it's "going well". That's interesting.

Do you know what the national debt is right now, Minister?

Hon. Shafqat Ali: Again, I'm here to discuss supplementary estimates (C). This meeting is dedicated to discussing supplementary

estimates (C). We'll come back on the main estimates. We should use our time to discuss what we are here to discuss.

Jeremy Patzer: You're the Treasury Board president. I would hope you know what the national debt is. You don't even know what the deficit for this year is. It is just appalling that you would come to this committee and not even know some of those very basic numbers, which you should know as the head of the Treasury Board.

I will inform you, Minister, that the national debt is \$1.29 trillion. By the end of your hour here at committee, another \$4.5 million will have been added to the debt. By the end of today, it will be about \$110 million—without your spending any money. The interest alone is going to be that high.

When we continue to add more and more spending through the supplementary estimates, those numbers only go higher and higher. They don't get any lower, which means that the current and next generations of Canadians are going to be the ones bearing the brunt of this.

I'm just wondering at what point in time you are going to return to a fiscal anchor that is actually going to help sustain the economy. It used to be that you were not going to go over a \$40-billion deficit. This year, a \$78-billion deficit was the projection. That's why I asked you if you knew what the latest update on the deficit was, and you don't know it.

I'll ask you one more time. I've given you some time to find that number. What is the deficit going to be with this update?

• (1110)

Hon. Shafqat Ali: Thank you for the question.

What I can tell you is that in the main estimates, we have \$502 billion in budgetary spending, and it's up \$15.9 billion compared to last year. This includes \$230.4 billion in voted spending and \$272.4 billion in statutory spending. Nearly 60% of this spending is directed toward transfers to the provinces and other priorities. It also contains \$14.7 billion in new spending announced in budget 2025, including funding for defence but also for infrastructure and economic support.

Jeremy Patzer: Did you apply a rural lens to any of that spending, Minister?

Hon. Shafqat Ali: These main estimates, if you're going to go into the technicality of regions, come from departments. Every department is responsible for their submissions.

Jeremy Patzer: That's interesting. Do you have a breakdown of the layoffs of public servants by region, Minister? Do you have that information?

Hon. Shafqat Ali: We're dealing with workforce adjustment and early retirement. We have many tools to deal with this workforce reduction. We're returning the public service to a more sustainable level of 330,000. About 9,800 jobs were reduced in 2024-25. With the regional reduction this year—

The Chair: Thank you, Minister. I'm sorry. We're past our time, I'm afraid. You might be able to finish that with Mr. Gasparro's intervention.

Go ahead, please, Mr. Gasparro.

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

Minister, thank you for being here.

It's been widely reported this morning that for the first time since 1990, Canada hit our 2% NATO defence spending target, fulfilling our new government's promise to rearm our Canadian Armed Forces. On that note, can you please talk to me about vote 50 in the supplementary estimates and what it will do more broadly for the Canadian Armed Forces?

Hon. Shafqat Ali: Thank you for a very important question. Our new government was elected on the commitment to build Canada strong, to secure our borders and to secure our communities. Given how quickly the global environment is changing, Treasury Board has introduced vote 50.

I'll come back to vote 50. The most important part is that the Prime Minister announced today that we have met the 2% spending to meet our NATO commitment. In 2025-26, the estimates include over \$47.8 billion in investments for the Department of National Defence. The 2026-27 main estimates also propose over \$48 billion for defence to support modern equipment, training and co-operation with international partners. The estimates introduce new central vote 50 to provide flexibility for unforeseen national defence or security needs. Funding would require TB approval, and all allocations would be reported in the next estimates. That is so there is a strong control in place for transparency. Any access to these funds will require Treasury Board approval.

Again, I can just mention that it follows the same process as other funding decisions. Transparency is key. The use of these funds will be reported through supplementary estimates or year-end reporting so that parliamentarians can clearly see if and when the funding is used.

• (1115)

Vince Gasparro: Thank you for that answer.

I'll move on to another topic. Over the past couple of meetings, we've had Treasury Board officials here. They've discussed how our new government's red tape review is unfolding. You briefly touched on it in your opening remarks. It's important to find a balance between necessary regulations that protect the health and safety of Canadians and regulations that make it harder for Canadian businesses to operate and, more specifically, generate revenue.

According to the Canadian Federation of Independent Business, the combined cost of regulation to businesses from all three levels of government was estimated at \$51.5 billion in 2024, with approximately \$17.9 billion attributed to red tape. Additionally, the CFIB

found—this is fairly obvious—that regulations hurt small businesses with five employees or less much more than they hurt large corporations.

Can you talk to me about the red tape review our new government has introduced and how it will help with productivity and support small businesses across Canada?

Hon. Shafqat Ali: Thank you for that question.

As part of the Prime Minister's mandate letter, I launched the red tape review last summer, asking ministers with regulatory responsibilities to identify ways to cut unnecessary red tape, streamline services, reduce duplication and lower costs for Canadians and businesses. Since then, the departments have identified approximately 500 initiatives, many of which are already under way, and we will be publishing a progress report this spring to show what has been delivered so far.

Building on that work, we launched a horizontal review in December to look across government and identify further opportunities to streamline regulations and improve efficiency. This includes working with regulators, industry and provinces and territories to find practical solutions.

Our focus is clear: reduce unnecessary red tape, keep Canada competitive, lower costs for Canadians and ensure the regulatory system keeps pace with today's economy so we can build the strongest economy in the G7.

Vince Gasparro: I'll wait for the subsequent round.

Thank you, Mr. Chair.

The Chair: Thanks.

Madame Gaudreau, go ahead.

[*Translation*]

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

President of the Treasury Board, given that you are the comptroller and that you are responsible for overseeing public expenditures, I would like to ask you a few questions seeing as how we have not yet received any answers.

I would like to know how much money you have allocated to Cúram and Phoenix to date.

[*English*]

Hon. Shafqat Ali: This is a technical question.

I'm going to ask my deputy to respond to this question, please.

[Translation]

Bill Matthews (Secretary of the Treasury Board of Canada, Treasury Board Secretariat): We can provide a detailed response to the committee, Mr. Chair.

However, I would like to clarify that there are in fact two systems. First, there is the Phoenix pay system and, every year, we allocate funding to Public Services and Procurement Canada so that it can manage that program. Second, we are in the process of developing a new software to replace Phoenix in the coming years and there is also a budget for that project.

• (1120)

Marie-Hélène Gaudreau: I don't have much time, so I would like to get the details.

Bill Matthews: You want the details for both systems? We can do that.

Marie-Hélène Gaudreau: Yes, I definitely want the details on both systems.

I'd like to ask another question. Why is the Department of Veterans Affairs not being protected like the RCMP and the Department of National Defence?

[English]

Hon. Shafqat Ali: I'm sorry. Can I ask my colleague to repeat the question, please?

[Translation]

Marie-Hélène Gaudreau: Okay. I'll start again.

The RCMP and the Department of National Defence have been protected in the budget, but the Department of Veterans Affairs has not. It has not been protected. Why is that?

[English]

Hon. Shafqat Ali: As I mentioned in my opening remarks, we owe veterans for their sacrifice and their contribution. They have made many sacrifices for the freedom that we enjoy today. They are protected. We are doing our level best to support them, and we'll continue to do that.

[Translation]

Marie-Hélène Gaudreau: Yesterday, we heard from the minister, Mrs. McKnight. She told us that her department was doing the best it could with what it had, but that hundreds, if not thousands, of cases had to be dealt with directly through cabinet. That is a clear indication that budget cuts cannot be made. On the contrary, if we care about our veterans and are truly aware of their contributions, then we clearly cannot make budget cuts.

[English]

Hon. Shafqat Ali: Thank you for the question.

In those comprehensive expenditure reviews, every department was asked to find savings of 15% where the programs are not productive, not meeting their objectives or underperforming. Some organizations were reduced to 2%. Some were organizations supporting indigenous Canadians, indigenous people, or defence, RCMP and CBSA, including veterans. Where there are duplications, where there's underperformance of any department or where they're not

meeting objectives, that's where we're reassigning and then reinvesting into the priorities that matter most. This is one of those priorities we have.

[Translation]

Marie-Hélène Gaudreau: Does Treasury Board have to approve the use of external firms to make up for a certain lack of expertise in the public service? Does that fall within your purview?

[English]

Hon. Shafqat Ali: Thank you for the question.

Mostly, departments have their authorities to move forward on the contracts. There are many services. There's a management consultant, or there are services, for example, in certain areas, that help—

[Translation]

Marie-Hélène Gaudreau: Do they consult you? Are you the one who approves that?

[English]

Hon. Shafqat Ali: Not everything will come to the Treasury Board, because ministers have authorities to get into those contracts. If their authority falls under the minister's authorities, they can move forward on their own.

[Translation]

Marie-Hélène Gaudreau: Here is my last question: Do the departments have to have their staff reduction plans approved?

[English]

Hon. Shafqat Ali: Thank you.

For that department, they put forward their plans, and their deputy heads are responsible for the reduction. Since it's technical, I'm going to ask my deputy to respond to that question.

• (1125)

[Translation]

Bill Matthews: Thank you.

