



House of Commons
CANADA

Standing Committee on Government Operations and Estimates

OGGO • NUMBER 005 • 2nd SESSION • 39th PARLIAMENT

EVIDENCE

Wednesday, November 28, 2007

—
Chair

The Honourable Diane Marleau

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

Standing Committee on Government Operations and Estimates

Wednesday, November 28, 2007

● (1540)

[English]

The Chair (Hon. Diane Marleau (Sudbury, Lib.)): I'm going to call the meeting to order.

I'm going to turn to Mr. Kramp, who has a motion that was received within the necessary timeframe. I believe we should discuss this before Mr. Wouters gets here.

Mr. Kramp.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thank you.

Colleagues on the committee, I won't read the entire motion. I think you have it front of you there. The purpose of this was to simply clarify what I thought we had discussed at committee here about calling a deputation to hear the issue about the internal turnover problem in the public service.

When we ended up at the committee of the whole I thought our discussion was fairly broad and inclusive with regard to the number of different groups we needed or wanted to hear from. Yet we obviously see on our schedule that the only thing we have, period, is from PSAC, and I don't think that was the original intent. We definitely want to hear from PSAC, but there were other groups, as included and stated in the motion here, that we felt it was important to also hear from so we would have a well-rounded group to represent the issue from all sides and all perspectives.

That is the intent of the motion. The timing, as is suggested there, is simply an option put forward for consideration based on the approval and the direction of the committee as a whole here.

The Chair: Mr. Holland.

Mr. Mark Holland (Ajax—Pickering, Lib.): Thank you, Mrs. Chair.

I don't have a problem with the motion at all.

The only concern I would have is with respect to timing. I know the motion states December 5 and 10. It was my understanding it was December 3 and 5 that was to be set aside for this particular matter. I think we were to begin the federal employee compensation delivery system on December 10.

The Chair: We already have those dates booked.

Mr. Mark Holland: It's not a problem at all, and maybe we should just stay with what we had, in terms of December 3 and 5.

The Chair: No, I would prefer if you removed the dates and let us work with what we have now.

Mr. Mark Holland: I'd be fine with that.

Mr. Daryl Kramp: I'm amenable to that amendment.

The Chair: As the chair, I can't move an amendment, but I'm making a suggestion here.

Mr. Mark Holland: Why don't we just consider it a friendly amendment and remove that?

Mr. Daryl Kramp: I'd consider it a friendly amendment to basically put in some form of suggested date. But I would like to be able to keep the issue, so that it's not one group one week and then the same issue three weeks later. Let's try to keep it collected so we can have it compressed and have a discussion that's pertinent to the same witnesses.

The Chair: Could you be clearer in terms of that part of the motion?

Mr. Daryl Kramp: Might I just offer an amendment at the bottom, that be it further resolved that these witnesses are called before the Standing Committee on Government Operations and Estimates at a date designated by the clerk.

I think the clerk well recognizes the intent of the purpose and how we need to move this.

● (1545)

The Chair: Madam Bourgeois.

[Translation]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Madam Chair, I'm in favour of the motion. However, there is one element that I would like to see deleted.

Mr. Kramp, you say that the Public Service Alliance should not be the only group invited to give its opinion on this question. In the fourth paragraph, you state the following concerning that group:

[...] it is radically insufficient in its ability to provide breadth of understanding and information needed [...]

I find that comment somewhat shocking with regard to the Alliance. That is why I would ask you to delete it.

[English]

The Chair: Is it a friendly amendment?

Mr. Daryl Kramp: To remove "radically"—it's not a problem.

[Translation]

Ms. Diane Bourgeois: I asked that the following words be deleted:

[...] it is radically insufficient in its ability to provide breadth of understanding and information needed [...]

He doesn't say this kind of thing about the other witnesses to be invited.

[English]

The Chair: Is it agreed?

Mr. Daryl Kramp: I'll delete the one word. I'm not going to take all of it out. It just takes away from the intent of the reason for calling other witnesses.

[Translation]

The Chair: He is prepared to delete the word "radically", but that's all.

Do you agree on the motion as amended? It is Mr. Kramp who amended it. In view of the fact that it is his motion, he is entitled to do so.

[English]

All those in favour of this motion as amended by Mr. Kramp?

(Motion as amended agreed to)

The Chair: Thank you very much, members of the committee.

