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• (1530)

[English]

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

Welcome to meeting number 34 of the House of Commons Standing Committee on Government Operations and Estimates, known far and wide as the mighty OGGO.

Before we welcome everyone back from the Easter break, I'll remind you to please not rustle your papers near the microphones when you're speaking. It causes distress to our valued interpreters. Please keep your headphones or earphones away from the mic at all times, and do not touch the mic, either.

We're continuing with our CER study. There's no opening statement, I understand, so we're going to go right to questions.

Mr. Patzer, you're up for six minutes, please.

Jeremy Patzer (Swift Current—Grasslands—Kindersley, CPC): Thank you very much, Mr. Chair.

Thank you very much, everybody, for joining us here today. We appreciate the time.

I'm going to jump right into it.

When the Department of Finance called for the spending review, which has led to layoffs, did you advise departments to make sure cuts would be proportionate between the national capital region and the other regions of Canada?

Nick Leswick (Deputy Minister, Department of Finance): Thank you for the question.

I'll say up front that I'm new in this position. I've been in this position for two and a half months. I'll defer some of your questions to Thomas Larouche. He's our director general of budget planning and he obviously predates me at the department, so he'll be able to go deeper into some of the questions you'll be posing this afternoon.

I don't believe there was any particular direction on regional proportions associated with the proposed spending reductions.

Jeremy Patzer: Do you guys in finance or anywhere in the government give a directive on what a rural lens would look like? Do you have a definition that you use for "rural?"

Thomas Larouche (Director General, Budget and Government Operations, Department of Finance): Thank you. That's a good question.

In the exercise of the comprehensive expenditure review, the directive was for departments to use gender-based analysis plus, which looks at impacts on a variety of stakeholders across demographic characteristics. It could include rural, but it's not a specific rural lens. The idea is that in doing their comprehensive expenditure review proposals, departments would be looking at these impacts and preparing the analysis, and that would be submitted with the proposal.

That would be the extent to which rural impacts would be factored in, but there is no separate rural lens applied per se.

Jeremy Patzer: Did you say that the GBA+ lens is what your department used, or were all departments across the entirety of the government instructed to use that lens?

Thomas Larouche: It would be all departments. Guidelines and directives were provided. There were templates issued by the Treasury Board Secretariat. When departments were preparing their proposals, they had to complete this analysis and submit it. It was not the Department of Finance that did it on behalf of proponents; it was the proponents themselves.

Jeremy Patzer: That's interesting. There were other folks here earlier in this study who said that lens was actually not applied in many cases, so I find that to be interesting.

Do you think that departments should consider the return on investment for spending items before deciding to cut them?

Nick Leswick: I'm sorry. Are you asking whether for every dollar saved there would be a return on that dollar saved in terms of what—

Jeremy Patzer: No, it's not necessarily that. Obviously, the government spends a lot of money. When it spends money, is it getting a return on that investment?

I'm curious to know if that's a consideration for the government and your department. When you were going through cuts, were people looking to see if there was a good return on the investment in the item they were cutting before they cut it?

Nick Leswick: My expectation was that departments submitting their proposals and central agencies reviewing those proposals, whether it was the Treasury Board Secretariat or the Department of Finance, would have assessed the lowest-performing, lowest-efficiency programs for reduction. The higher-efficiency and higher-performing programs that had a higher return on investment, whatever that return unit would have been—social returns or economic returns—would have been held harmless.

Jeremy Patzer: Would you consider, say, a 32:1 ROI a good return?

Nick Leswick: If I were in the private sector and I was getting a 32:1 ROI, I'd be pretty excited. In terms of whatever that return metric is in the departmental program setting, I'm sorry, sir, but it's hard for me to assess.

• (1535)

Jeremy Patzer: I'm curious about the Department of Agriculture and Agri-Food's cuts to research and research stations. The department has a 32:1 return on its investment in research, and we're seeing drastic cuts. One of the departments hardest hit by cuts is the research side of the agriculture department.

The University of Saskatchewan has also confirmed that there's a return of 32:1, and in some cases greater than that, on investment in research for agriculture. I would strongly encourage, going forward, that the return on investment be seriously looked at and considered.

I wanted to ask you a question. Despite the CER, it's been reported that finance has had the biggest year-over-year increase in budgetary spending, which has something to do with higher interest payments on our national debt.

Can you tell us today how much you'll be spending on interest charges this year?

Nick Leswick: In the budget, we would project interest charges, for the 2025-26 year we just closed, of \$55.6 billion. For this coming year, the 2026-27 year, it's \$60 billion as projected in budget 2025.

Jeremy Patzer: Does it worry you that the number keeps going up and up?

Nick Leswick: Does it worry me?

Jeremy Patzer: Yes.

Nick Leswick: I mean, yes, that's what I'm paid to do—to be very worried about our fiscal framework. Lower public debt charges are better than higher public debt charges, I would admit that.

Jeremy Patzer: Okay, so how on earth are we going to get to a path where we can actually lower that? I know that there are some fancy words about a stable level, but stable doesn't mean it's going down. If it's ever increasing, that's not good. How are we going to get it lower?

Nick Leswick: Listen, I'm not going to wave my hands here. There are different ways to define “lower”—lower as a percentage, as a proportion of your economy, as a percentage of GDP. In that context, public debt charges are trending lower, but just on a nominal value basis, I admit they're going higher.

The Chair: Thank you very much.

Mr. Gasparro, go ahead, please.

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

Thank you all for joining us. Thank you for your service.

As you all know, the IMF released a World Economic Outlook today. It presents a challenging global economic outlook driven by the conflict in the Middle East and the subsequent elevated oil prices. The IMF reports that despite these pressures, Canada is forecasted to have the second-highest real GDP growth rate in the G7 at 1.5%.

Can you comment on how recent global shocks have affected the Canadian economy and how we are weathering the storm more broadly?

Nick Leswick: Sure. Thank you for the question.

The 2025 year we just closed was pretty bumpy. It was bumpy in terms of our GDP growth path. There was a lot of turbulence in and around “liberation day” and the anticipation leading up to the announcement of the Trump tariffs, as I'll call them, and a pull forward on economic activity ahead of that. Then there was a bit of a lull on economic activity coming out of the April liberation day announcements. Likewise, towards the end of the year there was turbulence in and around obscure things in economic accounts, such as inventories and export and import mismatches. The 2025 year was bumpy, but all signs were that there was a pretty strong hand-off into the 2026 year, so momentum has been pretty good. Business investment seems a little bit stronger. Sentiment indicators seem to be that activity is going to pick up, so that's helpful.

With respect to the conflict in the Middle East, I think we can all acknowledge that as an oil- or energy-exporting country, this is going to affect us less than it's going to affect other energy-importing countries in the G7. We're projecting economic growth in and around 1.5%, which is aligned with what was published this morning. That's considerably stronger than economies in Europe and Asia that are more exposed to what's going on in the Middle East.

That's encouraging, but in the same breath, Canadians are going to feel inflationary pressures associated with higher energy prices. Those inflationary pressures are going to feed into potentially a drag on financial conditions, which might make interest rates higher and tighten other financial condition indicators, like equity markets or other borrowing rates. That's concerning more broadly for the economy. We have to kind of balance the good and the bad and think about the distribution of growth across Canada and how government policy best fits into that.

• (1540)

Vince Gasparro: Thank you for that very detailed answer. It obviously coincides quite well with the IMF's economic outlook as well, globally, that there's going to be a global rise in inflation, with emerging markets being more affected simply because they import most of their energy. I'm glad you touched on that. I appreciate it.

In light of the global economic shocks you referred to, can you speak to some of the steps we are taking to make Canada's economy more resilient?

Nick Leswick: The government has set in motion a path to increase non-residential business investment and housing investment, but investment in the energy sector, trade corridors, other infrastructure.... If that was a sound policy set before the conflict in the Middle East, it would probably be more confident that it is a sound policy direction now. It seems that Canada, just in terms of brand, as being in a sound economic framework, is probably a less risky environment than perhaps other energy exporters these days. It does bode well for perhaps business investment intentions going forward.

Vince Gasparro: I'm moving on to operating versus capital expenditures. We've spent a lot of time here at committee talking about the separation between operating and capital expenditures. I'm hoping you can touch on what impact that will have, in your opinion, on our ability to lower our operating costs and invest more in capital.

What are some of the impacts that it would have on the Canadian economy?

Nick Leswick: Yes, that's well understood. I might turn to Thomas for the answer to this.

Thomas Larouche: Thank you. It's a very good question.

We should say that the separation is an additional lens that has been introduced by the government. It's supplementary information. It's helping guide decision-making to channel government activity toward capital formation.

In general, it does two things. It's one of the government's anchors; the government has two fiscal anchors. It's allowing the government to keep an eye on day-to-day operating spending and to ensure the commitment that by 2028-29, day-to-day operating spending will be matched by revenues. That's a key fiscal anchor as a guide toward better fiscal management and fiscal discipline.

The commitment is that by 2028-29, the deficit, as projected in budget 2025, will be entirely composed of capital investment. When you take decisions, this helps to keep a focus on the objective, which is to stimulate capital formation. I mean, if we have questions on—

The Chair: I'm sorry. I have to interrupt you. We're past our time.

Madame Gaudreau, go ahead, please.

[*Translation*]

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

Let's talk about the future. I have serious concerns about future generations. I am very worried about what will happen after 2029. We are talking about massive spending, a significant portion of which is on defence. In concrete terms, what burden are we passing on to future generations?

You are able to make the figures speak for themselves. People want to know what the situation will be after 2029, perhaps in 20 or 30 years' time. What will the per capita debt be?

Have you assessed the long-term impact of this on the ability to fund public services, such as Canada Post, amongst other things?

I would like to hear your views on this.

Nick Leswick: Thank you very much for the question.

[*English*]

We publish a long-term fiscal sustainability report as part of the budget. Underlying that are many variables, such as assumptions on productivity, population growth and such. In that analysis, we demonstrate the government's fiscal framework as sustainable, in that its debt load doesn't outgrow its GDP over the long term, subject to those assumptions. It's part of the analysis that we inform the government with and that the government puts forward as part of its budget.

• (1545)

[*Translation*]

Marie-Hélène Gaudreau: We cannot do everything at once; we are all well aware of that.

As regards priorities, what has been envisaged for defence, public services and structural investments?