I will keep my answer brief. Every department approved the proposals to cut spending by 15% in most departments. The government has already made a lot of decisions, but now it is up to the deputy ministers and other managers. It is their responsibility to implement the government's decisions.

Every department gave its approval.

Marie-Hélène Gaudreau: Thank you very much.

[English]

The Chair: Thank you.

Next, we have Mrs. Jansen, please.

Tamara Jansen (Cloverdale—Langley City, CPC): I'm hoping that I can break this down in a way that makes sense, because I know a lot of Canadians are confused about what just happened.

The Liberals asked us to approve spending a billion dollars—vote 50c—with absolutely no breakdown of where the money is going. Now we're here, after the vote, trying to understand what just got approved. As I see it, Parliament's job is to approve spending before it happens, based on clear information.

Would we agree on that, Minister?

Hon. Shafqat Ali: Thank you for that question. It's very important for Canadians to understand what vote 50 is. We already have vote 5, which is a 5% contingency fund.

We already have that in place. In case of any urgency, we are able to use that fund. Similarly, vote 50 is specifically for our Canadian Armed Forces should they need any urgent funding, so that we don't get into the long process of getting into estimates. Because Canadians are watching and this is a very important question—

Tamara Jansen: My time is short. Can I take the floor back?

The Parliamentary Budget Officer told us that there was no breakdown available, and not because it's confidential but because the decisions hadn't been made yet. That's why we had to vote. Is that correct?

Hon. Shafqat Ali: It's really important to understand that in vote 50, this \$1-billion fund is there for any urgency or emergency, as required by the Canadian Armed Forces. If any spending were done, it would be approved by Treasury Board, and it would be presented in the next parliamentary estimates. There's—

Tamara Jansen: Can I take the floor back? I have a follow-up question.

This funding becomes available only after royal assent, after the vote, which happened just a few days ago, so now you have just a few days left in the fiscal year. As I understand it, departments will have a very short window in which to spend it, so help me understand this. It looks like this money is going to be rushed out the door in the final days. That means the Liberals forced us to approve \$1 billion, without a plan and without a list of projects. In actual fact, we don't even know whether the details will ever come at all.

It's \$1 billion, Mr. Ali. You've accused me in the past of trying to get social media clips, but I can assure you that Canadians are very concerned about the way their money is being spent. A \$1-billion blank cheque is a very big deal, and this is just me trying to follow the money. You have five days left in the fiscal year to spend \$1 billion, yet we have no idea what you're going to spend it on. Does that sound like a good idea to you, sir?

Hon. Shafqat Ali: Thank you for the question. You're getting into that illusion, again, that money, somehow, is being spent. I'm explaining that vote 50 is a \$1-billion fund, which is there for emergency needs. Should our Canadian Armed Forces need anything, it is there. If the money would be spent—

Tamara Jansen: Do you mean, by that, in the next five days?

Hon. Shafqat Ali: —it would come to Parliament.

We had an opportunity to ask questions in Parliament. We just passed this bill two days ago in Parliament.

Tamara Jansen: Will this money be spent in the next five days?

Hon. Shafqat Ali: The money is there, and we have a robust and very transparent system. The details would be coming to Parliament in the next estimates.

Tamara Jansen: Can I...? I'd like to ask the following question: How much of the 2% NATO commitment is simply from reclassifying our civilian Coast Guard as military?

Hon. Shafqat Ali: I think we're here to discuss the supplementary estimates (C). This is something related to defence....

Can I respond to your question?

• (1130)

Tamara Jansen: With due respect, you mentioned it in your first thing—

Vince Gasparro: Chair, I have a point of order.

The Chair: I'm pausing the time. I have a point of order.

Go ahead, Mr. Gasparro.

Vince Gasparro: I'm sorry. Maybe I'm new to this place and I don't know how this works yet, but usually we ask the questions and the minister or whoever's here, the witness, answers. Don't we have to give them time to answer? I'm just trying to figure out how this works. Maybe you can explain it.

The Chair: It is the member's time, so if the member feels they're not getting the right answer, they're welcome to interrupt.

Vince Gasparro: Chair, we have to give the minister a chance to respond.

The Chair: No. The time belongs to the member. If the member does not wish to allow time for a response, that's the member's time. It's just like how if someone does a five-minute speech and does not allow a time for a response, it's their use of the time.

There are times—perhaps right now I'll intervene—when the president has stated that we're not here for that discussion. However, he brought it up repeatedly and you brought it up repeatedly, the 2%, so I think it's a fair question to ask. I think Mrs. Jansen is just pressing him on that point.

We will ask everyone to stop talking over each other, though, which I think is, perhaps, to your point as well.

Can you continue, Mrs. Jansen and President Ali? You have 30 seconds left.

Tamara Jansen: I just want to reiterate the question so that it's clear. We did have this in your speech, and Mr. Gasparro spoke about it as well, with great pride. How much of the 2% NATO commitment is simply from reclassifying the civilian Coast Guard as military?

Hon. Shafqat Ali: I think it would be very small portion of that. I can ask my deputy to respond to this question, for your benefit.

Bill Matthews: I can be very quick, Mr. Chair.

It's a very small amount indeed because the Coast Guard's relevant activities for defence were already counted when they were part of Fisheries and Oceans.

The Chair: We're out of time. Would you be able to get back to the committee with an exact number?

Bill Matthews: Yes.

The Chair: Wonderful.

We now go to Ms. Khalid for five minutes.

Iqra Khalid (Mississauga—Erin Mills, Lib.): Thank you very much, Chair.

Minister, thank you for being here. Thank you to the officials as well.

I'll start by asking about the comprehensive expenditure review. Is it, fundamentally, a job-cutting exercise?

Hon. Shafqat Ali: That's a very important question. Thank you for that. This is actually not a job-cutting exercise. This is balancing our operational budget over the next three years and finding savings to invest in the priorities that matter most to Canadians.

In budget 2025, we committed approximately \$60 billion in savings over five years by modernizing operations, streamlining program delivery and focusing resources where they have the greatest impact. This includes bringing the public service to a more sustainable size over time, but it is about managing growth responsibly, not across-the-board cuts. This is about improving how we operate, reducing duplication, simplifying processes and delivering services more effectively.

We are also working to rely less on external consultants and build more expertise within the public service so that work is done more effectively and efficiently and at a lower cost. Ultimately, this is about respecting taxpayers' dollars and making sure that every dollar is used wisely to deliver results for Canadians and support a strong economy.

As you know, in our—

Iqra Khalid: Thank you so much for that, Minister. I appreciate it.

You're talking about taxpayer dollars and the need to use them wisely. We've heard from constituents, and I'm sure you have heard from your own constituents as well, about service delivery and the lack thereof in many aspects, whether it's at IRCC, the CRA, Passport Canada, Service Canada, etc.

We're looking at cutting up to 15% of departments' budgets. How does that impact service delivery for Canadians?

[Translation]

Hon. Shafqat Ali: Thank you very much.

[English]

Again, that's a very important question. The comprehensive expenditure review is not about across-the-board cuts. It tasks departments with identifying savings by looking closely at programs and activities that are underperforming, duplicative and not core to their mandate. The goal is to find inefficiencies and improve how the government operates so Canadians get better value for their tax dollars.

A key principle of that is that savings should not come at the expense of the frontline services Canadians rely on. Protecting these services remains a priority throughout this process, and that is why some departments have lower savings targets, such as 2%, including National Defence, Women and Gender Equality, Indigenous Services and the research councils. We recognize the critical role these organizations play in delivering essential services, advancing social priorities and supporting national security, and the approach reflects that.

Our focus has been that we cannot compromise on service delivery to Canadians. This is about finding inefficiencies and duplication and finding those savings to reassign money to the priorities that matter most to Canadians.

• (1135)

Iqra Khalid: I appreciate the services we are trying to provide to Canadians. I will register, though, that with respect to service delivery from the IRCC, the CRA and Service Canada, we're finding significant challenges on the ground. I hope you'll take them into account as we go through these cuts.

Moving on to the early retirement incentive, can you walk us through what is being proposed in this process as part of that workforce adjustment plan?

Hon. Shafqat Ali: Thank you very much for the question.

The Chair: I'm sorry, but there's no time left for a response. We are running pretty well on time, though, so we might be able to add a four-minute session after the next one. Maybe we can come back to that.

Next is Madame Gaudreau for two and a half minutes.

[Translation]

Marie-Hélène Gaudreau: President of the Treasury Board, I will be very honest. I am outraged. We are talking about services to the public. It's been over three years. Eight MPs from the Bloc Québécois have hired someone out of our own budget to take care of immigration cases. Otherwise, people would be falling through the cracks.

When I hear you say that you not only want to ensure that the services.... There are already problems with the services so explain to me how you are going to manage that because it makes no sense.

[*English*]

Hon. Shafqat Ali: Our focus has been on balancing our government operational costs in the next three years and finding savings so we can invest in the priorities that matter most to Canadians.

We were elected on a mandate to spend less and invest more to build the strongest economy in the G7 and build Canada strong. That's exactly what we're focused on. We're focusing on the areas where programs were underperforming and where they were not meeting their objectives, and then we're finding those savings and reassigning them to what matters most to Canadians. At the same time, we are focused on ensuring that this exercise does not impact the delivery of services to Canadians. That has been our focus.