We now have our guests, all of them, including Mr. Wouters. Welcome, Mr. Wouters, Mr. Burton, and I believe Mr. Moloney, whom we've met before, and Madam Sylvestre, whom we met earlier this week, and Ms. Gillis, whom I don't know—I don't think I've met—nor the other gentlemen, Mr. Smith.

Welcome to the committee. I believe you have a statement. You know the way around committees, so I'll give you the chance to speak. You have about seven to ten minutes, no more.

Mr. Wayne Wouters (Secretary, Treasury Board Secretariat): Thank you. Merci, Madam.

My apologies for being late. I'm chair of the United Way/Centraide Ottawa this year, and I was at an event where 250 kids from grades one to eight managed to collect \$23,000 in their campaign, so I had to be there. I thought I would be easily back, but those programs go on forever, as many of you know. So I apologize for being late.

The Chair: Mr. Wouters, you're dealing with politicians. We're always in that position, so you're doing very well.

Mr. Wayne Wouters: That's what I thought on my way, that you've been in many of those schools yourselves.

Thank you for your invitation to appear before your committee on the Treasury Board portfolio partners supplementary estimates (A).

[Translation]

I am pleased to have with me today Rick Burton and Ginette Sylvestre. Rick is Vice-President of the Human Resource Management Modernization Branch at the Canada Public Service Agency.

[English]

You all know David Moloney, assistant secretary, expenditure management sector. I also have with me today Alister Smith, who is assistant secretary, corporate priorities and planning, and Kelly Gillis, who is the executive director of corporate services for Finance and the Treasury Board Secretariat.

The Treasury Board portfolio partners presented today, which have requests in the supplementary estimates, are as follows. It's for the Treasury Board Secretariat, the Office of the Public Sector Integrity Commissioner, and the Canada Public Service Agency, which is listed in the estimates as the Public Service Human Resource Management Agency of Canada.

The Treasury Board Secretariat's estimates reflect its responsibilities for ensuring that the government is well managed and accountable and that resources are allocated to achieve results.

[Translation]

As the "management board" of government, TBS is strengthening governance, accountability and management practices through a number of management initiatives.

● (1550)

[English]

These include the implementation of the Federal Accountability Act and action plan, and the refinement of the management accountability framework, which is a tool for assessing departments' management capacities and performance.

As the budget office, the Treasury Board Secretariat is strengthening results-based expenditure management. To this end, the government has launched a new expenditure management system that will dramatically change the way government manages taxpayers' dollars and support: management for results, decision-making for results, and reporting for results.

The key objective of the new expenditure management system is to ensure that parliamentarians, ministers, and their departments have the information they need to make sound decisions on the use of government funds.

The Office of the Public Sector Integrity Commissioner is responsible for providing a means and mechanism for public servants to make disclosures concerning potential wrongdoing in their workplace and to be protected from reprisal for making such disclosures.

The Office of the Registrar of Lobbyists has responsibility for establishing and maintaining registry under the Lobbyists Registration Act, which includes the information on registered lobbyists and their activities that are required under the act. The registrar has assumed the former roles of the ethics counsellor under the act, including responsibility for the development of the Lobbyists Code of Conduct and for overseeing compliance with the code of conduct.

[Translation]

The Canada Public Service Agency is responsible for modernizing and fostering continuing excellence in people management and leadership across the public service.

[English]

The Government of Canada and the President of the Treasury Board made key commitments to Canadians through Budget 2007 and through the Treasury Board portfolio's reports on plans and priorities.

Funding sought through these supplementary estimates (A) supports these commitments. The 2007-08 supplementary estimates (A) that have been tabled in the House request the approval of \$1.685 billion for the Treasury Board Secretariat, \$7.9 million for the Office of the Public Sector Integrity Commissioner, \$1.2 million for the Office of the Registrar of Lobbyists, and \$23.1 million for the Canada Public Service Agency.

The combined total of this request is \$1.72 billion, the bulk of which results from the creation of two new central votes that support expenditure management renewal efforts: one for the operating carry forward, an amount of \$1.2 billion, and another for payroll requirements, an amount of \$500 million.

The first of these votes provides a single transparent request on behalf of the departments and agencies with operating budget carry forward requirements. These were previously requested by each individual department through their supplementary estimates.

The second is designed to transfer funding to departments for payroll requirements that were formerly funded via Treasury Board vote 5.