Thomas Larouche: I want to make sure I understand the question correctly. As I understand it, you are talking about how the government sets its priorities with regard to defence and other structures.

As I explained earlier, the government has put in place an investment guide. Separating measures related to operating expenditure from those related to investment helps the government to prioritize the expenditure it wishes to focus on.

In the area of defence, most investments related to infrastructure or, as you said, structural investments, are accounted for and classified as investment expenditures. A portion of the investments will be classified as investment expenditures, and by that very fact, will be prioritized.

In short, it is, in a way, a guide designed to facilitate decision-making. The government has put it in place to help make the right choices regarding its objectives.

Marie-Hélène Gaudreau: I won't hide the fact that the new regulatory sandbox and the room for manoeuvre worry me. The management of priorities and the trade-offs that will be made worry me enormously. This leads me to ask you a question about the social safety net.

We are already under enormous pressure. I am thinking of the transfer payments made to Quebec and the provinces for social programs and services to citizens.

How can we guarantee that the social safety net will not be affected? People are worried.

Nick Leswick: Thank you for your question.

[English]

Quite frankly, there are no guarantees. There's a revenue line and an expense line, and a minus b equals a surplus or deficit.

In order to ensure that these programs—old age security, the Canada health transfer, the Canada social transfer and employment insurance—are sustainable over the long term, we need to be very careful in terms of revenues, growing the economy and ensuring that we don't erode the tax base from a tax policy perspective. It's about ensuring that expenses—whether statutory expense profiles, old age security or non-statutory programs and services being delivered by the department—are sustainable over the long term.

[Translation]

Marie-Hélène Gaudreau: I must admit that I am really concerned. We make choices. You talk about priorities. So, when we set priorities, we leave others aside. When I talk about the social safety net, I am thinking, amongst other things, of health care as well as services for older people and the most vulnerable.

As we have seen in Quebec, the demands of community organizations are warning signs. There are problems that are not confined to a single sector. This worries me, and I would like us to be kept informed of any adjustments that might take place.

Are the priorities being set a little broader to reassure citizens? Honestly, they have every confidence in democracy, as we have seen, but we will need to walk the talk. People are genuinely worried.

As I only have a few seconds left, I will ask my other questions during my next turn.

[English]

The Chair: Thanks.

We'll go to Mr. Hallan.

Welcome to OGGO, Mr. Hallan.

Jasraj Hallan (Calgary East, CPC): Thank you, Chair.

Thank you to the officials for being here.

Will this spending review reduce the deficit?

Nick Leswick: The spending review itself will not reduce the deficit.

Jasraj Hallan: Okay. I wanted to confirm that, because the Treasury Board Secretariat admitted the same thing—that this would most likely not reduce the deficit.

What would be the point of the review, then, if we're not reducing costs for Canadians?

Nick Leswick: From my perspective, as a bureaucrat advising ministers, it provides an opportunity to reallocate from some programs and services to others.

Jasraj Hallan: We have such a massive deficit. This government has doubled the deficit since the last prime minister left—Justin

Trudeau. To be responsible, one might think that the review would be, in part, to reduce costs. That's not happening, obviously.

Again, what would be the point of the review?

• (1550)

Nick Leswick: The blueprint is to stop doing some things and do more of others, quite frankly. The spirit and intent of the process is to reallocate away from low-performing, low-priority programs, to take the savings associated with that and allocate them to other initiatives and priorities.

Jasraj Hallan: It wouldn't be savings. We're just spending it somewhere else.

Is that correct?

Nick Leswick: I totally admit that. There are no net savings to the fiscal framework.

Jasraj Hallan: What is the interest on the debt?

Nick Leswick: If I understand the question, the answer is that it's projected to be \$60 billion this year.

Jasraj Hallan: That's right.

Can you tell me what goes to the health care transfer to the provinces?

Nick Leswick: The health transfer for the 2026-27 year—this fiscal year—is \$57.4 billion.

Jasraj Hallan: Because of the spending of the Liberals, there's more money going to interest on the debt that Canadians have to pay than to health care transfers. Bankers and bondholders are getting more money than doctors and nurses.

Is that how I'm reading it? Am I correct in that?

Nick Leswick: I'm fearful that you might put words in my mouth, but I would agree on the nominal value of public debt charges versus the nominal value of the Canada health transfer.

Yes, sir, that's the debt.

Jasraj Hallan: Is it concerning to you at all that more money is going to interest on the debt than to health care transfers for the provinces?

Nick Leswick: What I can say is that public debt charges are associated with \$1.5 trillion in marketable debt. That debt is associated with however many generations of decisions by current and previous governments.

Jasraj Hallan: Would it not be more responsible, in a time like now...? At the end of the day, who is going to be paying for that debt? Canadians will, and generations of Canadians in the form of taxes, most likely. Would it not be more responsible for us to, let's say, find savings wherever there's wasteful spending so that we can bring down the deficit? Would that be something that would make a little more sense?

Nick Leswick: From my perspective, if deficits are sustainable, then our debt load is manageable and there's a fiscal track that can demonstrate some level of fiscal sustainability.

Jasraj Hallan: The reason I bring that up is that certain people in Canada are paying more in taxes now than they are for all the necessities combined: housing, clothing. We're hearing about 2.2 million Canadians going into a food bank in a single month. Whether it's sustainable or not, at the end of the day, it's the taxpayer—Canadians—who is having to take on that burden. Do you think it would be more responsible to help lower that pressure on Canadians rather than piling on more by finding savings within this review?

Nick Leswick: What do I think? What do I know? I know this process was an effort to make sure that government was operating as efficiently as it could and that programs and services that were low-performing and maybe would be considered wasteful were eliminated. The proceeds of that exercise were reallocated to other programs and services.

I don't want to be argumentative, sir. I agree with the principle. It's a fair point.

Jasraj Hallan: Yes, that's—

The Chair: Your time is up, Mr. Hallan.

Ms. Rochefort, go ahead, please.

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

To follow in line with the questions from my colleague from across the room, I'm wondering about your views on the statement that the overall intent of the comprehensive expenditure review is not about austerity. It's not about cuts but it's about enabling strategic investments to modernize the Canadian government and to ensure that our country is better positioned for the 21st century. I'm wondering what your views are in regard to that particular statement.

Nick Leswick: I would agree with that statement.

I do have a balanced view. I can see both sides. There are those who would advocate for a lower deficit profile, a more aggressive path to lower nominal deficits. However, I also understand that deficit consolidation can be a drag on growth itself.

The current government has a perspective that it wants to take the proceeds of the exercise and reinvest those proceeds into government efforts, government initiatives, programs and services that deliver returns—either economic or social—that it thinks are beneficial to Canadians.

• (1555)

Pauline Rochefort: I see that you have budget 2025 with you. It specifies that the savings to be achieved would fall into three categories: to modernize government operations, to recalibrate government programs and to streamline program delivery. Dollar targets were set for each of the three areas.

Are you satisfied that the results of the comprehensive expenditure review are lining up with these targets that were set?

Nick Leswick: Thank you. I'm going to ask Thomas to answer that.

[*Translation*]

Pauline Rochefort: That's fine. Thank you.

[*English*]

Thomas Larouche: Thank you very much. It's a good question.

The budget is a plan. At this moment, in our view, the comprehensive expenditure review is being rolled out as planned. The idea is that the next step in those three categories, as you heard from my colleagues from the Treasury Board Secretariat, is to effect these reductions through the main estimates. Those have now been tabled.

In general, these three themes give you a flavour of the intent behind the review, which is really focused on efficiencies and modernizing government operations. That is about, give or take, between 55% and 58% of total savings. This is focused on back-office efficiencies, reducing administrative functions and leveraging new technologies. Really, it's being more productive with existing resources.

As well, when we look at recalibrating government programs, the idea behind that stream was to look at programming that, as the deputy said, was of lower value or maybe was not performing as intended, because there are better uses for those resources.

This was the plan that was set out in the budget. At this moment, this has been effected in the main estimates for 2026-27, and it's going according to plan.

Pauline Rochefort: Are you in any way concerned—coming back to my colleague's question about the turmoil in the world—about economic conditions that might derail this particular plan as we move forward?

Thomas Larouche: The government is always looking at conditions, and we need to react as necessary. One thing that's important to keep in mind is that in very large organizations like the federal public service, which has a lot of different departments, it's good practice to look at spending and to be more efficient, regardless of the country. The OECD and a lot of observers say that, so it's a good thing to look at our spending and see where we can be more efficient.

Pauline Rochefort: This was not just an across-the-board exercise cut. That was not at all what this comprehensive expenditure review was all about; I've heard that said.

Thomas Larouche: I mean, it has features of both. In the budget, what is said is that it's not across the board. This is in the sense that the targets are variable; they vary by organization. For example, National Defence, the security organizations, the RCMP and the CBSA have lower targets. That's a recognition of the fact that there are government priorities in this area.

One of the design features of the review was to really minimize impacts on the safety and security of Canadians. Indigenous Services Canada, Crown-Indigenous Relations and Northern Affairs Canada, and Women and Gender Equality Canada also have lower targets. The targets vary by organization in that sense. It's not one-size-fits-all across the board.

[Translation]

Pauline Rochefort: Thank you very much.

[English]

The Chair: Thanks very much.

Go ahead, Madame Gaudreau.

[Translation]

Marie-Hélène Gaudreau: I'll continue with my series of questions.

We are talking about the energy transition and green growth. I think you will agree with me that a climate transition requires massive investment.

How does the government intend to uphold its commitments on the environment and green growth, or even go further, when it is prioritizing other areas, such as defence?

• (1600)

Thomas Larouche: In the budget, the government spoke of a climate strategy. I think it is currently working on its approach and that details are to follow.

Marie-Hélène Gaudreau: Will this be in the next economic statement?

Thomas Larouche: I can neither confirm nor deny that today.

Marie-Hélène Gaudreau: Okay.

What I'm wondering is how we can bring all these visions together to determine the priorities between security, the climate transition and, of course, inevitably, economic growth.

I can understand that we want to be even more efficient in the use of all the resources at our disposal, but we can't work miracles. There is a lack of clarity. That is why we are here today.

When the decisions are made, I wonder if we will be in for any surprises and whether the rationale behind the priorities will allow us to clearly explain to the public why the investments were made.