My friend, my colleague, if you have any areas, I'd be happy to address them. My team is here to assist if you can point out any area—

[*Translation*]

Marie-Hélène Gaudreau: I have one last question. I have a few seconds left.

Actually, that really strikes a chord. You spoke about building Canada strong. Terrebonne is currently in the midst of an election. There are ads on podcasts and on TV that talk about building Canada strong. When I am in Terrebonne, I see election signs that say “build Canada strong”.

What are the rules regarding public information and partisan messages? I am concerned about that. Ethics are important to me.

• (1140)

[*English*]

Hon. Shafqat Ali: I'll ask Bill, my deputy, to respond to this question.

[*Translation*]

Bill Matthews: There is a Treasury Board policy on the subject that seeks to ensure that this is not something that can be used for partisan purposes, so—

Marie-Hélène Gaudreau: That needs to be removed and an apology must be made. There are still a few days before the end of the campaign. That is partisan. It is the same slogan.

Bill Matthews: The policy requires that an independent agency review the program to ensure that the intent of the policy is respected.

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

[*English*]

The Chair: We're going to go to Mrs. Kusie and then Ms. Derksen.

Before we do, Mr. Matthews, could I follow up on that point? Will you get back to us on what the process is for that independent review? I've brought it up before, both here and in the House, that the budget actually uses a Liberal campaign slogan. I've also looked

at the rules where it states specifically that the government cannot use messaging from campaign slogans.

Would you be able to follow up with the committee on that?

Bill Matthews: Mr. Chair, I can absolutely give you the policy itself as well as the process that underpins it.

The Chair: Perfect. Thanks very much.

Mrs. Kusie, you have five minutes. Welcome back, by the way.

Stephanie Kusie (Calgary Midnapore, CPC): It is always a pleasure to be here at the mighty OGGO, Chair. Thank you very much for having me.

As well, thank you very much, President, for returning.

I was recently reviewing the departmental reports, which are closely tied to the CER exercise, and I have two major concerns. The first is that the departments under your care don't seem to have a specific road map as to how they will realign, as you say, and realistically eliminate these positions.

Having served in government for close to 15 years, I know that every position comes with a line item. Your department should be providing you with this. Are you concerned that we won't actually be able to see the plan under your care and its implementation until fiscal year 2026-27, when we will see where the cuts, which will be actual positions, were made?

Hon. Shafqat Ali: Thank you to my colleague for this important question. I can assure you we have a plan and the department has a plan and is engaged with bargaining agents as well to execute this plan.

If you need detailed clarity, just give me 30 seconds. I'll be happy to help you there—

Stephanie Kusie: I've given you 30 seconds already, President, and all I've heard is that you have a plan. I would really suggest you review that plan and, for the sound-mindedness of Canadians, that you release that plan.

My greater concern is that while you are going through this exercise and there is a decrease in positions, we're actually seeing an increase in spending, with 64 departments having greater expenditures in 2025-26, so it's not clear to me and I don't think it's clear to Canadians. Wouldn't the entire idea behind this significant exercise—possibly the hallmark of your time as president—be to show savings for Canadians?

Right now, there are 64 more departments that have greater expenditures in 2025-26. Don't you think that is a failure of the plan even before its implementation is attempted?

Hon. Shafqat Ali: In fact, it's the other way around. We're saving \$60 billion over five years and then we're balancing our government's operational budget in the next three years, so I think it's other way around.

Yes, we're finding savings in the areas where the programs were not performing and not meeting their objectives or where maybe there were duplications, and we are reassigning to different areas. That's where you might have some sort of confusion, but I'll be happy to assist you and explain off-line where you have any confusion.

• (1145)

Stephanie Kusie: I don't think there's any confusion. I think spending \$80 billion more than you have this year alone is a very clear indicator of your and your government's inability to manage the books and balance them. Unfortunately, we are not seeing any improvement on that in this exercise.

I'm going to move on to the Access to Information Act.

There are many Canadians who are currently concerned about the changes to the Access to Information Act that your department is proposing, which include eliminating emails and texts as responses to requests for access to information in addition to allowing departments to put in place halts or pauses when access to information requests are made.

I believe that Canadians deserve transparency from their government and that these changes would significantly reduce transparency for Canadians trying to obtain information about the decisions your government has taken and your responsibility with respect to that.

Would you agree with me that government should be more transparent and that you, as the President of the Treasury Board, want to provide transparency for Canadians?

Hon. Shafqat Ali: Thank you for the question.

I think we've been very transparent and this new government has been very transparent.

Stephanie Kusie: Then will you commit to not making these changes, President?

Hon. Shafqat Ali: When it comes to the processing of ATIP requests, regardless of any technology used to support this work, all files are reviewed by ATIP professionals to ensure the legal requirements for disclosure are being properly met.

For your further clarification or satisfaction, I'm going to ask my deputy to respond to—

The Chair: We are past our time, I'm afraid, as much as I like hearing from Mr. Matthews.

Stephanie Kusie: I can't get no satisfaction.

The Chair: We'll go to Ms. Derksen.

Welcome back to OGGO. The floor is yours for five minutes.

Then we'll do two four-minute rounds and finish with a two-minute round from the Bloc.

Please go ahead.

Kristina Tesser Derksen (Milton East—Halton Hills South, Lib.): Thank you so much, Mr. Chair. It's a pleasure to see you. I know you've joined us at public accounts on numerous occasions.

Public accounts is the committee I normally attend. At public accounts, we're a non-partisan committee. Really, the grand themes of the committee are government accountability in spending, making taxpayer dollars go as far as they can to get the best value and transparency.

Transparency is something that's been brought up numerous times by my colleagues around this table today and by you, yourself, Minister Ali, so I want to give you a chance to comment. You did mention transparency in your opening remarks and in your response to Mr. Gasparro, so I'm interested in hearing more from you about what types of transparency measures and mechanisms you are contemplating implementing in supplementary estimates (C) as a whole.

Hon. Shafqat Ali: Thank you for the question.

As a new government, we've been very transparent on all main estimates and supplementary estimates.

In budget 2025, there's an annex of 40 pages. The details are there. We also have a website that we update information on regarding the CER and workforce adjustment on a regular basis. If you go to Canada.ca, you'll find all the information there.

We believe in that transparency and fairness, and I'm committed to being transparent to Canadians. Canadians have a right to know where their tax dollars are being spent. Actually, since I have taken over, I've asked my officials to educate Canadians on how we spend their tax dollars. We have done a video on that. I think it's available. Average Canadians need to understand how their tax dollars are being spent and how they are receiving services from their government.

To me, it's very important, and for our new government it's really important to be transparent and to be accountable to Canadians.

Kristina Tesser Derksen: Thank you, Minister. I certainly agree with you.

I would like to give you and your officials the opportunity to follow up at a later date to give us more specifics about the mechanisms and procedures you intend to implement. I think that would be a great reassurance to this committee and to Canadians in general.

Is it a fair comment to say that vote 50 spending will be made public?

• (1150)

Hon. Shafqat Ali: Absolutely. The vote funds are there for any urgent needs for our Canadian Armed Forces should they need them, but if they spend any money, it would be approved by the Treasury Board. That report would be given to Parliament and made public. There's nothing to hide. It's the most transparent process. It would be available to Canadians.

Kristina Tesser Derksen: Thank you. That's very good to hear.

From what I understand, TBS is requesting \$1 billion for the new central vote 50, which is for defence and security initiatives. These are meant to supplement other appropriations to accelerate expenditures relating to defence and national security. Is that correct?

Hon. Shafqat Ali: That's correct.

Kristina Tesser Derksen: Okay. Can you illuminate for me how you determined the figure of \$1 billion?

Hon. Shafqat Ali: I'm going to ask my deputy to respond for this breakdown, please.

Bill Matthews: On the \$1 billion, as the President of the Treasury Board already has said, it's a contingency vote.

I want members to appreciate the context here. There's been an acceleration of defence spending and an investment in national defence, and urgency is being stressed. At the same time, we have a system in the Canadian government where departments are not allowed to overspend their vote. It's illegal to overspend what Parliament has authorized.

In a world where we're pushing to accelerate infrastructure, equipment, recruiting, etc., it's hard to land that kind of spending on a dime. If, in the time between when supplementary estimates (C) are finalized and the fiscal year-end, it turns out there's a project that is running ahead of schedule, which is a good thing, we wanted to give access to departments to get that money to pay for the goods and services they receive.

It's a contingency. When it gets used...and I would say that it will not all get used this fiscal year. It was an "up to" amount that was selected. When it gets used, we will publish in the next supplementary estimates how it was actually used.

Kristina Tesser Derksen: Thank you. I think you highlight a very important balance that needs to be struck here between urgency and efficiency, given the context we're finding ourselves in and, of course, balancing that against the transparency and accountability that all of us need to meet as guardians of taxpayer dollars. Thank you for highlighting that.

Is that my time, Chair? Okay.

Thank you very much.

The Chair: Thanks.

We'll go to Mr. Patzer for four minutes and then Mr. Gasparro for four. We'll finish up with Madame Gaudreau for two minutes.

Jeremy Patzer: Thank you very much.

Minister, we were talking about some of the research council issues here. I'm going to ask a question first, and then we'll get into the research side of things. Do you consider a 34:1 return on investment a good return?