I want to emphasize that the creation of these two new votes will not lead to increased spending within the government. Instead, it will allow for the removal in future years of approximately \$1.7 billion from the supplementary estimates approval process, and these amounts will instead be built into the main estimates via the new central votes. As such, this initiative is fiscally neutral.

Moreover, it supports good management, value for money, and more transparent reporting to Parliament. It will significantly reduce the size of supplementary estimates, something parliamentarians have asked the government to address in the past.

Another major change to TBS authorities includes a net decrease of \$232.8 million to Treasury Board vote 2, contributions. This is a result of the transfer of the Toronto waterfront revitalization initiative to Environment Canada.

In order to fulfill our mandate and responsibilities as the employer, we are seeking an increase of \$185.5 million to Treasury Board vote 15, compensation adjustments, for flow-through funding to departments and agencies for increased personnel costs resulting from new collective agreements.

A net increase of \$20.7 million to Treasury Board vote 10, government-wide initiatives, is also being sought. This is for funding to be transferred to departments and agencies for the implementation of requirements of the new internal audit policy. Strengthening the audit practices and capacity across government is vital to improving new management oversight, a key commitment in our RPP.

Finally, a net increase of \$12 million to Treasury Board vote 1, operating expenditures, is being sought for new Treasury Board Secretariat initiatives and operations. This includes \$4.7 million for the implementation of the Federal Accountability Act and action plan and \$2.8 million for the implementation of the Public Service Modernization Act, as well as a few other key initiatives.

These initiatives are crucial to improving the effectiveness of government, as well as enhancing Canadians' trust and confidence in government, another key commitment set out in our RPP.

Madam Chair, these are the key changes to Treasury Board Secretariat authorities in support of our RPP commitments. My colleagues and I now would be prepared to address any questions you may have on these estimates.

Thank you, Madam Chair. Merci.

•(1555)

The Chair: Thank you.

Mr. Burton, did you have a few words?

Mr. Rick Burton (Vice-President, Human Resource Management Modernization Branch, Canada Public Service Agency): I do, in fact.

The Chair: Are they few, few, few?

Mr. Rick Burton: Would you like me to go ahead now?

The Chair: You know, we're just at the first part of the meeting; then we have other guests coming afterwards. We've got the Privy Council Office following, and the Public Service Labour Relations Board at 4:30 or 4:45.

Mr. Rick Burton: Okay. I will be brief.

Good afternoon, and thank you, Madam Chair.

I'm pleased to appear before your committee today to discuss the 2007-08 supplementary estimates for the Canada Public Service Agency.

As mentioned earlier, I'm accompanied by Ginette Sylvestre, our senior financial officer at the agency.

[Translation]

As you know, the Canada Public Service Agency is a relatively young human resource organization. It was established in 2003.

[English]

As one of the strategic arms of the Treasury Board, as Wayne Wouters mentioned, our mandate is to support the renewal of leadership and excellence in people management in the public service, the key priority of the Clerk of the Privy Council. We are involved in rejuvenating many of the essential building blocks of HR management, including values and ethics, official languages, employment equity, HR planning, and job classification, and we work very closely with our colleagues in the Treasury Board Secretariat who have other key important elements of HR management. We also work very closely with the Canada School of Public Service as well as the Public Service Commission.

The agency's main estimates for 2007-08 total \$69.1 million. The planned spending did not reflect the then unapproved \$23.1 million in supplementary estimates. With these additions, the agency's total authorities for 2007-08 would be \$92.2 million.

In the supplementary estimates we're asking for additional funding to continue the implementation of two pieces of legislation that are critical to the functioning of the public service, the first being the Public Service Modernization Act and the second being the Public Servants Disclosure Protection Act.

For the Public Service Modernization Act, we are seeking \$17.384 million to continue the delivery of programs for our agency to fulfill the legislative obligations under the act and \$2.82 million for related activities that are essential to its continued implementation.

I'd like to take a moment to briefly explain the Public Service Modernization Act and why it is such a key piece of HR legislation.

The public service HR system had become outdated and cumbersome. In addition, it was inefficient and did not allow us to respond quickly to an increasingly competitive labour market, as well as growing public expectations for service excellence.

[Translation]

These are some of the drivers requiring the public service to rethink how it recruits, develops, manages and retains its employees.

[English]

These are the reasons that gave birth to the Public Service Modernization Act in 2003, and these reasons still apply to a great extent today.