In everyday life, people are willing to try and look to the future, but our young people are still no better able to buy their first home. People aged 65 to 74 are still being left behind. People still aren't getting what they need when services cost five times as much because of inefficient technology. It's hard to believe.

How are priorities decided?

Are they just handed to you, with a request to juggle the figures, send them to the Parliamentary Budget Officer and cross your fingers?

[English]

Nick Leswick: To some extent, it is very difficult. I think the government is challenged with reconciling all of the things that you outline: national defence, economic growth, aging population and certainly sovereignty. Just in the last 48 hours, there's the reaction around Anthropic and Mythos and having a domestic pan-Canadian and international view on how to prepare ourselves for that.

Usually, it's all associated with a potential draw on the fiscal framework, so we have to be very careful about where that incre-

mental spending decision.... I said "we", but as a bureaucracy advising the government where that incremental dollar is spent, recognizing that there's a broad waterfront of pressures and then trying to maintain a real firm footing on, as your colleague said, fiscal sustainability—I'm not giving you the entire laundry list, you know—amidst pressures on interest rates and household debt loads, I can say it is a challenge. That's part of the challenge, and we do our best to advise the government to navigate that.

[Translation]

Marie-Hélène Gaudreau: What is your advice?

At the start, you told us about your instructions. However, there is nothing better than having a hands-on approach. We also need to see what results we'll get based on the forecasts.

We agree that a budget is a plan and that the geopolitical situation is constantly changing. We know this, but we want to reassure people.

Today, what can we tell them, in concrete terms, about the decisions that have been taken and are being followed up on regarding what will be announced in the next economic statement?

[English]

The Chair: We'll have a really brief answer, please.

Nick Leswick: In this context, I mean that the government is committed to fiscal sustainability. It's committed to investing in the economy, and it's committed to working with provinces across the country to deploy its agenda.

The Chair: Thanks.

We have Mrs. Jansen, please.

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

Mr. Leswick, it's very refreshing to hear you talk about two sides to a coin. That's wonderful.

I want to start by taking us back for a moment. When I sat on the finance committee, we studied the fallout from the Panama papers, one of the largest financial leaks in history. What did we hear at that time? We heard that billions of dollars were being routed through shell companies hidden in offshore jurisdictions, shielded from transparency and, in many cases, beyond the reach of enforcement. We heard plain as day that Canada really had a problem and not a small one: a structural one.

The agency at the centre of that fight is FINTRAC. This is the body responsible for tracking suspicious financial transactions, identifying money laundering and passing intelligence on to law enforcement. It's literally the follow-the-money agency. Here's my problem. At the very moment when financial crime is becoming more sophisticated, when we're dealing with fentanyl trafficking, organized crime, sanctions evasions and international capital flows, we're now talking about cuts to FINTRAC.

I want to connect it to something a little more recent. We've seen repeated concerns about Canadian money—pension money, investment capital—flowing through offshore jurisdictions like Bermuda or the Cayman Islands, and we know that Brookfield, which our Prime Minister is linked to, has investment structures involving offshore jurisdictions. To be clear, offshore structures are not automatically illegal, but that's exactly the point. That's what we learned from the Panama papers. The issue isn't always illegality. It's lack of transparency. It's the ability to move money through complex structures where ownership is obscured, tax obligations are minimized and accountability becomes optional, and that's precisely the space that FINTRAC is supposed to monitor.

Let me ask the obvious question: How can we possibly claim to be serious about financial transparency when we're making cuts to the very agency tasked with detecting suspicious financial flows? When it comes to actual enforcement capacity, we're pulling back. It seems to me that it's like installing a state-of-the-art alarm system and firing the security guard.

Here's my question for the officials. If FINTRAC is expected to do more, to track more transactions, enforce higher penalties and monitor increasingly complex financial flows, how can it do it with fewer resources?

• (1605)

Nick Leswick: Thank you for the question.

To be honest, I feel vulnerable here saying really anything about FINTRAC without their being at the table speaking to how they would effect their proposed reductions. I would agree with the premise of your question in terms of FINTRAC's accountability on intelligence and supervision, in particular around AML, anti-money laundering and anti-terrorist financing, and its general surveillance of suspicious transactions, whether they be in offshore tax havens or funds being moving in and out of money services businesses. The list goes on.

They're not at the table, so I can't speak to where they would have sourced their savings proposals. All I can say is that I would hope that an organization like FINTRAC—and I'm not speaking necessarily about FINTRAC here—would not reduce its resourcing in areas of the enormous priority you outlined.

Tamara Jansen: I know at the time when we were doing the study on FINTRAC, they were very clear that they were already under-resourced. Therefore, to me it makes absolutely no sense that they're going to have even fewer resources. I'm concerned about what message it sends to those who are trying to hide their money, to move money or to launder money through our system.

FINTRAC was saying they were under-resourced already—you can look it up in committee evidence—and now we're taking even more funds away from them.

Nick Leswick: I share your concern and I'm not going to sugar-coat it. Our expectation of FINTRAC and any other organization is that they find savings in potential administrative efficiencies. I know that sounds very generic, but in an organization like FINTRAC, where they receive tens and hundreds of thousands of suspicious transaction reports—that's their bread and butter—how

many people or systems or efficiencies or thresholds are there for working with financial institutions to economize that effort?

That's the spirit of this exercise, but I don't want to dilute your point and message about the importance of FINTRAC's work.

Tamara Jansen: I come from a place close to Vancouver. I'm about an hour outside it. If there's one thing we've learned, it's that there's money laundering through housing, opioids and casinos. Honestly, from where I come from, it blows my mind the damage that has been done in that area. Now we're going to have less oversight because we're going to have less money going to FINTRAC, which was, like I say—and I think that was five years ago—already under-resourced. It doesn't make sense to me. We can see the fabric of our Canadian society being hurt by this, and FINTRAC is getting less money.

• (1610)

Nick Leswick: I would completely agree. The chair, Mr. McCauley, has often cautioned me about the separation between government and officials like me at these committees, so what I'll say is not a plug for the government or the minister. The minister is absolutely seized with what you just said. He made an appearance in Surrey. He has a perspective on this follow-the-money strategy. He was in Surrey a few weeks ago. He was in Brantford. He's completely seized with the point that you're making, and he's deployed FINTRAC in that context.

Tamara Jansen: Except there's less money. To me that makes no sense. Five years ago, they were already under-resourced. That's the last of my statements.

There's less money and there's more trouble. I don't see this working.

Nick Leswick: All I can say is that maybe I can show up at this committee six months from now with FINTRAC and talk about the progress in the area you're discussing specifically and the resourcing associated with that. That's my commitment to you and the committee.

The Chair: Perfect. Hopefully it will be FINTRAC and you, not FINTRAC and Mythos instead.

Ms. Khalid, please go ahead for five minutes. Then we're going to go to Mrs. Block, and then we'll finish with Ms. O'Rourke.

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

Continuing on that point, recently the Minister of Finance announced a collaborative effort between FINTRAC and local law enforcement agencies to work together with each other. For me, this is a lot more efficient in combatting financial crimes such as extortion and money laundering. When we're talking about finding efficiencies, to me, that's the scope of what the comprehensive expenditure review really means. It's about finding ways that different departments and agencies can build that teamwork with each other instead of operating in silos.

Mr. Leswick, perhaps you can help us understand the following: What do you think is the scope of the comprehensive expenditure review, and how does collaboration between different departments help in achieving your objectives?

Nick Leswick: I'll pass it to Mr. Larouche.

Thomas Larouche: I can't speak specifically to the example you were mentioning, but in general, for the comprehensive expenditure review, departments were instructed to look at areas of overlap, for example. In their proposals, part of the identification of efficiencies was to see if they were doing the same thing as somebody else or if they could maybe work better with each other and rely on one program instead of the other.

Yes, that was a feature of the design. In general, it was an efficiency-focused exercise to look for ways to do the same amount of work more efficiently, with fewer resources.

Iqra Khalid: What are your expectations of this review? What do you expect this committee to provide for you at the end of it, to help with your deliberations?

Thomas Larouche: From a macro perspective, if we just take a step back, the comprehensive expenditure review starts from the premise of looking at where the public service was going. We had identified that between 2015 and 2024, over 10 years, there had been quite a bit of growth in the size of the public service. We looked at it. We have a chart in the budget showing a 40% increase. That's quite a bit. The Canadian population grew 16% during that same period, so when you look at that, you have to take a step back to see if we are getting services or programming out of it that is worth the additional cost.

Part of the objective of the comprehensive expenditure review is to try to bring back the size of the public service to a more sustainable base—that is, look at another, longer period of time—really it was after the COVID era—and then go back to an average growth that is a bit more sustainable. It's a bit of a recalibration. It's looking at being more efficient and going back to prepandemic levels of growth. That is a driving feature of the exercise.

Going back to my earlier point here, more than half of the savings come from efficiencies directly, but there is also a component that is looking at programming. Is the federal government offering programs that overlap a bit with what provinces are doing or with each other? That's also a component we are looking at in this review.

• (1615)

Iqra Khalid: I'm glad you raised that. It is absolutely my next question.

How do you measure efficiency versus performance for different departments, knowing how different the programming they offer really is?

For example, the Department for Women and Gender Equality, the Department of Veterans Affairs and the Department of National Defence all service very different components of Canadian society. How do you measure what's more efficient and what's not?

Thomas Larouche: We don't have a one-size-fits-all indicator. The process was that departments relied on a variety of indicators.

They have program evaluations. They observe data. They have a pretty good sense of who their programs reach and what is more effective and less effective. They supported their ministers in making these savings proposals. They came back to the government and said that they believed these were areas that, for a variety of reasons, are a little bit less efficient. Generally, the determination of that was done at the department level, which knows the programming best.

Then, central agencies like finance, Treasury Board and the Privy Council Office supported decision-makers in making informed decisions on where to focus. The role of the central agencies here was really focused on ensuring that there would be no program integrity issues, that reductions were sustainable and that the health and safety of Canadians were protected.

The Chair: Thanks very much.

Mrs. Block, go ahead.

Kelly Block (Carlton Trail—Eagle Creek, CPC): Welcome. Congratulations on this new role of deputy minister. You've been here for a couple of months.

I want to circle back to the line of questioning of my colleague Mr. Hallan regarding the cost of our national debt.