Hon. Shafqat Ali: I'm sorry. Can you elaborate a bit more, please?

Jeremy Patzer: For one dollar spent, you get \$34 back. Is that a good return on investment?

Hon. Shafqat Ali: I don't know in which world you would get that return.

Jeremy Patzer: Do you think that's a good return on investment?

Hon. Shafqat Ali: That looks unrealistic.

Jeremy Patzer: The Department of Agriculture has research stations. The value of those research stations is that for every dollar that is spent, there is a 34:1 return on investment on those research dollars. Agriculture is one in nine jobs in Canada. It is one of our largest, if not the largest, exports and GDP developers in our economy. Those research stations, because of the work they do in scaling up crops, provide, as has been verified by the University of Saskatchewan and other universities, that figure of 34:1, yet you're cutting there.

Agriculture Canada is hitting that 15% reduction. We are shutting down the Indian Head research station, the Scott research station and the Lacombe research station. There are cuts to other research stations across the country. You as the President of the Treasury Board are trying to obviously get spending under control, yet the only department that can brag about having a real return on investment for taxpayers and getting value out of the work it's doing is the one that's having the most devastating cuts. Does that make sense to you?

• (1155)

Hon. Shafqat Ali: Chair, I see that on the one side, our colleague from the Conservatives says you're spending too much. On the other side, when you're trying to find savings, you find different excuses.

On this, every department was asked. It's not Treasury Board who is deciding what will happen in agriculture. The department was asked to submit or find savings where programs were underperforming.

Jeremy Patzer: Did you approve that?

Hon. Shafqat Ali: It is the minister responsible for that department who would have submitted the plan. If you have any concerns—

Jeremy Patzer: Oh, I have a lot of concerns, Minister.

Hon. Shafqat Ali: —we're happy to assist you on that one, but I would not—

Jeremy Patzer: I'm sorry. I'm going to defer the last minute to my colleague Ms. Jansen. I want her to have the last minute.

Hon. Shafqat Ali: Let me respond—

Jeremy Patzer: No, she gets the last minute.

The Chair: I'm going to interrupt here.

Maybe, Minister, you can respond to it in writing. Again, it's the member's time, and now Mrs. Jansen is taking over.

Hon. Shafqat Ali: I know, Chair, but it's not fair. When you ask questions, I should be able—

The Chair: I could also say it's not fair that you filibuster the time out.

Go ahead.

Vince Gasparro: Chair, we ask our witnesses questions. We have to allow them to answer.

The Chair: There was a question asked, and I did not see a response from Mr. Ali. It is the member's time—

Hon. Shafqat Ali: You're playing partisan, Chair.

Jeremy Patzer: No, he's not.

The Chair: Minister Ali, that is very offensive. If you sat in any one of the Liberal-chaired committee meetings, you would not dare come in here and say I am being partisan. That's offensive. Shame on you, Minister.

Hon. Shafqat Ali: Shame on...? Chair, it's—

The Chair: I have been very fair. The time has been turned over to Mrs. Jansen. I've asked—

Hon. Shafqat Ali: You're being unfair.

The Chair: I'm sorry. What was that, Minister?

Hon. Shafqat Ali: You're being unfair, Chair.

The Chair: Again, I would challenge you to spend a minute in any Liberal-chaired meeting, and then you come back here and tell me that.

Mrs. Jansen, you have one minute. Please go ahead.

Tamara Jansen: I just want to clarify something. There are contingency funds already built into the budget. This is over and above, this vote 50c. It's not for an unexpected emergency. It's for something that you planned, but it wasn't ready.

I mean, basically, we have a contingency fund in the budget. This billion dollars isn't replacing those. It's extra and is being used to deal with spending that should have been planned properly in the first place. I'm concerned that the answers you gave made it seem like this wasn't extra.

Can you tell me whether this is actually a contingency fund or a slush fund?

Hon. Shafqat Ali: Again, my colleague is getting into conspiracy theories. There is a contingency fund in vote 5, which is 5%. This is \$1 billion. Vote 50 is a fund for the Canadian Armed Forces. If they need any money, it could be used. It cannot be used without Treasury Board's approval. Should they use any money, it will be made public. It will come in the next estimates to Parliament. You will have an opportunity to ask questions. It's the most transparent process.

This is not something new that is happening. We have had a contingency fund previously. Vote 50 is just for the Canadian Armed Forces, just for Canadians to understand what is.... You know, my colleague is getting into conspiracy theories. There's nothing to hide in here.

The Chair: You will note I gave you extra time to answer.

We'll finish up with Madame Gaudreau for two minutes, and then we're going to suspend.

I apologize. It's Mr. Gasparro and then Madame Gaudreau, and then we're going to suspend for about 30 seconds to excuse the minister.

Go ahead, Mr. Gasparro.

Vince Gasparro: It's no problem. Thank you, Chair.

Minister, some individuals may be concerned that the government is moving too quickly in reducing regulations. However, an analysis by KPMG and Statistics Canada indicates that federal regulatory requirements increased by approximately 40% between 2006 and 2021. That growth occurred, I might add, under both Conservative and Liberal governments.

Question one, do you believe the red tape review will help bring Canada's regulatory burden back in line with historical norms?

I'll move on to a secondary question from there.

• (1200)

Hon. Shafqat Ali: Thank you for your question. It's a really important question. This is something I came across.

Regulatory burden is the biggest hurdle for growing businesses. I'm hearing that from stakeholders and business leaders. In collaboration with the Canadian Chamber of Commerce, TBS had a town hall where we listened directly to business leaders from across the country. This is something I have taken very seriously. We cannot grow the strongest economy in the G7 unless we reduce red tape. That has been my number one focus.

We've been working with the provinces, territories and business leaders. We need to streamline and we need to eliminate those duplicate regulations. Within our departments, businesses have to get approval for the same thing over and over, wasting time and money. Eliminating, streamlining or updating those outdated regulations can contribute to our economy and create more jobs. That's how we can build the strongest economy in the G7.

Vince Gasparro: The follow-up question to that is this: How is the government ensuring that essential protections—particularly those for health, safety and the environment—are maintained as regulations are modernized or removed?

Hon. Shafqat Ali: Our team at TBS has been working on this initiative. It's a dedicated team. We're making sure that if we update, streamline or remove duplications, those regulations are beneficial to Canadians and businesses and are not adding more burden onto businesses. Our focus is that it should not impact any service delivery or create any hurdles.

I'm going to ask Antoine to shed some light on that, if he can add a few things, or maybe Bill can add to that for further clarity.

The Chair: You have about 20 seconds.

Bill Matthews: Any potential risk to health and safety is part of the assessment. You do not pass go if that test is not met.

The last point is the cost-benefit analysis: What is the cost to industry to implement something versus the benefits to the broader Canadian economy or Canadians? That test is also key. Both are musts to get through the door.

The Chair: Thank you very much.

President and Mr. Matthews, on the red tape, I highly recommend that you look at what the State of Idaho has done. It's been spectacular for its red tape reduction.

Madame Gaudreau, you have two minutes.

[*Translation*]

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

I have some information to share and a question I would like to ask.

I care a lot about the development of the tourism industry across the country, so let's talk about investment and return on investment. Yesterday, we met with representatives of Destination Canada. They told us that one dollar of public funding generates \$24 in revenue. What is more, one in 10 jobs rely on tourism, and tourism is Canada's second-largest service export. In figures, that amounts to \$31 billion per year. As you know, yesterday, it was pointed out that, after four times in 10 years, if there is one industry that has not prospered the way that it should have, it is the tourism industry.

How is it that the government has not kept its promise to conduct a comprehensive EI reform? We have hard numbers on the return on investment, as I mentioned. Why is the government not conducting this reform?

Hon. Shafqat Ali: Thank you very much for the question.

• (1205)

[*English*]

My deputy is a certified accountant. I would ask him to respond to this question for your clarity and for that of the Canadians who are listening.

Thanks.

Bill Matthews: Thank you, Mr. Chair.

President, I'll probably disappoint you with this answer.

I'm not familiar with the actual study that shows the economic benefits per dollar invested, but my colleague Antoine and I would be happy to get a look at it.

When you are doing cost-benefit analysis, it's really important to understand the methodology to see how far it goes. However, we will educate ourselves on the study.

Thank you.

[*Translation*]

Marie-Hélène Gaudreau: Thank you.

[*English*]

The Chair: Thank you, Madame Gaudreau.

We're going to suspend very quickly to say our goodbyes to the President of the Treasury Board, and then we'll get restarted right away.

• (1205)

(Pause)

• (1205)

The Chair: Thank you for your patience. We are back.

Mr. Patzer, the floor is yours for a five-minute round.

Jeremy Patzer: I'll let Mr. Gill take this round, Mr. Chair.

The Chair: Mr. Gill, go ahead for a five-minute round.

Harb Gill (Windsor West, CPC): Thank you, Mr. Chair.

Thank you, Mr. Matthews, for being here.

I want to focus on what Canadians are being asked to approve in these estimates and how they can have confidence in the system behind those decisions. If you look at it from two perspectives, you see that the analysts and budget officers are raising concerns about clarity and fiscal discipline and that Canadians are asking a simpler question: Where is the money going, and what are we getting for it?