The Public Service Modernization Act represents the single biggest changed public service human resource management in more than 35 years. The act was designed to modernize staffing, to promote more collaborative labour management relations, to focus on learning and training for employees at all levels, and to clarify and strengthen the roles and accountability of managers.

The act is comprised of four individual acts, key among them being the new Public Service Employment Act and the Public Service Labour Relations Act.

The act provides the legislative framework to modernize our HR policies and processes. In effect, it is the foundation and the enabler of renewal. It's the cornerstone of our larger and ongoing strategy to equip the public service to serve the changing needs of Canadians with excellence.

Implementation of the act requires a shift in public service culture, from rules-based to values-based. While no one expected the Public Service Modernization Act to receive such a major cultural shift in the year and a half since it has come into force, we need to bring this new infrastructure to maturity and to take full advantage of the benefits of the act. We are continuing to work to ensure that managers and HR professionals are well equipped with the tools and advice they need to hire the right people at the right time.

We know we're on the right track. We're receiving recognition for our efforts. In fact, at a government technology conference here in Ottawa in October, an international event, the agency's work in re-

engineering HR infrastructure was praised. Only this fall, agency officials, in concert with the Public Service Commission, have organized some very successful workshops across Canada to increase understanding of the shifting roles and responsibility of managers and HR professionals, as well as the flexibilities embedded in the new Public Service Employment Act.

The other area in which we are asking for supplementary funding of \$2.898 million is to support the implementation of the Public Servants Disclosure Protection Act. The purpose of this act is to encourage employees in the public sector to come forward if they have reasons to believe that serious wrongdoing has taken place and to provide protection to them against reprisal when they do so. It also provides a fair and objective process for those against whom allegations are made.

Implementation of the Public Servants Disclosure Protection Act will help to enhance a sustained and supported ethical culture in the public service and increase public trust in our organizations.

• (1600)

The Chair: We had a presentation already on that.

[Translation]

Mr. Rick Burton: The additional funding we're seeking will support communication with public servants concerning their rights under this act and the way to exercise those rights.

[English]

That concludes my opening remarks.

The Chair: Thank you very much.

Mr. Holland.

Mr. Mark Holland: Thank you, Mrs. Chair, and thank you to the witnesses for appearing today.

You may not be able to answer all of these questions, but if you can't answer them, perhaps you can forward the information to committee or to me.

The first item I wanted to pursue contained within the supplementary estimates was a line item for funding for the sale and leaseback of office complexes and land. Now, obviously this is supposed to be a money-maker for the government. Contained within those estimates is an additional provision of \$32,351,000. I'm wondering what is the reason for that. What's the logic of it?

Do you have any information on that?

Mr. Wayne Wouters: I don't know what the specific line item is, whether that is to ours or Public Works.

Oh, it's not to ours, so that is Public Works. I don't have the details on what the requirement is for Public Works and Government Services Canada for that.

Mr. Mark Holland: Okay. Again, some of these you may not be able to provide, but if you could get back to me or forward it to the department to get back to me, I'd appreciate it.

The second is also within the supplementary estimates, an amount for government-wide advertising. That isn't broken down, and I'm wondering if we could get a breakdown of that, particularly for Defence, CIDA, HRSD, Environment, and Finance.

Mr. Wayne Wouters: I believe the Privy Council Office will be here at 4:30. They have overall responsibility for that, so perhaps, Madam Chair, the honourable member may want to raise that question with our PCO colleagues.

Mr. Mark Holland: Okay.

Another is public opinion and polling, that figure. I didn't see the total amount for public opinion and polling, as well as what percentage would be sole-sourced contracts.

Mr. Wayne Wouters: Again, I believe the Privy Council Office would have that information.

Mr. Mark Holland: The question also is whether or not an MOU has been signed between the Government of Canada and the provinces with respect to the \$1.5 billion eco-trust. If that has been signed, how much has actually flowed to the provinces at this point?

Mr. Wayne Wouters: Again, I apologize, but that would not be part of our responsibilities. I believe the Ministry of Transport would have that information.

• (1605)

Mr. Mark Holland: As I say, these are questions I have with the supplementary estimates. I appreciate that you don't have them, but I'm trying to seek them. Perhaps you could pass them along.

Mr. Wayne Wouters: Yes. If you want, we can pass all this information on to the relevant departments and they can follow up and ensure the information is provided to you.

Mr. Mark Holland: Okay. Thank you.