I note that under Justin Trudeau, it doubled, and the current Prime Minister plans to spend even more than the previous government had projected it was going to spend, which I believe results in yet higher deficits and higher costs for Canadians. After all, today's deficits are tomorrow's taxes.

Mr. Leswick, in your role as the deputy minister, what lessons have you learned or are you learning from the comprehensive expenditure review that can be applied to future spending and future reviews? Are you developing a plan to reduce the deficit, if not in the short term, then in the medium or long term?

Nick Leswick: To be quite honest, the comprehensive expenditure review was a substantive exercise when you position it against other expenditure review processes, whether that's the deficit reduction action plan under Prime Minister Harper, or the program review era even, in the late 1990s. This was a substantive exercise.

As a bit of a fiscal framework junkie, I think it is a demonstration that these types of reallocations can happen in government. It's not without consequence: Programs are eliminated and stakeholders and employees associated with those programs are affected, a hundred per cent. However, I think it does demonstrate that, and I'm just speaking from a small-g government perspective, that we—departments, bureaucracy—can reallocate. There isn't this complete political abyss that doesn't allow us to do so. That is one lesson learned, at least from my perspective.

With respect to your second question, the best I can say is that we provide the government with options. This government's been pretty clear that it wants to keep the deficit-to-GDP ratio on a downward trajectory so that deficits are sustainable in relation to our economy. We're conscious of that. Any spending proposals or tax-related proposals that we bring forward are within the context of that fiscal guardrail that it has set out for itself.

• (1620)

Kelly Block: Thank you for that.

Having been a member of Parliament for almost 18 years and serving on this committee now for the third time, I would suggest that, obviously, our budgeting cycle allows for the reallocation of funds within a department on a regular basis, if you look at supplementary estimates and the processes that we have there.

I'm going to go back to the purpose of the comprehensive expenditure review. If it was simply just about the ability to reallocate money, I think that was already there. My question would be how often the Department of Finance plans to undertake similar spending reviews in the future.

Is this going to become a regular practice for the government, and to what end, if not to start to address the deficit and the debt load that Canadians are carrying?

Nick Leswick: With respect to your first observation—and other deputies you have at this table should provide their own testimonials—I do feel like departments feel they're in a bit of a straitjacket, notwithstanding that they would have legal flexibility within their vote structure to reallocate across programs. I think once governments make announcements and they establish those allocations against particular grants and contribution programs, they feel very constrained to make any reallocations between those programs, even though they exist within a single vote, as determined by parliamentarians. I think they only make these reallocations, if I'm being honest, under the cover of a government-wide exercise. These types of exercises give departments the opportunity to put forward reallocation proposals. At least, that's just my perspective.

In terms of your second question, while deputies—and I'm a deputy of my own department—have certain licence to make reallocations, without the cover of a government effort like what you would see launched in a budget or an update, I think it is very difficult to do so. I don't know that you'll see another one of these types of expenditure review proposals set in motion until the government of the day—and right now, that's under my minister and the Prime Minister—sets that in motion.

There is nothing that we're working on right now.

Kelly Block: Thank you.

The Chair: Thanks.

We'll finish up with Ms. O'Rourke.

Welcome to OGGO. You have five minutes, please.

Dominique O'Rourke (Guelph, Lib.): Thank you, Chair.

I want to get back to the question of the deficit and explore a little bit how all deficit spending is not equal.

We're referring to the budget. There are expenses, government expenses, such as the strategic response fund, regional tariff relief, capital investments or trades training. This is money that the government is spending, but in the global context, that's a lifeline for a lot of really large employers and sectors.

Then you have your forgone revenues, such as reducing the marginal effective tax rate with the productivity superdeduction, which actually gives Canada the lowest marginal effective tax rate in the G7, but it's revenues that we're now collecting. It does really support tariff-affected businesses. It's going to allow them to invest in their own capital, buildings or clean tech, and it's attracting foreign investment and also promoting domestic investment.

Would you say that kind of spending is actually necessary in the current geopolitical context and the Canadian economic context right now of businesses and sectors that are being targeted through unfair tariffs, and that the protection of jobs, the protection of community livelihoods, is helpful, since, otherwise, we end up paying for it in social services?

I'm wondering if you would agree with that.

Nick Leswick: Thank you for the question.

I can certainly see the rationale for why the government would want to provide a bridge to some businesses so they can get through the current tariff turmoil associated with the U.S. administration. How long that bridge is will be determined, but we probably all recognize that. I understand what the government is trying to do by working with these sectors and affected businesses.

• (1625)

Dominique O'Rourke: In a similar vein, we're seeing major investments that many people would agree are long overdue in Canada, like supporting our military, building in the Arctic and building those major projects to keep the economy humming—things that were important all along but that we're choosing to build big now.

The separation of capital and operating in the budget is very common in municipal budgets—in Ontario, anyway. Does that provide government with a clear line of sight on the return on investment for that enabling infrastructure and on how those investments will fuel a healthier economy?

Nick Leswick: I think the capital budgeting framework is doing what the government wants it to do, which is showcasing the part of spending that is supposed to be focused on creating new business investment. Not everyone loves it, but it's not intended to dilute how we present our financial statements in the public accounts. It is a supplementary mechanism to, again, showcase what part of spending is focused on capital versus non-capital. I think it does the trick. As you said, other jurisdictions do it, and we're trying it on for size.

[*Translation*]

Dominique O'Rourke: I would like to ask one final question in French.

You have just carried out the review exercise. Have measures been put in place to ensure a process of continuous improvement regarding processes or technologies?

As you say, the context is changing. Everyone hopes that one day we will no longer need to spend large sums of money to support our industries, which are really under attack. So, when economic conditions change, the economy improves and we need to spend less in this sector, how do we initiate the reallocation process, and how can departments continue this improvement process as they see fit?

Thomas Larouche: Thank you very much. That is an excellent question.

In fact, international organizations, including the Organisation for Economic Co-operation and Development, or OECD, recommend that there should indeed be a process of continuous improvement. This is truly a fundamental activity in public finance management. In Canada, a major exercise has just been completed, but it has been somewhat sporadic.

In the budget, it was announced that, in future, there would be a process of continuous improvement or review, if you like, but one that is more targeted. So it is not necessarily an exercise aimed at looking at all departments, but rather at examining certain themes to ensure—as you quite rightly say—that programs are still necessary, that new economic conditions are effectively taken into account, and that we also seek efficiency gains. So, a process of continuous improvement will allow us, if you like, to be flexible and to respond to changing circumstances.

Thank you.

[*English*]

The Chair: We are done. Thank you very much for being with us. I appreciate your time.

We're going to suspend for a couple of moments to bring in our new witnesses.

• (1625) _____ (Pause) _____

• (1630)

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

Welcome back, Ms. DeSousa. I have to express my disappointment that you chose New York over OGGO during our last meeting, but it's understandable that you had work there.

Anyway, it's wonderful to have you back. I understand you have an opening statement. You have five minutes, and then we'll go to Mr. Lebeau for five minutes.

The floor is yours.

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

I'm grateful to be joining you today from the traditional, unceded territory of the Anishinabe Algonquin nation. I thank them for allowing us to be here and for their stewardship of this land.

Thank you, members of the committee, for inviting us to contribute to your study on the comprehensive expenditure review.

PSAC is Canada's largest public sector union, representing more than 240,000 members. Over 180,000 are public service workers. According to the Treasury Board, 57.7% of federal public service workers are located outside the national capital region. Across the country, they deliver critical services that millions of people rely on every day.

At an earlier meeting, the secretary to the treasury board described this review as a "reallocation" exercise, and PSAC sees it differently. We see this as a cutting of service, a cutting exercise. Over the next three years, the government plans to reduce spending by \$56.7 billion across departments, without clear evidence that services can be maintained with fewer resources.

The President of the Treasury Board told this committee that the review is "not a job-cutting exercise". However, a senior official confirmed that 25,000 public service workers have already received workforce adjustment letters, an unprecedented number. We have also heard that departments are providing reassurance to affected workers. There is nothing reassuring about this process. Unions were not consulted before these decisions were made, and they have not been meaningfully engaged since.

Despite assurances that frontline services will not be affected, testimony before this committee tells a different story. The government is cutting public service jobs while continuing to contract out work instead of building in-house capacity. Spending on professional and special services remains high at \$26 billion. Narrow categories like IT and management consultation obscure the reality: fewer staff and more strain on public services.

More than 14,000 PSAC members have already received workforce adjustment notices, including almost 400 at Public Safety Canada. Half of the staff at the department's government operations centre received notices that their positions were at risk, threatening the round-the-clock coordination and support needed during national emergencies. At Health Canada, nearly 900 members received workforce adjustment notices. These cuts risk weakening the regulation of pharmaceutical drug and health products. At the Canadian Food Inspection Agency, over 20% of the workforce is being cut, potentially slowing responses to food-borne illness outbreaks.

Arbitrary cuts do not reflect the needs of a growing and aging population. They only lead to slower service delivery, reduced administrative capacity and stalled processes on department and legal obligations like the Pay Equity Act. The government is years behind on launching a pay equity plan for workers in its core public administration, and the pay equity commissioner's office is severely understaffed. At the same time, there has been little progress made on the modernization of the Employment Equity Act, including implementation of the 2023 task force recommendations.

Communities, municipalities, researchers and rural stakeholders share these concerns. The ripple effect of these cuts will reduce service capacity and weaken the public services that people in Canada depend on. PSAC urges this committee to continue its study and to hear from a broader range of voices, including unions and stakeholders from across the country. If the government is serious about building a stronger Canada, it must invest in public services and in the workers who deliver them. Investing in public services is not optional. It is essential to the health, safety and well-being of everyone.

Thank you.

• (1635)

The Chair: Thank you very much.

Go ahead, Mr. Lebeau.

[*Translation*]

Frédéric Lebeau (National President, Union of Canadian Correctional Officers): Good afternoon, everyone.

My name is Frédéric Lebeau. I am president of the Union of Canadian Correctional Officers affiliated with the Confederation of National Trade Unions, or CNTU.

Although I hold this position, my substantive position remains that of a correctional officer II at the Archambault Medium Security Institution in Quebec, specifically at the Regional Mental Health Centre.

With me today is the second vice-president of the union, Daniel MacKinnon, who also holds the position of correctional officer II in the Pacific Region at Matsqui Institution.