Bay Street is questioning clarity from the Treasury Board, and Main Street is questioning the results. They have no clue what's going on with the Treasury Board. There's a severe lack of confidence, unfortunately.

Let me go back to what Ms. Gaudreau pointed out earlier with the minister: that you're protecting the RCMP and Department of National Defence but not the veterans, which is absolutely true. The bureau of pensions advocates was here about two weeks ago, and it's telling us that half its lawyers are being asked to leave because of the cuts. On average, when a veteran comes to the bureau to file a review or a complaint, it takes the bureau roughly five years to decide what's going to happen with the veteran's file, and 89% of the time, that file or complaint results in the veteran's favour. These are lawyers who are working on those files.

Now, the same lawyers...and I'm a police officer, so I know this. The Jordan decision provides an accused the ability to say that justice denied is justice delayed, and they have a one-and-a-half-year window. If a Crown is not able to finish the charges against the accused in a year and a half, they walk free, but a veteran who has put on a uniform for this country and has stepped in front of danger for our nation.... As the minister said, we appreciate their sacrifices. However, it doesn't feel like we appreciate their sacrifices, because we have just extended past the five-year period that same veteran's ability to have his case reviewed.

Do you think that's fair, sir?

• (1210)

Bill Matthews: There's a lot in that question, so maybe I'll start at the beginning.

In terms of the Department of Veterans Affairs and its budget, if you look at the main estimates that were recently tabled versus last year's, you will see that they're actually going up. That is a reflection of the population and the services. Veterans Affairs was assigned a 15% reduction target in terms of the proposals. The proposal that was accepted is related to, I'll say, the subsidization of marijuana for medical use for veterans, so that's the cut from the CER-related exercise.

The reduction the member was referring to in terms of the lawyers—and they may be housed at the Department of Justice; I will confirm that—is the expiration of a temporary program. I know people struggle with temporary programs because they often do get renewed. However, in this case, it was meant, as far as I know, to address a backlog. There had been a reasonably good dent put in the backlog, and that was the reason that funding was expiring on schedule. There are other kinds of temporary funding across the government that absolutely get renewed, but the initial idea of temporary funding is that it's time-limited to address a specific problem, and that was the case here.

Harb Gill: Mr. Matthews, the backlog still exists and is still ongoing, unfortunately, and the veterans are tired of that. They keep coming back and complaining to you, perhaps, to the Veterans Affairs folks and to us as well when we meet them. They're saying that this is not the country they sacrificed things for. They don't accept that.

Getting back to what Mr. Patzer said, the debt is going up to \$1.2 trillion and counting. Servicing that debt costs roughly \$1 billion a week, and by 2031 it's going to be roughly \$2 billion. That's according to the PBO. We have heard from the minister that the spending this year has gone up by 15.9% compared with last year. This is when you're proclaiming—not you per se, but the government—that we are tightening the belt. I would hate to think what the number would have been if he had not decided to tighten the belt.

There's a question that folks out there have. Is this an illusion or is this the worst-case scenario, where neither the government nor the Treasury Board has any clue in what's going on? That's the perception, unfortunately, that is out there. Would you care to comment, sir?

Bill Matthews: Certainly.

The budget tabled by the government in late 2025 did forecast a \$79-billion deficit for the 2025-26 fiscal year and a deficit in the mid-\$60 billions for 2026-27 and 2027-28. Underneath that, or part of that, is a priority around reducing the deficit related to operating. By 2028-29, the government has a stated objective of only running deficits related to capital investment.

The government is deliberately running a deficit over these next few years to fund investments in the programs and services that are outlined in the budget. The main estimates and following supplementary estimates do indeed reflect the plan the government has laid forward.

Harb Gill: The challenge, Mr. Matthews, is that there's no transparency—

The Chair: I'm sorry, Mr. Gill. That's your time.

Mr. Watchorn, welcome back to OGGO. You have five minutes, please.

Tim Watchorn (Les Pays-d'en-Haut, Lib.): Thank you, Chair.

[*Translation*]

I will ask my questions in French, Mr. Matthews, if you don't mind.

As you know, our government is investing heavily in defence. I am pleased and honoured to serve on the Standing Committee on National Defence, and I would like to ask you some questions about the supplementary estimates (C) and the investments we are currently making.

I listened to the minister's remarks this morning, and I think that it is important to be aware of what is happening around the world. Right now, the situation is changing every day. However, I heard that the Canadian Armed Forces has a \$1-billion fund so that they can take action if necessary.

I would like you to tell us why this fund is necessary and important so that our operations don't come to a halt, because that is what would happen if the necessary funding was not available.

● (1215)

Bill Matthews: Thank you for the question.

As the President of the Treasury Board already indicated, there is a fund for the Canadian Armed Forces and for two or three other departments that are responsible for national security.

[*English*]

Because of the historic investment in national defence but also the need to do it quickly, I would like to share with members that supplementary estimates (C) get finalized inside government long before they get here.

This is really a fund that is necessary for the government to meet its objectives around defence spending. If a project happened to be running ahead of schedule, with services or goods delivered ahead of schedule, and the department didn't have a sufficient vote to cover it, this fund will give them access, if they request it, to do just that. As was mentioned, the government confirmed earlier this morning that it has met its 2% target for the current year, and we will come back to Parliament in the next supplementary estimates with a transparent accounting of how that fund was used.

I do not expect that you will see the full billion used, but that will be determined over the future couple of days and weeks.

Tim Watchorn: Thank you, Mr. Chair.

[Translation]

I also had the opportunity to visit some military bases, like the one in Petawawa, to meet with soldiers and find out their needs. The soldiers reacted very positively to the pay raises given to them in this budget. The same is true for the weapons upgrades. We just signed a contract for rifles, and we recently signed a contract for shells in Quebec. We are rearming our Canadian Armed Forces in an appropriate way, because that was neglected for many years.

I would like to know whether there is funding in the supplementary estimates (C) for improving housing for all members of the Canadian Armed Forces.

Bill Matthews: Thank you for the question.

I will give my colleague, Mr. Brunelle-Côté, the floor in a moment. However, if I remember correctly, the amount included in the supplementary estimates (C) is for a project affecting Canada's air force.

[English]

and two missions that National Defence runs abroad.

[Translation]

I think that is where most of the funding in the supplementary estimates (C) is being allocated. However, there is also money in the main estimates every year to improve housing on Canada's military bases.

[English]

I will add one other point. When we think about rearming the military, it's very easy to turn to equipment improvements, which are absolutely necessary. However, really improving living conditions on the base, both in terms of housing and infrastructure, is absolutely critical for the women and men and their families who are supporting Canada in this role. That often gets lost in terms of importance.

[Translation]

Mr. Brunelle-Côté, can you confirm what I just said?

Antoine Brunelle-Côté (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat): Yes, I can confirm what was just said. The only thing that I would add is that there is also \$561 million for a series of capital projects. There is nothing for housing specifically, but there is a series of capital projects that are also included in the supplementary estimates (C).

[English]

Tim Watchorn: Thank you.

I'll pass it on to the next colleague.

The Chair: Next is Madame Gaudreau.

[Translation]

Marie-Hélène Gaudreau: I want to come back to the fundamental accountability mechanism because earlier.... This is bothering me. I am not convinced that there is enough oversight for people to say "Okay. We know what we're spending".

When I hear that every department has some wiggle room, I want to know how, in terms of accountability, we can ensure that we have consulted, that we have assessed the implications and that we will end up with figures that match what was planned so that this doesn't end up in the hands of the Auditor General.

● (1220)

Bill Matthews: There are several ways to demonstrate the results of expenditures. Every department presents its vote 1, or operating expenses, and its vote 5, or infrastructure spending. However, those figures need to be cross-checked against the departmental plans and against the end-of-year results.

[English]

Each department tables those. That's your key accountability document.

When a department or the government launches a new program, you will see a description there, but I would really focus this committee on looking at the end-of-year reporting on results. I know this committee has had numerous conversations about the, I'll say, limitations of the results reporting that we currently have—that they're too detailed or not very useful. I would welcome any feedback the committee has on that, but I would say that's your key document.

[Translation]

Marie-Hélène Gaudreau: When it comes to accountability and oversight, what is the connection with the Parliamentary Budget Officer's reports?

Bill Matthews: The role of the Parliamentary Budget Officer is to provide parliamentarians with information on the budget situation. The goal is to do so independently to help Parliament conduct studies and ask questions, among other things. The Parliamentary Budget Officer may do this in relation to the budget but also to verify costs.

[English]

The forecast that certain departments are projecting on certain projects is a useful role as well. Obviously, the PBO cannot do absolutely everything that is asked. However, in validating forecasts, both globally and on projects, I think it is very useful as long as we all understand that a forecast is just a forecast—and that applies to the government's forecasts as well as the PBO's.

[Translation]

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

[English]

The Chair: Thank you.

Mrs. Jansen, go ahead, please.

Tamara Jansen: Thank you.

I want to talk about something that sounds technical but really isn't. It's this idea of re-profiling through those frozen allotments. I can imagine that when Canadians hear that word, they probably think it means something really complicated. However, what it really means is that the Liberal government didn't actually get the work done, and now it's forced to push that spending into the next year.