The Chair: Mr. Silva, do you have any questions? He hasn't taken up all of his time. You have about five minutes.

Mr. Mario Silva (Davenport, Lib.): Great. Thank you, Madam Chair.

I want to also thank the witnesses for coming forward and making their presentation.

I've gone through the estimates, and I must say, it wasn't easy to go through them all. I had a series of issues concerning them, but I will restrict myself just to basic issues of Treasury Board. I realize that different critics in different committees will be dealing with different parts of the estimates, so I'll leave those up to them.

But on the issue of Treasury Board, on page 89 of the supplementary estimates there is funding, I think over \$3 million, for a centre of regulatory expertise within the Treasury Board Secretariat. Part of this centre is supposed to ensure compliance with the commitments and directions set out in, I presume, the implementation of cabinet directives.

I just want to know a little about the history of this centre and what it's supposed to do. I'm also a little confused about this explanation, because it talks about ensuring compliance with the commitments and directions set out in the directives. I thought that was always the role of the Treasury Board, so why do we need a centre to comply with directives when it was always the role of the Treasury Board to comply with the directives?

Mr. Wayne Wouters: I'm going to ask Michael Presley, who is with our regulatory affairs group, to respond to your questions.

Mr. Michael Presley (Executive Director, Regulatory Affairs, Treasury Board Secretariat): Thank you for the question.

In Budget 2007 the government announced three fairly significant regulatory reform initiatives. One was a major project review office led by Natural Resources Canada.

A second was a paper reduction exercise led by the Department of Industry.

A third was a more comprehensive approach. It wasn't sector specific or short term; it was a cabinet directive on streamlining regulations. It called for some changes from the previous regulatory approach, specifically a more streamlined approach that would be much more sensitive in terms of the business impact; it would be more specific, quantified, monetized in terms of the benefits and costs of the regulations, and at the same time it would ensure protection with respect to public good on environment, safety, and health. It was a very specific and demanding cabinet directive with respect to regulatory reform.

This centre, which in this current year constitutes about \$750,000 of that figure you quoted, has been established essentially to provide experts to departments to help them with complying with the benefit-cost analysis for requirements, for example, to do better performance measurement or develop service standards for those that are being regulated or applying for permits or approvals.

This kind of expertise is often hard to find. So rather than replicating that talent base in 30 different departments, it made more sense to establish a central centre of expertise that could provide that kind of information.

The balance of the resources you refer to are in our department to strengthen our challenge function, but also to enable us to provide guides, more assistance. It is also to develop some curriculum for training within the Canada School of Public Service to aid regulators in complying with the requirements of the directive.

Mr. Mario Silva: Would this expertise be 100% in-house, or would they be consultants?

Mr. Michael Presley: It's a combination of both. By the time we're fully staffed up with this organization, we'll probably have about four or five full-time indeterminate staff. They would be available, as experts, to provide that kind of analysis to departments. We also augment it with dollars on a cost-shared basis so that consultants can be hired. We can't assume that four or five people will corner the market in terms of all the expertise needed for the vast array of benefit-cost analyses that might need to be done across all these different departments.

Mr. Mario Silva: Let me try to understand this. Out of \$3.4 million, you're saying that half of that money is going to go to consultants?

Mr. Michael Presley: The amount that will be flowing to the regulatory force sector is \$2.4 million. Within that \$2.4 million, about \$750,000 will be spent on that centre this year. The balance will be to develop guides and develop more assistance in terms of benefit-cost analysis, international trade cooperation, performance measurement, service standards, as well as providing conferences and other events so the regulatory community can learn more about this, along with developing curricula at the School of Public Service for each of those courses. It's that kind of enabling role that those investments are organized around.

•(1610)

The Chair: Thank you very much.

We'll go to Madame Bourgeois.

[Translation]

Ms. Diane Bourgeois: Thank you, Madam Chair.

Good afternoon, ladies and gentlemen.

On page 2 of your remarks, Mr. Wouters, you say that the government has established a new expenditure management system.

The Public Accounts Committee and the Treasury Board Secretariat, I believe, have asked that the accrual accounting method be adopted as the mode of operation.

Could you tell us where you stand on that idea?

Mr. Wayne Wouters: I'm going to ask David to answer.

Mr. David Moloney (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat): Thank you.