As representatives of 7,500 federal correctional officers, we appear today to share our perspective on the recent budget cuts announced during the comprehensive expenditure review and the last federal budget.

From the outset, when budget 2025 was introduced in the House of Commons, we learned that federal public service employees' re-

tirement benefits would be reduced for non-negotiated savings worth about 0.8% of our salary. For we correctional officers who often struggle to reach normal retirement age, the government's unilateral decision to reduce our retirement benefits ignores the realities of our role and the cumulative psychological costs of our working conditions. The reduction of previously granted retirement benefits is evidence of a lack of respect for our members who risk much in the exercise of their public safety duties.

It was only on last January 26 that the Correctional Service of Canada, or CSC, finally provided us with any information whatsoever on the direct effects on our members of the measures it intended to take to comply with its \$132.2 million share of budget cuts.

First, CSC announced the conversion of Grierson Institution for men to a women's institution, resulting in fifteen workforce adjustments. Our fifteen members in Grierson are all people at the end of their careers and are now forced to make quick decisions about their future. For our part, we do not understand how the Correctional Service intends to save money by changing the vocation of this institution because many infrastructure modifications will be required, and human resources will still have to be allocated to it under its new purpose.

CSC informed us that it wishes to join or amalgamate the correctional officer workforce from certain proximal penitentiaries. However, CSC quickly changed its mind and narrowed the list of institutions for which it aims to adopt a more versatile workforce management model. For the institutions that remain in CSC's sights, we are concerned about the model it seemed to propose, which was one of amalgamating the workforce of various sites in the same area.

We believe that if CSC were to proceed as it has indicated to us, by terminating any agreement that we have negotiated to regulate the movement of staff between the minimum and medium or maximum security units, it will not save money, and our most senior members will lose the opportunity to work in places that allow them to decompress towards the end of their correctional service careers. An increase in absenteeism and in injuries related to psychological stress is also to be expected, as well as an increase in requests for accommodation measures for people for whom the time spent working in maximum and medium security level institutions has already exhausted their psychological reserves.

CSC plans to recover nearly 40 FTEs by reducing by half the day mobile patrol, whose job it is to monitor the perimeter and to respond to incidents such as escape attempts or the introduction of contraband. In addition, all posts linked to the integrity program, created in 2008 and applied in twenty-two institutions—54.6 FTEs—to allow a timely response to increased deliveries, now mainly by drones, will be abolished. Several institutions will lose staff in towers, in our yards and in several other activity sectors.

CSC has attempted to explain these staff reduction choices by citing the introduction of technologies to counter drug trafficking and contraband within prisons. While some technologies are indeed being used to help correctional officers reduce the scourge of the introduction of drugs and contraband by drones and the use of cell-phones, the organized crime community is constantly reviewing its methods, so that any technology quickly becomes circumventable or obsolete.

During these announcements, and again in connection with the services directly assigned to the battle against drugs in prisons, the Correctional Service of Canada also announced a regional model of drug detector dogs. Today, each institution has two or three dedicated dog handlers. The decision to consolidate the workforce in a regional model risks diminishing the performance of our detector dogs, while increasing costs and reducing search activities as well as eliminating the deterrence created by the presence of dogs and their handlers during sector operations.

Several positions in the Structured Intervention Units, or SIUs, will also be abolished. SIUs will be classified into two categories, "small" or "large".

• (1640)

The number of correctional officers will be adjusted accordingly. This will result in an overall reduction of 21.78 full-time equivalents across all institutions, namely Port-Cartier, Edmonton, Saskatchewan, Kent and Atlantic, Donnacona and Millhaven. Aligning the size of the UIS with actual inmate numbers risks leading to an increase in violence and will make it more difficult for the Correctional Service to meet its obligations towards inmates in the UIS. Furthermore, 29 multifunctional posts in the 96-bed units will be cut, along with 22 escort posts.

CSC also wishes to cut back on training for new recruits as well as on ongoing training for correctional officers. These cuts will compromise security within institutions and will affect the level of preparedness of recruits upon their arrival at an institution. It should be noted that prior to the cuts resulting from the federal budget, CSC and the union were of the view that the quality and quantity of such training offered to correctional officers should instead be increased.

Thank you.

[English]

The Chair: Thank you very much.

We'll start with Mr. Caputo.

Mr. Caputo, welcome to OGGO. You have six minutes, please.

Frank Caputo (Kamloops—Thompson—Nicola, CPC): Thank you very much, Mr. Chair.

Thank you to our witnesses, Monsieur Lebeau and Mr. MacKinnon. Obviously, I've had a lot of dealings with UCCO, and I want to welcome both of you to your new positions. We haven't had a chance to meet formally in committee.

Mr. MacKinnon, I'm going to direct some questions toward you.

Monsieur Lebeau, feel free to weigh in.

Drones are a huge issue and directly impact officer safety. Is that correct?

• (1645)

Daniel MacKinnon (Second National Vice-President, Union of Canadian Correctional Officers): Yes, that's correct.

Frank Caputo: In fact, they drop contraband, they drop drugs and they drop ceramic blades and things like that, which can be used to stab officers. Is that right?

Daniel MacKinnon: That's correct.

Frank Caputo: In fact, it's such a problem and drugs in jail are such a problem that we've seen a number of impacts.

Are you familiar with the Fraser Valley Institution, Mr. MacKinnon?

Daniel MacKinnon: Yes, sir.

Frank Caputo: Can you comment on the program—I'm not sure if you're aware of the program—in which dogs are brought to the Fraser Valley Institution and inmates tend to them and do things like that? Are you aware of such a program?

Daniel MacKinnon: Yes, I am aware of the program.

Frank Caputo: Okay. Were you aware that a dog actually overdosed on narcotics, as I was told? Is that accurate?

Daniel MacKinnon: I can't speak to that. I'm not aware of that.

Frank Caputo: Okay. That's just what I was told.

What percentage of job cuts are management versus the front line for CSC?

Frédéric Lebeau: That's a good question. We can talk about FTEs. On our side, we're talking about more than 100 correctional officers whom we are going to lose—FTEs—at the end of this exercise. It's massive. We talk about security. We talk about mobile patrol and SIU services. It's a lot. It's a lot of the CXs who are going to be affected with those—

Frank Caputo: How many jobs are being eliminated from regional headquarters? Do you have any idea?

Frédéric Lebeau: No.

Frank Caputo: As in, we haven't been told or zero...or both?

Frédéric Lebeau: We don't know the answer.

Frank Caputo: Okay. I'll assume zero if you haven't been told.

How about the national headquarters? How many jobs were set to be cut from NHQ?

Frédéric Lebeau: That's a good question. They didn't inform—

Frank Caputo: Well, I think they didn't inform because it's zero.

Would it be fair to say that Correctional Service Canada is a bureaucracy at the national headquarters and the regional headquarters levels?

Frédéric Lebeau: It's a huge organization. At the end of the day, CSC has RHQs and NHQ. There are a lot of people working there. It's pretty hard for us to comment on how many people are working here in Ottawa or even in the region.

Our core business, as correctional officers, is that we're dealing with stuff inside the institutions. It's pretty hard for me to say, yes, there are a lot of people or enough or too much. I cannot comment on this.

Frank Caputo: Okay.

In terms of the safety and security of officers, I've been to a number of institutions. I worked for federal corrections. This is a vulnerability in part because of small things, like the unwillingness of the CSC to supply razor blades that disintegrate. I think you probably know what I'm talking about. There are razor blades out there that if you go to use them as a weapon, they will disintegrate. CSC doesn't supply those.

I know that officer safety is a big issue, and now, when it comes to drones and detection technology, CSC is cutting those types of things to intercept contraband. Will that ultimately make officers more safe or less safe?

Frédéric Lebeau: Absolutely it will make officers less safe. We're having drones on a daily basis across our institutions. Coast to coast, we're having assaults on a daily basis. Correctional officers have been assaulted. There's not a single day that I'm not receiving a phone call from the monitoring centre telling me, "Fred, there's an officer who has been assaulted in Kent", or "There's an officer who has been assaulted in Donnacona". In the last eight months, we had three murders in Donnacona.

Frank Caputo: I'm going to just speak. Normally, I would like to ask questions, but I have one minute left.

I will say this. Being a correctional officer is one of the most difficult occupations. It's one of the bravest occupations. The fact that you have to go to jail and worry about being stabbed by contraband that could be detected by drone and is not—you have to live through that—and that you are putting your lives on the line for a salary that is substantially lower than other peace officers', to me, is repugnant. The fact is that the government is cutting those things that would help protect you, and it is not cutting an ounce of bureaucracy. The government should be ashamed.

Thank you.

The Chair: I apologize, Mr. Caputo. I reduced your time by one minute. You have one more minute.

Frank Caputo: I just ended so well.

Do you have anything to say to that?

Frédéric Lebeau: It's a tough job. You're right. Nobody decides as a child to become a correctional officer. It's a passion. We are working near each community across Canada, and it's a tough job. You're right. It's not an easy one.

For sure, when the CSC and the government tell us they're cutting \$132.2 million, it makes us afraid. It's worrying.

• (1650)

Frank Caputo: It used to be that people who assault went to higher security or the SHU, the special handling unit. Is that the case anymore?

Frédéric Lebeau: It is, but it's very complicated to get to the SHU, at the end of the day.

Frank Caputo: Sometimes, we have a modified segregation unit, the SIU, which an inmate can stay in for only 60 days, but what does the CSC do? It just transfers them to another jail. It does that by charter plane, which costs millions per year. Is that right?

Frédéric Lebeau: Absolutely. There's probably an economy of cost to do that.

Frank Caputo: The CSC is literally transferring inmates from jail to jail, because an inmate can stay in the SIU for only up to 60 days. Rather than reintegrate them by law, it will literally just put them in a new jail and say, "Look. We took them out of the SIU." They go from province to province and region to region on charter aircraft. Is that accurate?

Frédéric Lebeau: In some cases, yes. We need to keep that tool. It's very important, because we need to keep "segregation". It's the same thing in the community. If you don't have a police station, you'll be in danger.

Frank Caputo: What a colossal waste of money to transfer inmates by charter aircraft from jail to jail just to comply with unworkable regulations.

The Chair: Thanks, gentlemen. I apologize for cutting you off early, Mr. Caputo. We made up for it by allowing you extra time.

Mr. Gasparro, go ahead, please, for six minutes.