Help me out here. As far as I can see, in plain English, the government had all these plans for that money, but those projects were never accomplished.

Bill Matthews: It's a little more complicated than that, but you're absolutely right that at the base of it, the money that was forecast to be spent in one year is now being forecast to be spent in a future year. That doesn't mean nothing happened.

I'll go back to the law we have in Canada that says a department cannot overspend its vote. That means the amounts that are put forward to Parliament for approval are the maximums, so you're forecasting the maximum. When a department realizes partway through the year that the money is not going to be spent this year, we often freeze it so it can't be spent this year. We then push it forward to a future year, which, again, requires Parliament's approval because Parliament votes on the money each and every year. It is a function of the rules that we have whereby, because you cannot overspend, you plan for the most possible spending.

Tamara Jansen: We're not talking small numbers here. We're talking about \$7.4 billion. Most of that—almost \$6 billion—is being what's called re-profiled. That money was supposed to be used this year, and it's now being pushed into the next year.

I'm just trying to understand why we are approving billions of dollars if we're not actually ready to spend them.

Bill Matthews: What Parliament is approving is “up to”. It's a maximum. It's not a must.

The two examples I can point to off the top of my head in the supplementary estimates are related to the high-frequency rail project, which has recognition that the spending that was planned for this year will happen next year, and the public library for Ottawa. I believe that's in there. Those are good examples because it is not just the government driving those projects. It's co-operating with other levels of government, industry, etc. It is often other parties that are at least equally implicated in the project schedule and the government's ability to meet it.

● (1225)

Tamara Jansen: The Prime Minister told us and all Canadians he was going to move at lightning speed to strengthen our economy. I'll be honest. The Conservatives have done everything we can on this side to make sure his hands weren't tied, because when something actually helps Canadians, we want to see it move.

Here we are at the one-year anniversary of those promises being made, and nothing has happened. We're looking at over \$7 billion that was supposed to go towards strengthening our economy, building capacity and making us more self-reliant, but it didn't happen in the way Canadians were told it would. The money didn't get things built and the projects aren't moving. Now it's being pushed down the road as if that's business as usual.

I'm trying to understand what went wrong here. Canadians are being told these priorities aren't urgent. They're being asked to pay more and carry more, yet the government can't seem to get its act together. At some point in time, you have to ask why we are approving billions of dollars in the first place if the plans aren't ready to go. The timelines aren't real. They're more hopeful than real. More importantly, why should Canadians trust the next round of announcements coming from this government if this is what happened with the last one?

After a while, this doesn't sound like urgency anymore. It starts to look like a pattern of over-promising and underdelivering.

Bill Matthews: Mr. Chair, I'll be very quick on this.

I will repeat that these amounts are “up to”. That's what Parliament is voting on. Secondly, it's not a binary whereby nothing happened or the project was finished. There are degrees of progress on those projects. Oftentimes, as I said, we have to forecast the maximum. When there is a delay due to either internal government reasons or some of the partners the government is using to implement something, the money gets re-profiled.

The important point here is that Parliament has to vote on the re-profiling because it's part of next year's fiscal plans. You'll have your chance to ask departments about their progress and implementation through the departmental results report.

Tamara Jansen: I think I have a few seconds left.

The Chair: You have 18 seconds.

Tamara Jansen: I want to say that we were told this would be done at lightning speed. We were going to get rid of red tape, and we were going to build. This is where we are. We were handed incorrect information.

Thank you.

The Chair: Thanks.

We'll go to Ms. Khalid, please.

Iqra Khalid: Thank you very much, Chair. I appreciate that.

Mr. Matthews, I want to give you a chance to respond. You highlighted that when these budgets get approved, we're talking about dollars up to a certain level of spending, as opposed to spending all of it. That does not equate to whether we've been efficient or not as a government.

Can you highlight some of the successes you've seen among various departments?

Bill Matthews: Thank you.

I would highlight three organizations the government has stood up to help focus on its priorities. The Defence Investment Agency, Build Canada Homes and the Major Projects Office have all been stood up. They have all been staffed, or at least led, by outsiders and been given authorities that are a bit different from regular departments as a way to speed things up and do things differently. Again, this is a very ambitious agenda, and it is an up-to amount that is being forecast here.

Those are the ones I would highlight, but maybe I'll add another one: At the Department of National Defence, just meeting the 2% target is big. The obvious question is.... We need results for our armed forces members. What was done with the money will come in the departmental reports as well, but I think that's another indication of an area where the government has done things differently to get money moving more quickly.

Iqra Khalid: Thank you very much for that.

I will go back to a question I asked the minister previously with respect to early retirement incentives being proposed as part of the workforce adjustment process.

Can you help us understand why that is being introduced and what impact it'll have?

Bill Matthews: The early retirement incentive is a feature that will be available to employees who are close to retirement age but not quite there, as a way to try to minimize the forced departures from the public service. As the government reduces its workforce to bring it more in line with traditional levels, we have workforce adjustment for employees to allow some people to put up their hands if they would like to volunteer and take a severance package, and that is all part of our collective agreements.

The early retirement, frankly, is really for people who are just a couple of years short of qualifying for a pension and would get a penalty if they retired now. This is a way to waive that penalty if they're interested, and again, the end goal here of both of those tools is to reduce, to the extent possible, the forced departures from the public service.

On the early retirement incentive, we do want to make sure we preserve our ability to provide services and advice to the government, so it's not that anyone who wants to go gets to go. Those who are potentially eligible have been notified. They've been given access to their numbers, and shortly they'll have a chance to effectively put up their hands and say they're interested. It will be up to each department to decide the extent to which they're accepted, because we can't have entire teams walking out the door. However, this will allow us to preserve some of our diversity in our younger workforce as the government reduces its levels of employment.

• (1230)

Iqra Khalid: Thank you.

I've heard from many public service employees who were shocked to receive letters and are feeling quite confused and unsure as to what their trajectory is. Some of them are feeling that they're being pushed out.

Can you help us understand or help those public servants understand that their jobs are secure or that, at the very least, their pensions will be secure as well?

Bill Matthews: Pensions are absolutely secure. There's a great website run by PSPC that allows members to see what their forecasted pension will be. In terms of being forced out, just because one is potentially eligible for early retirement does not mean they're being forced out.

In the regime we have...I'll use a simple example: If there were 10 people who were all economists on the same team, and at the end of the exercise only seven of them would remain, we would have two vehicles.

First, we would write all 10 and say their jobs may be impacted, so 10 letters would go out the door; that information is on the government's website. We would then look for voluntary departures. Some people just decide, "Do you know what? This is actually great," because they're looking for a change, and they get a chance to put up their hands. Others might say, "No, I want to stay," and then we would add in early retirement as another vehicle to encourage potential voluntary departures.

If we didn't get the three people in this example that we were looking for, we would then run a process to basically decide who would get to stay, but our objective is to minimize those through the use of workforce adjustment, voluntary departures and early retirement.

Iqra Khalid: Is there a gendered component to this as well?

Bill Matthews: The government still has, even in a reduction exercise, the legal obligation to respect the diversity needs in legislation. Gender is part of that, so when running these processes to decide who gets to stay and who might have to leave, gender and other factors can be used, because all the people have to meet the requirements of the job, as a factor in determining that, to make sure the employer continues to meet its obligations under the Employment Equity Act.

The Chair: Mr. Gill, go ahead, please.

Harb Gill: Thank you, Chair.

Thank you, Mr. Matthews, again, for being here.

There's a pattern emerging with these estimates. Large amounts are being approved up front, but the details are supposedly being followed through with later. You pointed that out, sir. From a market perspective, that makes it harder to see the full fiscal picture. From a public perspective, it raises a concern about basic transparency. We talked about this a bit earlier before we started.

How do you ensure that this doesn't become a system where the approval comes first and the understanding of what we are approving comes after, which is contrary to normal common sense? It's backwards, actually, to understand what you're approving later but approve it first.

Bill Matthews: I would not agree with that statement. If you look at the main estimates, there's \$502 billion in the main estimates—\$230 billion is voted upon and \$272 billion is statutory, which means that the information is there but you're not voting on it. That's for things like employment insurance, guaranteed income supplement, etc. Of the \$230 billion voted on, the government has put forward \$1 billion for a new fund for National Defence and related departments.

I wouldn't call that a pattern. Obviously, if parliamentarians become concerned that this is indeed a pattern, there's a reason you study and vote on supply bills.

Harb Gill: I would disagree with you, sir.

Let's move to defence spending. There are multiple actors, roughly five departments, that define needs and handle procurement. The Treasury Board approves the funding, and there's a centralized mechanism that influences the allocation. There may now be new systems that operate here, but Canadians are looking at structures. They are looking at finding out who exactly is accountable.

When responsibility is shared that widely, accountability becomes a real challenge. Where does the buck stop—with the departments or with the folks who are holding the wallet?

• (1235)

Bill Matthews: It is a bit of both. If you look at the system before the creation of the Defence Investment Agency, National Defence, including the armed forces, was the budget holder for their procurements and their personnel. They're also responsible for defining military requirements, because that's where the military expertise lies. The Department of Finance and the Treasury Board Secretariat are giving approvals, and the other players, as the member mentioned, are Public Services and Procurement Canada, which runs the procurements for large procurements—defence does the smaller ones—and the Minister of Industry, because there's an industrial benefits component to this. Those are the players.