The Treasury Board Secretariat is developing models and advice for the president and eventually for Cabinet. As the committee knows, the government has made a commitment to come back to Parliament before the end of this fiscal year with concrete proposals in hand.

The President has invited a certain number of members to dialogue with us, the Secretariat's executives. Those discussions started, then progressed in September and October. I think we'll soon be in a position to provide the President with solid advice. The government intends to be in a position to come back to the committee and Parliament by the end of the year with a concrete proposal in hand.

Ms. Diane Bourgeois: All right. We members of the ad hoc committee that was established had a meeting today at noon. My colleague, Mr. Kramp, attended it as well.

I told my colleagues that the Auditor General of Canada had mentioned that the Treasury Board Secretariat had to be able to take a position on one of the four accounting options so that it could then perhaps come and meet with the committee to see if that suited it.

Who in your department is directing efforts to implement the accrual accounting method? Who could we, as members of an ad hoc committee, invite so that he could tell us how far you've advanced in your efforts?

Mr. David Moloney: This is a shared responsibility between the expenditure management sector—that is myself, as Assistant Secretary—and one of my counterparts at the Office of the Comptroller General, John Morgan. Mr. Morgan and I manage this work. We've already met with that group of members.

Ms. Diane Bourgeois: Have you already established an overall implementation plan, even though you have not decided on the type of accounting? Do you have a plan containing objectives, deadlines, performance indicators? Do you have anything to give us to date?

•(1615)

Mr. David Moloney: It is possible to develop progress indicators. However, concrete results-based indicators are hard to develop. It is difficult to estimate implications in terms of spent or better managed funds.

With the aid of the members, we have more clearly established the strong and weak points, as well as the [Inaudible - Editor] for the departments and parliamentarians. I think we're now in a position to offer the minister serious options so that the government can take a position.

Ms. Diane Bourgeois: As regards accrual-based accounting or a different presentation of financial statements, Pricewaterhouse—I believe that's in your forecasts—mentioned that we needed additional personnel, particularly for external auditing and accountants. We apparently need people who are really trained in this type of accounting.

Have you already begun taking steps to hire highly skilled personnel?

Mr. David Moloney: The Office of the Comptroller General is trying to hire other qualified accountants and is conducting this exercise in order to meet the needs of all the departments. So it has developed an action plan which it is currently following.

Ms. Diane Bourgeois: Do I still have some time? At least I think so.

The Chair: Thank you, madam, but the time allotted to you has expired.

[English]

Are there any questions?

Mr. Albrecht.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): I'd just like to ask a question regarding the Public Service Modernization Act. In your comments—and I don't have them printed, so I may not have them totally correct—you referred to the competitive labour market situation we're in and that you're changing the way of recruiting and retaining staff. Could you elaborate on that a bit in terms of how you're going about that?

Mr. Rick Burton: Yes, I'd be happy to.

There are really two elements. One is faster recruiting and staffing internally, within the public service, so that as departments define their needs and do their long-term planning they have more flexibility to get people into jobs quicker.

Mr. Harold Albrecht: My question is how you deal with this increased competition if you're limited—

Mr. Rick Burton: One of the things we're finding, which we actually have as one element of the public service renewal action plan for this year, is that we need to increase the number of post-secondary recruits from universities by about 900, up to a total of 3,000 this year.

One of the things we're trying to do, and the Public Service Commission is actually working on this, is to figure out how we can make job offers on the spot, because quite often, if you want to be competitive with private sector firms you have to be as agile as they are. Sometimes it's as simple as being there at the right time of the year, not leaving it until the end—after everyone else has come through earlier in the fall, perhaps.

Those are the kinds of things we're working on in terms of practical solutions to attract people.

The other element, and an important one, of the Public Service Modernization Act has to do with the long-term retention of people. That's changing the culture of the workplace so that it doesn't seem stultifying; so that people don't feel that there's not a friendly and healthy environment they can work in, because if you recruit them and they encounter that, within a short period of time, like all of us, they'd be gone.

It's trying to focus on those two aspects in parallel.

● (1620)

Mr. Harold Albrecht: So it's more directed at quality of work and timing of offers than it is to monetary compensation.

Is monetary compensation a huge issue?

Mr. Rick Burton: Monitoring the compensation part is more in the realm of the Treasury Board Secretariat, in terms of competitive rates for this job versus that job, and so on. This is more about how you can facilitate and ease recruitment into the public service, and once you have people there, train them and offer them a career and a work environment that will make them want to stay.