Vince Gasparro: Thank you, Mr. Chair.

Thank you all for your service.

My questions will be directed primarily to you, Mr. MacKinnon and Mr. Lebeau.

As the parliamentary secretary for combatting crime, I've had the opportunity to visit the Bath correctional institution, just outside of Kingston, meet with its leadership team and see first-hand the important work our correctional officers do every day and the risk they—and you—put themselves in. Frankly, I learned about some of the challenges encountered by the officers, including outdated digital tools and challenges with upgrading physical infrastructure within the buildings. Our new government is taking strides to address these two concerns specifically.

How do you see improvements in these domains helping correctional officers do their jobs?

Frédéric Lebeau: You probably visited unit two in Bath. That was supposed to be just a short-term location for a couple of months. It's been many years. It's aging infrastructure. It's dangerous to hold inmates over there.

Yes, we need to invest massively. This government needs to invest massively in infrastructure. We had our new commissioner testify on the supplementary estimates a couple of weeks ago, and he stated the same thing. It's very important because of the aging infrastructure. We need more money, for sure.

Vince Gasparro: If I recall correctly, the “temporary” facility was from the late nineties, so there have been successive governments that have allowed that structure to remain. Is my memory correct?

I'm not going to put you on the spot. I was there as well, and I can't remember the exact date.

Frédéric Lebeau: I don't have the exact date, but it's been a while. I think it's more than 30 years.

Vince Gasparro: That's correct. That was my understanding. You've had successive governments under both parties since then that have allowed that structure to remain. Thank you for that. I appreciate it.

In regard to unfortunate but sometimes necessary reductions in the workforce, can you advise on what steps can be taken to support employees affected by reductions in expenditures?

Frédéric Lebeau: Let's take the example of the mobile patrol. It's a good example. The government and the CSC want to reduce on weekdays for the mobile patrol. For sure it's going to create some dangerous situations, because those mobile patrols are there with drone-answering protocols. They are there to intercept visitors who cannot be on the premises of the institution. At the end of the day, it's creating more work. It's creating more places and gaps where the criminal will be able to try to introduce contraband and try to fill that gap with contraband.

• (1655)

Vince Gasparro: Thank you.

How can Correctional Service Canada or other government agencies support employees' career transitions or next steps in their careers?

Frédéric Lebeau: I think it's pretty minimal, to be honest with you. Just take the example of the 15 FTEs that we have in Grierson. Middle managers met with them. They had to make a decision very rapidly. They had a month to make their decision as to what they

would do afterwards. The transition of career is pretty non-existent with the offer from the EAP. It's a very minimal transition. There are not a lot of services, to be honest with you, sir.

Vince Gasparro: Thank you.

This is probably for you, Ms. DeSousa, but anyone can feel free to answer.

Departments have said that services to Canadians will not be impacted by the CER cuts. Frontline workers who work to protect Canadians, our borders and our sovereignty around the clock like CBSA, RCMP and the Canadian Armed Forces have a separate early retirement initiative that's referred to as 25 and out.

In your capacity as president of PSAC, have you seen examples where Canadians and their essential services will be put at risk due to the CER reductions?

Sharon DeSousa: Yes, without a doubt. Currently, we have notification that Canada Border Services Agency has provided roughly—and I'm just looking at the number right here—447 workers with affected letters. That means workers who are doing administrative work and border service officers, and some of them even report to Ottawa. This agency hasn't been staffed up, and we're talking about since its inception. It's doing the best it can with the most minimum amount of oversight and structure, and putting money to electronic devices such as drones isn't going to help. You need to have the boots on the ground and the infrastructure within the actual agency.

When we're looking at this, there has been no consultation. The people on the ground actually know what the hell they're doing—excuse my language. Why aren't we looking to them instead of looking at expensive toys that may or may not work?

Vince Gasparro: It's interesting, though, Ms. DeSousa. We had the treasury board here. We've had other departments here saying that there aren't any cuts to frontline services when it comes to CBSA, the Canadian Armed Forces and those within our national security apparatus, so I'm a little confused how your position can be that there are impacts to frontline services when everyone else is saying there aren't.

The Chair: Ms. DeSousa, we are past our time, but perhaps we can get to that in one of our next interventions.

Madame Gaudreau, please go ahead.

[*Translation*]

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

I really don't have enough time, but I think my remarks might perhaps make you want to come and see for yourselves.

Two weeks ago, I went to La Macaza prison, which is in my constituency. It was my fourth visit. Honestly, I was stunned. Speak to Mr. Dominic LeBlanc. He has experienced the 3D simulations of what goes on there. So, if you've never been to a prison or a correctional facility, I invite you to experience it. I spent hours there. What I realized is that.... Well, there's no way.

Here is my simple question. Do you feel safe in your workplace?

Frédéric Lebeau: It's very difficult. When a prison officer is assaulted every day in a prison or in one region or another, it leaves its mark. It's very dangerous. Every day, we know what time we start work, but we don't know what time we'll finish. We wonder if there will be a staff shortage, if there will be a drone, if we'll have to seize weapons, if there will be contraband. It really is a very challenging environment. These days, it's very difficult.

Marie-Hélène Gaudreau: What about overtime? Is protective equipment up to date?

We also discussed bladed weapons. We agree that if they get into the institution, there will be problems. As for La Macaza Institution, I invite you to go there. It's a two-hour drive from here, and it's open-air. It's a medium-security facility where there is a degree of freedom. I would like to pay tribute to all the prison officers at this facility, who gave me the opportunity to visit it and see the security arrangements for myself.

Are you up to date in terms of equipment, cameras, communications and perimeter security?

• (1700)

Frédéric Lebeau: Absolutely not. We are more like in an episode of the 1980s series *Stranger Things*. That is roughly the level of technology found in our prisons. We need to invest heavily in radios, communications and drone systems. We fight organized crime every day; that is what we do.

Criminals enter prison and continue their criminal activities throughout their incarceration. We need to recognize that it is important to invest more heavily and to upgrade the infrastructure.

Marie-Hélène Gaudreau: Rest assured that we hear what you're saying and we see it.

I actually went there with a spokesperson, Mrs. DeBellefeuille. One of the things she did was meet with officers at the Drummondville penitentiary, where, in practice, there is the highest rate of overtime, which is a sign. We won't get into new recruits.

What I want to talk about is public safety. You're told that you're risking your life, but that 7,500 officers is fine. However, this is about public safety, everyone's safety.

Frédéric Lebeau: You're right. Many institutions in our country are located in our communities. They're close to our schools and homes. Therefore, their lack of security poses risks, not only for correctional officers, but also for the general public, for Canadians across the country.

Marie-Hélène Gaudreau: In any case, I can tell you that, when I walked around the penitentiary for hours and saw that psychologists, people who were there for support, didn't even have the protective equipment that we parliamentarians have when we go shopping and can press a panic button, I couldn't get over it. These people are inside the institution, in cells, with inmates. My goodness, what is going on?

You have to go to the La Macaza Institution. It's a former Cold War base. We can all agree that it's pretty obsolete. In addition, there is double bunking. What happens when two inmates are put in the same cell?

Frédéric Lebeau: Managing two inmates in a cell that is already pretty small to begin with is even more complicated. That also complicates the searches that need to be done. It's really demanding and challenging at the same time. In short, it's really challenging to manage.

Marie-Hélène Gaudreau: If you don't know when or how drones containing drugs and knives will show up, and on top of that you can detect little to nothing, not to mention that your detection resource is available only occasionally, what will the impact be?

Do you have to become sniffer dogs? It makes no sense.

Frédéric Lebeau: What's also important to understand is that the failure of Correctional Services's mission as well as inmate rehabilitation leads to an increase in crime. Rising crime affects every citizen. These issues are important, hence the importance of holding meetings like the one we're having with all of you to raise your awareness, because we work in a secure unit.

When crime goes up, violence goes up and double-bunking goes up.

Marie-Hélène Gaudreau: Mr. Chair, I don't have any time left.

Mr. Lebeau, I would like you to send us a report with all the details. I spent four hours at that facility. We need more information. We will also ask people to come and see the situation for themselves as much as possible.

An hour ago, we were talking about defence investments. Then we find out that you're not protected. Apparently, we choose our priorities, and it is obvious that you are not among them. Cuts of over \$130 million are unacceptable. There should be a \$130-million investment.

Thank you, Mr. Chair.

[English]

The Chair: Thank you.

Mr. Patzer, you have five minutes.

Jeremy Patzer: Thank you very much, everyone, for being here today.

Ms. DeSousa, I'll start with you. Can you confirm for the committee that PSAC represents the workers at the border?

Sharon DeSousa: That is correct. We do.

Jeremy Patzer: You mentioned in your opening remarks the 26,000 cuts to the public service. I'm wondering if you can elaborate a little on the impacts that is having for CBSA.

Sharon DeSousa: Right now, I can tell you that we've received information that roughly 447 workers at Canada Border Services Agency have received workforce adjustment notification. What that translates to, we don't know. The government has the next three years to determine if there's further notification coming.

Are there impacts? Yes, there are. They're short-staffed already. When we're looking at the feeder groups to staff up officers, there's competition with RCMP and local police as well. We know that the government has made a commitment to staff up by 1,000 officers. If you're in dire need of officers, why are you providing workforce adjustment notification? It just doesn't make sense. It concerns me because they're already trained. They've already gone through the rigorous training at Rigaud. Anyone who has gone through it knows that it's one small infraction and you're kicked out; you don't move forward. These are trained officers. These are people who are trained in administration and in support services. Many of them report to the national capital region.

My concern is this: What are we really doing here? Are we looking at CBSA in an overall capacity? Are we looking at the future and what's required to support it, or are we just doing an elimination exercise here? That's how I really feel. That's been happening with all the departments. The lack of review of the programs themselves and of the impacts to the Canadian public, to the stakeholders who depend on it, concerns me greatly. I feel that this is just an across-the-top cutting exercise: Let things fall where they may.

• (1705)

Jeremy Patzer: I've been hearing concerns from a lot of the communities I represent that there will be an impact to the hours of operation at the border crossings. Do you share that same concern? Are you hearing concerns about that as well from the folks you represent?

Sharon DeSousa: I am, without a doubt. It seems as though we've become a tourism port, for lack of a better way to put it. I've never known a port that can be open only during a specific period of time. It just doesn't make sense to me. A port is a point of security. The threat doesn't end. It doesn't work nine to five. I'm a little bit concerned about the decision-making that has been done.