The noise over the years has been that there are too many players and that's one of the reasons things slow down. The government has responded to that by creating the new Defence Investment Agency, which has a goal to streamline accountabilities and bring some of these things together. It's still very early days for the Defence Investment Agency, but the goal is to streamline the accountabilities.

In my mind, National Defence will always be responsible for the military requirements, but we should be able to streamline those responsible for actually executing on the big procurements.

Harb Gill: There are lots of aspirations and illusions, unfortunately, Mr. Matthews. There's also a tension that we hear about between the numbers for managing the public service related to personnel costs and the spending on external service contracts, which continues to rise.

Both from an economic and a household perspective, it raises a simple question: Are the costs actually being reduced, or are they just being shifted in ways that are less visible to folks like us and the general public out there? Canadians are looking at the total cost, not how it's categorized.

Bill Matthews: I have two points there. One is that the government has committed to updating its reporting of contract spending into major buckets. Contracting has always been a major part of how the government does projects and delivers services. What is decreasing is the use of management consultants. That is on the way down.

If you think about contracts in terms of building ships, buying planes and maintaining planes, that is done through contracts. As the government is implementing this agenda and running a deficit, which we discussed earlier, the spending on contracts is indeed going up, but the emphasis is on reducing the spending on management consulting. The government has committed to updating its reporting so that members can better understand where that money is spent. Architecture and engineering is the largest bucket, if I recall correctly.

Harb Gill: Yet the spending has gone up this year by almost 16%. With respect to building ships, we just gave a contract to China to build the ferries that are needed in B.C.

Those are my questions, Chair. Thank you.

The Chair: We go back to Mr. Gasparro.

Vince Gasparro: Thank you, Chair.

It's good to see you, Mr. Matthews. Maybe you can take a moment to elaborate on the Coast Guard's accounting towards our 2% NATO target, please.

Bill Matthews: Certainly. The NATO target is not just around armed forces spending; it's really around security. What counted in the past was, obviously, all of National Defence, Veterans Affairs, the Communications Security Establishment and then relevant spending by other departments. The best examples we can give on those two things are the Coast Guard as well as Public Services and Procurement Canada, which has people dedicated to military procurement. That has always counted towards the 2% target.

Regarding the Coast Guard, think of the Coast Guard as spending roughly \$4 billion a year. Roughly \$3 billion of that was already counted under the previous regime. When you move the Coast Guard over to National Defence, what additional things get counted? Things like corporate services, HR, finance, etc., are now completely counted, whereas, before, only the activities of the Coast Guard that were directly related to national security were counted—think about days at sea, etc. There is about an additional \$1 billion being counted now because of that change.

However, the real driver for that change are better synergies between the Coast Guard and National Defence versus the Coast Guard and Fisheries and Oceans.

• (1240)

Vince Gasparro: It's a minuscule amount that's now being included. Thank you for clarifying that.

On another topic, can you explain how performance pay is structured across the public service and how it differs from bonuses, please?

Bill Matthews: Performance pay for executives is something that is indeed earned, but it's considered part of the compensation package. There are several categories of performance pay: “surpassed”, “succeeded plus”, “succeeded”, “succeeded minus” and then “did not meet”. The norm in the public service would be “succeeded”, and managers or executives, effectively, start the year assuming they're going to earn that pay. They have to earn it, but it is part of the package. You get the “surpassed” rating only if you've done something above and beyond the extraordinary. Performance pay in the public service is reserved for executives.

Vince Gasparro: Thank you so much.

I have another quick topic here that I'm hoping you can provide some clarity around. Could you explain the efforts currently being undertaken by the government regarding whistle-blower protection?

Bill Matthews: There's a lot that can be said there, simply because there are various mechanisms that exist for employees from a whistle-blowing perspective. Probably the most important one for today is the Public Sector Integrity Commissioner and, basically, that the government guarantees that employees who do blow the whistle or report on suspicious activities will be protected from retribution. That applies whether they go to the Public Sector Integrity Commissioner, bring it up with their manager or an ombudsperson, or go somewhere else in the department to a representative. Those protections exist, and there are vehicles available to employees for grievances or disputes. If they feel they are being targeted because of retribution, in terms of their performance or their ability to get a promotion, there are multiple vehicles for employees to flag those concerns.

Vince Gasparro: That's great.

I have no further questions, Chair.

The Chair: Thank you.

We'll go to Madame Gaudreau, please.

[Translation]

Marie-Hélène Gaudreau: I have three points to raise, Mr. Chair.

First, when we will get an answer from the government regarding the regulation of partisan slogans? We are in the midst of an election campaign. I expect that we will have that answer by tomorrow.

Bill Matthews: You will have it next week.

Marie-Hélène Gaudreau: Okay, great. Excellent.

Next, of the \$506 billion that has already been approved for 2025-26, \$28 billion is reserved for professional and special services. What exactly does that mean?

Bill Matthews: We are mainly talking about architecture and engineering services.

[English]

In the odd case, you may see legal in there, but the vast majority of a department's legal spending is through the Department of Justice. Engineering and architecture are number one.

[Translation]

However, there is more information regarding these categories in the Public Accounts of Canada and on the Treasury Board Secretariat website.

Marie-Hélène Gaudreau: I have a question. The government is giving people the option of retiring early, but I did not see whether there will be any transfer of knowledge, and I am concerned about that.

I am an entrepreneur so I have seen a lot. I have seen my share of business restructuring. You think to yourself, “Right, the expertise is gone, but we have a role to play so we will turn to consultants and outsourcing”.

When I look at the figures, I am wondering what the criteria will be for deciding that we do not have the expertise and that we will have to seek it from outside. What are those criteria?

Bill Matthews: Every department has its own budget and can use it to hire staff or use external expertise. That is up to each department and each manager, budget permitting.

However, it is important to remember that almost every department has to manage a smaller operating budget than last year because of the cost-cutting exercise.

• (1245)

[English]

If a department finds it doesn't have the internal expertise—either corporate memory or otherwise—it has a few choices. It could hire an external firm, it could bring back employees on a temporary basis or, if it thinks there's a permanent gap, it could look to hire someone, but it has to have the budget in place to do that.

[Translation]

Marie-Hélène Gaudreau: That means they choose what they want without consulting you, without asking for your authorization, without you providing any oversight.

Bill Matthews: Are you talking about smaller contracts?

Marie-Hélène Gaudreau: Yes, that's right.

Bill Matthews: They do not consult us at all.

Marie-Hélène Gaudreau: Okay. Thank you.

[English]

The Chair: We'll go to Mr. Patzer, please.

Jeremy Patzer: A PBO report on the supplementary estimates (C) indicates that roughly 12% of spending is from 13 budget measures. What's the other 88% for?

Bill Matthews: When the government approves a new program or new funding—I will turn to Antoine to elaborate in a moment—the vast majority or a good chunk of it is year to year. That is for operations or programs that will endure and the people who run the employment insurance programs, etc.

When the government announces something new in the budget, the historical criticism has been that the money never shows up in the main estimates because the budget used to follow a few weeks later, so you'd be approving main estimates with a minimal link to the budget. By having the fall budget this year, we have a different number from the member's, but about two-thirds of the new budget dollars that were allocated are included in this year's main estimates. That is the big change.

If I look back at the 2024 budget, 0% of what was included in the main estimates related to it. The year before that, it was 23% or 25%, so this is a big improvement in terms of the ability of the government to reflect, in the main estimates, its key budget measures. The ones that are not there will come in supplementary estimates (A) and (B).

Jeremy Patzer: Okay. For supplementary estimates (C), there was the CBC with \$150 million. Did it get the \$150 million?

Bill Matthews: I'm sorry. In supplementary estimates (C), there are a few big things for the CBC. It is planning on getting them. Obviously it requires Parliament's approval. To spend that money, one has to make plans and get them started, assuming that they will get approval. If they don't, that's a different story. The CBC will report on how much it spent in its public accounts and in its departmental reporting, whatever that looks like.

Antoine, do you want to elaborate on supplementary estimates (C) and the ability to spend?

Antoine Brunelle-Côté: The member is right. In supplementary estimates (C), 13 measures, for \$485 million, are included that were

budget 2025 measures. The bulk of this is the \$150 million for the CBC and \$218 million for National Defence, with most of it being for the Coast Guard and its enhanced security role.

Jeremy Patzer: I know you elaborated on the EI element and some of those other things that are there, but 88% is not related to the budget. How much of this is a new initiative versus something that's just always there? If only 12% is related to the budget, for Canadians, what's the strategic direction?

Bill Matthews: For supplementary estimates (C), historically you don't have that many things linked to the budget.

I apologize. For the first question from the member, I had assumed it was on the main estimates. These are really catch-up adjustments, where a department is either forecasting more money than it originally did or there's some urgency to be dealt with. That's typically what supplementary estimates (C) are related to.

I don't know if you want to elaborate on that, Antoine.

Antoine Brunelle-Côté: If you look at the composition of supplementary estimates (C), you'll see that the big ticket item is the money for defence. There's money for defence and the \$1 billion for Canada Post. The bulk of the rest in the supplementary estimates (C) that is not in the budget is related to these big expenses.