Mr. Harold Albrecht: I think those should be applauded. I just want to get to the heart of it, in terms of whether we are restricted because of compensation—in terms of monetary compensation—or whether we are able to offer a competitive salary, for example, for specialized positions.

Mr. Wayne Wouters: This government actually has approved a new compensation framework, and one of the key principles in that compensation framework is that while we do not necessarily want to lead the market, we need to be competitive with the market. That's normally with those who are entering into the public service; we think we have to be that. Therefore, part of our collective bargaining strategy will reflect that.

The other point Rick has noted is that we did not recruit for many years. Now we all have recruitment targets; we are all very aggressively out there in colleges and universities across the country recruiting—including our organization, the Treasury Board Secretariat: we have a marketer; we're trying to get the message out about why our area is the most interesting area in which to work in government. We're on campus and are going to basically try to recruit and make offers as quickly as we can. It's a whole new world I think for all of us, after years of not recruiting.

Mr. Harold Albrecht: And the response has been positive?

Mr. Wayne Wouters: Yes, we're getting really good responses right across the country.

Mr. Rick Burton: There are some processes where there are 6,000 to 7,000 Canadians applying for single opportunities. It's quite remarkable, the number—

Mr. Harold Albrecht: Are they all qualified for those...?

Mr. Rick Burton: Some would be screened out.

Mr. Wayne Wouters: Some are screened out, but most are very well qualified.

Mr. Harold Albrecht: Could you expand as well, Mr. Burton, on your comment about the collaborative labour management system?

Also, you referred to your changing to a values-based as opposed to a rules-based system. I think a little expansion of that would be helpful as well.

Mr. Rick Burton: Most people don't like working in a situation where you face any number of rules to be able to get your job done, and over time these things build up in response to various perceived or real crises and so on.

The whole idea now is to reduce the number of rules, generally speaking, and that's not just in the human resource area but right across the breadth of the public service, and with the implementation of a values and ethics code and disclosure protection and so on, to create an environment where people understand what their role is and what their job is, know the ethical boundaries in which they operate—you have to focus on training and education and so on—but create a climate where people are less bound by rules and thereby less likely to want to innovate and take risks and do all those things that we know are essential to the functioning of any modern corporation. That is the general approach.

In specific terms, it is mandatory now with the new Public Service Labour Relations Act that deputy ministers have in place an informal conflict management system that isn't just a thing on the wall or a phone number, but is something whereby you start to create a culture in which people feel comfortable in raising issues before they become major irritants or a bother in the workplace.

All of those things together are the direction we're taking.

Mr. Harold Albrecht: Is my time up?

The Chair: You have 40 seconds.

Mr. Harold Albrecht: It sounds, with all of those great initiatives, as though we might not need to fund the tribunal to the tune of \$2 million. You might never need to use it.

The Chair: Thank you, Mr. Albrecht.

Mr. Silva.

• (1625)

Mr. Mario Silva: Thank you, Madam Chair.

I'm always interested in cultural changes, and whether that culture is positive or negative, I'm not going to comment at this very moment.

Transparency and accountability are important words, but we have to also understand what they mean. On page 244, it is not very clear, and I need to get an explanation about the Office of the Registrar of Lobbyists. You have increased, if I understand correctly, its funding by 43%.

Is that going to be an annual increase of 43%? Why is there such a large increase in that office?

Mr. Wayne Wouters: Yes, it will go up by that amount and then stay at that amount; that's the plan. That's part of the overall estimates process, and of course this is for the registrar's office to be able to undertake the new responsibilities under his or her responsibility for lobbying, including the registration by lobbyists and the monthly reporting. It needs to increase its capacity, and particularly the lobbyist registration system needs to be expanded and improved in order to handle all the new provisions. That is what that funding is earmarked for.

Mr. Mario Silva: You are saying that by next year there will be no increase of that magnitude, then.

Mr. Wayne Wouters: I don't have the ongoing budget.

Do you, Alister?

The intent is to have an increase of \$1.2 million, and whatever the current budget is—I don't have that—it would be a one-time increase of \$1.2 million, ongoing.

Mr. Mario Silva: Will this all be in-house staff? There won't be any consultants as well; is that right?

Mr. Wayne Wouters: The intent is for the office to engage new staff to support the new responsibilities.

Mr. Mario Silva: Will it be 100% staffed from within the bureaucracy?