I'm also concerned about the smaller rural communities that depend on that port for businesses to move products back and forth with the United States. What kind of consultation has been done in those rural communities? I don't think there has been anything.

Jeremy Patzer: I can tell you, from the mayors and councillors and people I talk to on a regular basis, that there's been no consultation at all done with them.

Are you concerned too about having physically present officers replaced with technology? Are you concerned about that?

Sharon DeSousa: Very much. AI cannot replace a human being and the work that our members do. They're highly trained. There are things that AI will not pick up on. In fact, I can tell you that in some cases, some ports use students. There's a bridging program where students are used in certain capacities. Students aren't trained the same way border services officers are trained. The level of training is very minute, yet they're used. To me, that's a health and safety risk for that young person. It's also an impact on our security.

There is a shortage of staff, but the answer is not AI. The answer is staffing up appropriately. If we're serious about being defenders of our country, if we're serious about doing this, then we need to invest in the people who do it.

Jeremy Patzer: Have they been consulted about AI? Have you been consulted about the government's expansion of AI at ports?

The Chair: Please give a brief answer.

Sharon DeSousa: The brief answer is yes and no. It depends on the department. It depends on the technology, but I would say that there hasn't been meaningful consultation.

Jeremy Patzer: Thank you.

The Chair: Thanks.

Ms. Rochefort, go ahead please.

Pauline Rochefort: Thank you very much.

I understand that Correctional Service Canada is one of the government's largest agencies. Would that be correct? It operates 43 institutions nationwide. It employs a staff of approximately 19,000. What percentage of that number would be members of your union, the Union of Canadian Correctional Officers?

• (1710)

Frédéric Lebeau: I'm not very good at math, but let's say there are 7,500 correctional officers in the amount that you just said.

Pauline Rochefort: I noted that the reduction in full-time staff, the FTEs, is approximately 850 FTEs through the comprehensive expenditure review. What percentage of that number would be members of your union?

Frédéric Lebeau: It's most likely near 400 FTEs or in that range.

Pauline Rochefort: I noted a budget of about \$3.8 billion for the agency. I think you or someone mentioned that through the comprehensive expenditure review, we're looking at savings of approximately \$132 million. Would that be correct?

Frédéric Lebeau: Yes, the savings that CSC told us in the government was \$132.2 million in the last budget. You're right.

Pauline Rochefort: Then basically, when you read the plan for Correctional Service Canada with respect to how they plan to reorganize themselves, they talk specifically about focusing on critical priorities and flattening the organizational structures. They talk about aligning with modern practices and an overall reduction of administrative burdens. They also say that they're going to reorganize the office footprint and regional arrangements to improve efficiency, consistency and accountability.

From my perspective, I look at this as being a very large government department, and I understand that it's very important and dangerous work, as you've described. Nonetheless, I feel that there's a plan here that seems to make sense. To me, it's about enabling the government, in this instance, and Correctional Service Canada to spend less so it can invest more.

I heard you clearly say, Mr. Lebeau, that investment is required in digital tools and in infrastructure. As I look at this plan, I see that is what they're trying to achieve, so this is a good plan in a certain sense. I would be interested in your views about what is good about this plan—not what is wrong with the plan.

Frédéric Lebeau: That's a good question. To be honest, the plan on paper seems to be not that bad. You're right. We're saving Canadians money. However, at the end of the day, it's our safety and our security. When you reduce FTEs in SIUs or in mobile patrols, when you attack the dynamic security—the active security inside all of our institutions—that plan doesn't make sense at all. We're combatting drones, crimes, firearms and a ton of things inside our institutions. We need to make sure that the money goes to the right place.

I'm not against flattening the region, improving how people are working here in Ottawa or in the region, not at all. However, at very least, we need to improve all of our institutions across the country, for sure.

Pauline Rochefort: Then basically, to some extent, it's about shifting resources from administrative burdens to ensuring that frontline service providers are able to do their jobs. Do you see the plan in any way supporting that direction?

Frédéric Lebeau: We were briefed by CSC on January 26, and we still need to work with CSC to flatten those angles, because we don't know what the outcome will be and how it will be managed. It's important to know how CSC will land on certain files.

Pauline Rochefort: Quickly, I'd like to touch on the workforce adjustments taking place.

Has there been any specific support mentioned to help your members navigate this transition?

The Chair: I apologize, but give a very brief answer, please.

Pauline Rochefort: Oh my gosh, that went by too fast.

Frédéric Lebeau: It went fast, yes.

No, there wasn't much. As I mentioned to Mr. Gasparro, we were talking about the EAP, but it was not that much.

The Chair: Madame Gaudreau, go ahead please.

[*Translation*]

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

Let me know when I get worked up. I'll move my microphone back. It's important, because your hearing health is important.

I will now turn to the representatives of the Public Service Alliance of Canada.

What is happening is quite worrisome. Also, you should know that we are also very concerned about the services available to veterans. We're obviously going to try to get to the bottom of this.

The CBSA sent out 447 letters telling people to watch out, that the door is wide open and that anyone who wants to negotiate their exit can do so, maybe not like the president and CEO of Air Canada.

Perhaps there will be a lack of knowledge and skills at some point, and former employees will be brought back as contract employees.

Could that happen?

• (1715)

[*English*]

Sharon DeSousa: I think that anything is possible. What we can tell you is what we've seen many times. When services are cut and the need is still there, the government does one of two things: It contracts out or it starts hiring up again. We've seen this with the compensation advisers when they decided to launch Phoenix.

By the way, Phoenix was an IBM creation. What ended up happening? It was failing and they tried to hire everyone up, but people had left to go to other jobs, so they looked at other band-aid solutions.

I just want to bring your attention to something else. IBM received another contract. In fact, that contract was to assist with old age security and Cúram, if you've ever heard of that. Eighty-five thousand seniors did not get paid accurately or on time. You would think that after Phoenix, we would have learned our lesson on contracting out. Well, guess what. To rub salt in the wound, can you imagine people who have lost their spouse receiving cheques for their deceased spouse?

Let's talk about what happens when you don't get properly paid on time. That means you're dependent on that cheque and you have to look at an alternative source of income. What does that mean? It means going to food banks. The emotional turmoil we see from the impact of contracting out is unbelievable. Who, at the end of the day, is responsible?

That's the problem with all these cuts, the use of AI and the implementation of contracting out this work. It just ends up costing the government more money. Phoenix is \$5 billion. We're doing this analysis right now, but let's talk about three, five, eight and 10 years. What is this going to cost us? Cost savings doesn't work in this manner.

When we're looking at all of this, I just want to point out that it's the most vulnerable in our society who get hit the hardest. It seems like the government priorities shift, change and become something else, and they are forgotten.

[Translation]

Marie-Hélène Gaudreau: Thank you for providing us with that information.

In my riding of Laurentides—Labelle, in Quebec, when someone overstates by a few million dollars, in a recent scandal that shall go unnamed, it becomes an issue. Here, the amounts are five, 10 or 15 times higher. It's billions of dollars. We hear that it's part of the culture. Oh, come on. Is anyone going to wake up at some point? We're talking about \$130 million for correctional services, for officers. We're told that cuts are being made because we have priorities. Oh, come on. When will we take the bull by the horns and grow a backbone to make real decisions? There will be more scandals.

I hate to say things like that. Often when I say things, they happen. There was an earthquake today. I talked about it, and then it happened. I don't want that to happen, okay?

Are we going to wait until there is a murder, an incident or an escape? I'm telling you, and so are they. It's coming. There are around 10 institutions that are obsolete and antiquated. Let's wake up.

Thank you.

[English]

The Chair: Thank you, Madame Gaudreau.

It's Mrs. Jansen, and then we'll go to Ms. Khalid.

Tamara Jansen: Thank you.

I'm going to direct my questions to Mr. MacKinnon.

Last summer, I had the opportunity to visit the Matsqui penitentiary with my colleague Mr. Caputo. It became very clear that there was a problem there. They've already had multiple incidents of contraband being literally thrown over the fence. It wasn't smuggled in some sophisticated way. They just tossed it over like it was a backyard. We're talking about packages landing inside the perimeter containing drugs, cellphones and even weapons. It got so bad that they had to build a second fence to try to stop it. You would have to throw it harder to get it into the yard. A second fence was their solution. From what the officers are saying, it's not exactly Fort Knox. People are still finding ways around it because fences don't stop the problem. People do. Dog units do. Patrols do. Experienced correctional officers do.

What's the government's big idea with this cutting? Are they going to cut searches? Are they going to reduce patrols and the very things that catch this stuff before it spreads through the institution?

Here's the part that should concern every Canadian: When this contraband gets inside, it doesn't just sit there. It fuels violence. It creates debt. It drives intimidation. The people standing in the middle of that storm are correctional officers. These men and women are already dealing with some of the highest PTSD rates in the country, and now we're making their job harder.

If they already can't stop drugs and weapons from getting over the fence, what exactly is the plan when they start removing the people responsible for catching this stuff once it's in?

• (1720)

Daniel MacKinnon: I think CSC wants to rely on technology. They want to rely on drone detection. They want to rely on perimeter security. We're finding that the inmates are catching up with the technology faster than we can implement it. Therefore, it's becoming obsolete.

Of course, the solution to that, for us, is boots on the ground. You talked about drug-detecting dogs. Their footprint in the institution is being reduced, as well as mobile patrols outside the institution. Inmates are reverting to the throw-over method again, which went away for a little while with the introduction of drones. Now we're getting it in both drones and throw-overs. We need the staff and the correctional officers on the ground to intervene in those instances.

Tamara Jansen: When we visited, employee morale was at a maximum low. We heard that when they finally have downtime, they go online to look for another job.

Admin is putting policies in place that put their lives at risk. I remember that one of the places we went to allowed a mixed-range lunch so everybody could socialize. They said that this, immensely, put much more risk on the officers. I was honestly really shocked by the wilful blindness of admin putting lives at risk like this. I feel like this is just another one of those things.

Can you please let me know if this is the same thing?

Daniel MacKinnon: I think you're talking about the reintroduction of the meal line for inmates. Of course, allowing large gatherings like that—which haven't happened for many years—increases the risk to officers. When you bring, sometimes, hundreds of inmates into gatherings like that, it increases the risk of incidents. It allows for the passing of contraband. Overall, the risk to correctional officers rises.