Jeremy Patzer: On another track here, when it came to the CER, we got a response back saying that there is no tracking of the regional impact on jobs. I find it pretty wild that there's no central tracking of this. Why is there no central tracking of the regional impact and a breakdown by the Treasury Board for this?

I mean, there's going to be a disproportionate impact on rural and remote communities from this, I would suggest, based on what I've heard from folks who are going to be impacted by these layoffs. Why was rural Canada not thought about by Treasury Board?

• (1250)

Bill Matthews: I'm not sure that I can say there will be a disproportionate impact on regionals. Frankly, I don't know. Where Treasury Board Secretariat tends to track statistics is on the numbers themselves, as well as things related to our legal obligations around employment equity, etc.

Where you're looking for more detail around the regional impacts, that will vary by department. I would suggest that those are better questions for the departments, to split those impacts.

The Chair: We're going to finish up with you, Ms. Derksen, but before I go over to you, just on that point, Mr. Matthews, GC InfoBase tracks employees by region. Can we not use some form of that—I don't mean right now, but in the coming months—to see where it has affected?

Bill Matthews: The broader distribution of the public service, whatever state it's in, will absolutely be reflected there and elsewhere. What I think will not be reflected is the percentage change directly related to the expenditure reduction initiative, because other things are happening as well. You will not see a specific number related to CER, but you will see, yes, absolutely, in GC InfoBase, what the state of the public service is by regional distribution. That will continue to happen.

The Chair: Okay.

Ms. Derksen, you have five minutes, please.

Kristina Tesser Derksen: Thank you very much, Mr. Chair.

I want to start by addressing some comments and concerns that my opposition colleague, Mr. Gill, raised with respect to voting on an amount of money when you don't know what it's actually going to be going towards.

I spent almost eight years on a municipal council as a municipal councillor. This is something that, in a similar context, we dealt with at council, where we would have to vote on moving large sums of money into, for example, reserve funds. We wouldn't necessarily know exactly what those funds would be going towards, but we knew generally what bucket the money would be addressing, whether it was infrastructure or tax stabilization or that sort of thing.

This is something that happens at the government level. It's responsible fiscal management. Hopefully, that alleviates some of the concerns from my colleagues who might not have the historical knowledge of how that works.

I do want to ask about the clarification on the savings plan. Particularly, can you explain how, while some departments are looking at reductions in their operating costs, others are finding that they're getting increases in their funding through the main estimates? I think that in your previous testimony you described this as a reallocation.

Bill Matthews: Certainly. The expenditure reduction exercise is indeed a reallocation exercise. While shrinking or reducing spending in some areas, the government announced in the budget its plan to increase spending in other areas. You will see in the main estimates some departments are absolutely much bigger than the previous year. National Defence is a great example, both because of investments and because it now includes the Coast Guard. Fisheries and Oceans is looking way down from the previous year. Yes, there have been some reductions, but the big part of that reduction is the Coast Guard moving over to National Defence.

When the exercise started, the vast majority of departments were given a target of giving us ideas for a 15% reduction. A few departments were given a much smaller target because the government knew they were growing. National Defence, RCMP and CBSA were given a target of 2%, because the government knew they were in growth mode. There were a few other departments for which,

throughout the exercise, the government decided to use a reduced target. Those would be the granting councils, CIRNAC, Indigenous Services Canada, CSIS and CSE. They ended up with 2% as well, but that kind of happened during the exercise.

The broader idea here was to free up money across the board so that it could be reallocated to other places. The 15% target was given in order to give the government a “choice basis”. If you want a 10% reduction, you'd better ask for ideas for 15% or 20%, because some of the ideas that come back in will not be palatable. You should not expect a 15% reduction across the board, because the idea was to give the government proposals for 15%. They will then choose which ones to accept. You should always ask for more than you're looking for in terms of savings.

Kristina Tesser Derksen: Great. Thank you.

Staying on the topic of the comprehensive expenditure review, there was a recent story by David Akin of Global News. It would have been around March 21. I'm not sure if you saw it. It was with respect to parliamentary accounting. There were some concerns in that article that were valid. Can you respond to those concerns?

• (1255)

Bill Matthews: Absolutely. I am familiar with the story. The article in question took departmental plans and main estimates, year over year, and compared them. I think it assumed—these are my words, not the reporter's—that all of the changes were related to the expenditure reduction exercise. It also didn't distinguish between voted and statutory. Some of the reductions that were flagged in places like Canada Revenue Agency were not related to the CER. They were related to other things. If I recall correctly, the Department of Finance was flagged as increasing spending. That was because of statutory forecasts around some of the programs that the Department of Finance is responsible for.

I think it was just a little simplistic in piecing together the reporting around the expenditure reduction review, the main estimates and the departmental plans. You have to go a little bit deeper to isolate the impacts of the expenditure review. I would suggest to members that the budget itself is a good place, as are the departmental plans and the weekly reporting Treasury Board Secretariat puts on its website around the reductions to personnel.

Kristina Tesser Derksen: Thanks very much.

Those are all my questions.

The Chair: Thank you.

Thanks for being with us today. I appreciate the clarity you've offered on some items.

If you don't mind, I'd like to follow up on a couple of items from the supplementary (C)s. The CBC came up. When the PBO was here, he was asked by Madame Gaudreau, I think, to get back to us with a breakdown of the CBC spending. CBC got back to us, saying they won't "provide the information as the funds have not been received and have not been allocated by the Corporation." This goes back to the transparency. How did it get through Treasury Board if CBC is refusing to tell Parliament what they're voting on?

As another follow-up, I've brought this up to you over the years about the supplementary (C)s. Not in the mains this year but in the supplementary (A)s and (B)s, there's always reinvestment, where departments have the ability to take monies they receive in revenues or the selling of assets to purchase other items. I understand that there are different rules, but I understand that some of that is supposed to go back through Treasury Board before it's approved. We did an Order Paper question, and we got several departments coming back for several millions of dollars of reinvestment saying they do not know what they're actually going to be using that money for, but they're asking it to be approved in the supplementary (C)s. For example, there's public health. The RCMP was a large one, with \$1 million to be determined.

I'm curious. How does this get by Treasury Board—to be determined—where they're coming to us to vote on it, but they themselves don't even know what they're going to be spending it on, or if someone like the CBC is coming for the \$150 million and saying, no, we're not going to tell you what it's for until it's approved? I brought this up before, on vote 40, when one of your colleagues told us it was presumptuous to tell Parliament what they were going to be spending it on before we approved it.

Can you briefly comment on how this happens?

Bill Matthews: I have a couple of quick points, Mr. Chair, and maybe we can follow up with something more detailed.

I will try to get what I will describe as CBC's planned spending for that money. We can all appreciate, I'm sure, that sometimes plans don't equal reality, but at least it will give you a sense.

The Chair: It would have had to be presented to Treasury Board for approval before it came to us.

Bill Matthews: Yes. I have a rough idea of the categories, but I don't have a breakdown. I will come back on that.

On the revenues, both ongoing and one-offs for asset sales, it really does depend on the revenue and the mandate of the department. Some departments have the authority to spend revenue, and it basically goes right into general resources. Others make a specific case to reinvest in something.

I will follow up on that Order Paper question and come back with some background on that, because I have not seen that one, I must admit.

The Chair: Great. We'll send it to you to make it easier, because, yes, some of it is selling a property or buying a property, but it's when they come back and say it's to be determined.

I have a last quick question, but you may not know the answer. Is the \$1 billion in vote 50 being counted toward the 2%?

Bill Matthews: It only counts if it gets spent. The 2% is actual spending, so the billion itself—

• (1300)

The Chair: It was just approved.

Bill Matthews: It's been approved, but it's only what actually goes out the door related to it, so when we come back in supplementary estimates (A) and tell you what it was spent on, then it will count.

The Chair: Wonderful.

Again, thank you for your time. We appreciate all the answers you've offered us today.

Colleagues, very quickly before I adjourn in a couple seconds, you've seen the report from the procurement ombudsman on one of our previous indigenous studies. Would we be interested in inviting him to come in for one hour to brief us on his report?

Iqra Khalid: Is it urgent, or is it going to be...?

The Chair: No, it would be in the coming weeks. We're gone for two weeks, but it would be in April or May, just so we'd have something to fill in one spot.

Iqra Khalid: You had gone over the schedule for the next couple of weeks, I think, at the last meeting.

The Chair: It would be April or early May. We have open spots. A lot of the spots we're holding are for the invite for Treasury Board and the PSPC minister, so a lot of it will depend on their availability. It just allows us flexibility to fill in an hour.

Iqra Khalid: That's fair.

[Translation]

Marie-Hélène Gaudreau: Mr. Chair, I have a suggestion.

I think that we should move forward with the current study, but that we should also set aside some time between now and May to meet with witnesses, if need be.

[*English*]

The Chair: Yes. I'm proposing one hour, and we'll fit it in. We've had a lot of last-minute cancellations and the minister's schedules are always very difficult, so we'll plan around that. He's in Ottawa and he's a friend of the committee, so he's a lot more flexible.

That's wonderful, colleagues. Thank you very much. I appreciate your patience today.

We are adjourned.

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