Tamara Jansen: Yes, they were very clear. They said that it distracts them because they have too many people to watch. Someone can distract them over here while someone else attacks another over there.

They wilfully continued that practice—I don't know where it's at now. I was shocked to see admin ignoring it and shocked to see the low morale of the staff. Having less staff, I would imagine, makes it even worse.

Daniel MacKinnon: For us, morale is a big issue. We talk about accountability within the walls of the institution for the inmates who live there. When they're not being held to account, it's very easy for morale to drop among correctional officers because they don't feel supported by the management group. They feel they're working against the grain.

Tamara Jansen: That is absolutely what we heard. Thank you.

The Chair: Thanks.

We'll go to Ms. Khalid and then to Mr. Boulерice.

Iqra Khalid: Thank you, Chair.

Just quickly, before I get into it, Ms. DeSousa, in your remarks just now, you talked about some 440 letters of termination that had been sent to frontline officers. Can you please help us understand? My understanding from Public Safety and from TBS is that this is not accurate and that no frontline officer has received any such letter.

• (1725)

Sharon DeSousa: Thank you. I can tell you that in terms of 447 letters, there is a mix of different occupations, and I can tell you that there are border services officers who did in fact receive letters, because I received them personally. They're required by law, by our collective agreement, to give us notice.

Iqra Khalid: Thank you. I appreciate that.

There is a difference here between who is a frontline officer and who is admin staff, regardless of the department that they are working in. Is that correct?

Sharon DeSousa: That is correct.

Iqra Khalid: Thank you.

In your opening remarks, you talked about public servants receiving letters, and I'm just wanting to be correct. The way that I understood it, you implied that these letters were terminating their employment. My understanding is that they were given options. I just want to go over the options so that Canadians can understand exactly what public servants were provided with.

Option A is that the employee remains employed and continues to be paid while receiving priority consideration for available jobs for up to 12 months. Option B is a transition support measure where the employee leaves the public service and receives a lump sum payment based on their years of service. Option C, part one, is an education allowance with a transition support measure where the employee leaves the public service but receives financial support to pursue educational studies. Option C, part two, is education leave without pay, where the employee receives financial support and an education allowance for tuition and can take up to two years of leave without pay. At the end of that leave period, the employee is laid off but receives priority consideration for available jobs for up to 12 months.

Can you confirm whether this framework was something that the government imposed on its own, or was it actually negotiated between government officials and bargaining agents?

Sharon DeSousa: What you've read out is further in the work-force adjustment process. We're at the beginning right now, where the notifications have been sent out. The process is outlined in our collective agreements that have been negotiated.

Iqra Khalid: I understand that. I'm just trying to understand how these options were compiled and put together in the first place. I'm wondering if bargaining agencies had any say in this, or did the government just come up with it on its own?

Sharon DeSousa: I'm going to do a little bit of a history—God help us all. Under the Chrétien government, when we got hit the hardest, this is something we actually negotiated in our collective agreements, because the process in which people were terminated wasn't fair or transparent. For us, it was important to actually negotiate something that was clear, so this actual article in our collective agreement has evolved over very many years.

Iqra Khalid: It is something that was put together between all the different parties involved. It's not just something that the government has come up with on its own. Thank you for that.

I'm going to move really quickly. I understand I'm really short on time. You had mentioned about CPP, OAS and EI and all of that. They're all supported by statutory funding, which means that the benefits will always be paid. They will be paid out. These are services that Canadians who have worked, contributed to their communities and contributed to Canada really rely on, and our government, I hope, is prioritizing and protecting these services.

It's my understanding that the public servants who process these claims will not be impacted by any of the cuts, as the operating funds for administering these programs are also statutory.

Are you aware of how many public servants work to administer these vital benefits? As Canadians continue to age, I can assume that we'll need more and more of these individuals working in these programs, so I would assume that we are likely to have that increase.

The Chair: You have 20 seconds.

Sharon DeSousa: Twenty seconds...? Oh, boy.

The short answer is, first of all, that old age security is funded through the Canada Revenue Agency, and if you cut the people at the Canada Revenue Agency who bring the money into the government, that means there's less funding.

The people who actually work at ESDC.... Currently, there are 1,793 notices plus 800 terms that were not renewed. That means slower benefits. I can also tell you, having been a Canada pension plan benefit officer—that was my actual work—without a doubt that when you introduce new technologies there are problems. That's one of the issues that you have. There's no guarantee, as the people who received the old age security found out—85,000 of them. There's no guaranteed employment. It's based on the funding to the department, and the department decides.

• (1730)

Iqra Khalid: Thank you for that.

The Chair: Thanks.

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

[*Translation*]

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

Thank you to the representatives who are with us today. They bring perspectives that are really important, not only for their members, but also for Canadians.

We're in a bit of an unusual situation. We have a Liberal government that, seriously, refuses to take on the web giants that are not paying their share and refuses to take on the billionaires and the super-rich who are not paying their share. This government is spending really recklessly on the military. It's an all-you-can-eat buffet, and meanwhile, 40,000 public service jobs are going to disappear along with services provided to Quebeckers and Canadians. We have a Liberal government that wants us to believe that abolishing 40,000 public service jobs has no impact on the services provided to the public.

Ms. DeSousa, I'd like you to give us a few examples of what people can expect as a result of the significant 15% budget cuts made virtually everywhere.

[English]

Sharon DeSousa: What you're going to experience...and we've seen this before. This is our history. We know, without a doubt, that when you have those kinds of cuts it means slower wait times. You will not get the services you need and there will be people falling through the cracks: veterans, seniors, those who are the most vulnerable, those who are looking for employment insurance or passports. There is going to be a halting of service that will take months and months to get back on track, which means that the government will have to spend more money or contract that work out. We know that every time they contract the work out, it, in fact, costs the government more money because they then have to hire federal public sector workers or use existing workers to clean up the mess.

[Translation]

Alexandre Boulerice: What I understand is that even the prospects or hopes for saving public money will inevitably be mostly cancelled out by the need to pay consultants or subcontractors.

I am the member for Rosemont—Lafontaine-Patrie, a riding that receives a lot of immigration applications. Immigration, Refugees and Citizenship Canada, or IRCC, is racking up completely unreasonable delays. That leaves entire families in limbo. It causes a lot of angst. The department is not getting back to them.

What do you think abolishing hundreds, if not thousands, of jobs will mean in the lives of people who are waiting for updates on their cases?

[English]

Sharon DeSousa: Right now I can tell you that the wait time is going to get larger. There's nothing we can do. The cuts to IRCC have been unbelievable, and the wait times have now increased. There are 1,231 notifications, and they're increasing. Here we are. We know the wait times are there, and there's not much we're going to do.

If you look at the training it takes to actually get someone fully trained, we're talking about a year or two. The question is, can those in Canada wait a year or two?

[Translation]

Alexandre Boulerice: It's easy to say that public service positions will be eliminated. It looks good in the media. Since no one really knows what these people do, it always feels like there will be no consequences. I want very specific information.

Representatives of the Professional Institute of the Public Service of Canada, or PIPSC, came to talk to us about this a few weeks ago.

I don't want to scare people, but what effects can job cuts at the Canadian Food Inspection Agency have on public health and safety?

[English]

Sharon DeSousa: After the last round of cuts under Harper, we have not seen an increase to the number of inspectors. This agency is flailing right now. There are not enough people to do the work. If we cut 20% off the top, I can tell you it puts Canada's food security at risk. The government does not work in isolation via department. It works as a whole. It works as a safety net to hold Canadians safe. One little piece is going to impact other pieces.

PSAC has over 8,000 members at Correctional Service Canada. What you don't know is that there are teachers as well as some who are community employment coordinators, who find jobs for these inmates. What happens? People get incarcerated. They look to get their education. Many of them are illiterate. If you cut the educators, what chance do they have in terms of finding employment outside? If you cut those who actually get them employment, guess what: Without a good job, it's a proven fact that they are incarcerated again.

We're talking about the safety of the officers, but we're also talking about how these cuts are going to impact the actual cycle. You are going to be continuously spending, and that makes no sense.

● (1735)

The Chair: Before you all go, thank you for being with us.

Mr. MacKinnon, I want to ask you a question.

The Edmonton Institution for Women used to be in my riding. There's been a slight border change and now it's right on the border of my riding. If you've ever been there, it's medium, minimum and maximum security all in one. The fences are basically chain-link, backing onto parking lots and car dealerships, so we have an issue where criminals just walk over and push the drugs through the fence or throw them over. There's also the issue of drones.

What was the justification for reducing the foot patrols outside or the canine sniffer units? I'm trying to wrap my head around it. I realize there have to be some changes, and there is only a finite amount of resources, but what was the justification for that? I'm thinking, selfishly, about the institution that's in Edmonton.

Frédéric Lebeau: You're right. You're talking about the Edmonton Institution for Women. It's a neighbourhood. It's near a dealership. We had so many incidents at that place. People were going there and trying to introduce contraband.

Reducing the dog handler portion and reducing the mobile patrols will put the institution more at risk. When you have an institution surrounded by a community, it creates a huge challenge for correctional officers. You're creating more criminality around them.

The Chair: Thank you again for being with us.

Colleagues, this Thursday we run into witness issues with cancellations. Our good clerk has slotted in the procurement ombudsman. I figure we can go over his most recent report on indigenous procurement .

On the 30th, as part of the main estimates, we've invited the PCO and Transportation Safety Board.

On May 5, one hour will be with the President of the Treasury Board and the second hour will be with Minister Lightbound. Be-

cause they're both appearing in that time, the next meeting after that we'll have the second hour for the officials of each department.

The 28th will be the date of the economic update. I would ask that you all canvass your parties as to whether we will be meeting on that date. Get back to me and, unless it's unanimous, we'll slot in a meeting. If it's unanimous to pass it, then we won't meet that day because of the economic update.

Iqra Khalid: My understanding is that TBS is the second hour and PSPC is the first hour.

The Chair: I'm just going by what I'm reading as the first name there, but yes. They're both appearing at the same time, so we won't have time with the officials. That would be the next meeting.

Everyone, thank you very much. I appreciate your patience.

Witnesses, again, thank you very much for being with us today. It was a very good, informative meeting.

We are adjourned.

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