Mr. Wayne Wouters: I can't comment on whether it's going to be 100%. To get this up and running, they may need some outside support, but the long-term objective normally with these agents of Parliament is that they hire their own staff.

Mr. Mario Silva: But it would be a bit of a problem if you hired consultants to work in the Office of the Registrar of Lobbyists, wouldn't it?

Mr. Wayne Wouters: It depends. If they need IT support—and IT expertise is not at all unusual or uncommon—it may be appropriate to help them set up the system.

Mr. Mario Silva: A lot of IT hardware is also sold here on Parliament Hill, isn't it?

Thank you very much.

The Chair: Thank you.

[Translation]

Do you have another question, Ms. Bourgeois?

Ms. Diane Bourgeois: Yes.

The Chair: Then we'll have a short break, and we can move on to other business.

Ms. Diane Bourgeois: I have two questions: one short and another longer one.

First, I'd like to go back to what Mr. Moloney told me earlier, that the Office of the Comptroller General had developed an action plan for hiring human resources as auditors and new accountants. Did I understand correctly?

Mr. David Moloney: It was both.

Ms. Diane Bourgeois: So that means that you have already more or less decided on the type of accounting management you will be using?

Mr. David Moloney: Not exactly. That means that the Office of the Comptroller General is trying to reinforce capabilities within the departments. This reinforced capability could meet existing needs. At the same time, it is clear that, as already mentioned in the report, we will need more sophisticated and greater capabilities in general to manage a system based on accrual accounting.

Ms. Diane Bourgeois: Do you also associate that with what Mr. Wouters told us on page 7 about the Internal Audit Policy?

Mr. David Moloney: That's part of it.

Ms. Diane Bourgeois: Good, all right, but those are two different points in Mr. Wouters' document.

My last question, Mr. Wouters, is a big one. Can you explain to me why you say on the ninth line on page 5:

[...] it will allow for the removal in future years of approximately \$1.7 billion from the Supplementary Estimates approval process.

How will you go about removing \$1.7 billion?

• (1630)

Mr. David Moloney: In principle, that \$1.7 billion will be part of the estimates that are normally before Parliament in March.

The idea is to bring together all these amounts that are normally—now and for a long time now—requested through these Supplementary Estimates. However, our intention is now to request, in a central vote, an amount that will cover the needs of all the departments. This year, for example, 33 departments will have considered it necessary to be involved in this process. However, they are not there because we have this central vote.

The Chair: Please go ahead, madam.

Ms. Diane Bourgeois: It's still my turn?

Tell me, on page 244, under the heading “Vote 35” is a transfer of \$1 million from various departments and agencies to the Treasury Board Secretariat for the National Managers' Community.

Can you tell me what this initiative called the National Managers' Community is? Is this new or additional funding? Who will be using this funding? Who will benefit from it?

[English]

Mr. Wayne Wouters: Go ahead.

[Translation]

Ms. Ginette Sylvestre (Acting Senior Financial Officer, Strategic management and Planning, Canada Public Service Agency): The Managers' Community has been around for a number of years now. It used to be at CIDA. Every department gives funding to it. Now, since it was more consistent with the Agency's mandate, we are going to absorb. So we're asking each department to give us the amount it previously gave CIDA. It's not really a change in expenditures; it's just that now it goes to the Agency instead of CIDA.

Ms. Diane Bourgeois: You'll understand that there is a very big increase in the Agency's operating budget.

Ms. Ginette Sylvestre: Yes.

Ms. Diane Bourgeois: The National Managers' Community, if I understand correctly, is another service that you are asked to provide. Ultimately, what was just hanging around at the Human Resources Agency has been taken and given to you?

Perhaps I'm expressing myself poorly.

Ms. Ginette Sylvestre: No. I'll tell you exactly what they're doing.

Ms. Diane Bourgeois: The National Managers' Community is requesting a transfer of \$1 million. However, your total budget is increased by 33.5%. So does that mean that the National Managers' Community, plus another small group of officials from Human Resources, and another group from another department were transferred to you? Is that what explains the 33.5% increase in your budget?

Ms. Ginette Sylvestre: That million dollars, which already existed, is only for the National Managers' Community. Instead of being paid to CIDA, it will now come under the Agency.

Ms. Diane Bourgeois: So how do you explain the 33.5% increase in spending? It's a lot, isn't it?

Ms. Ginette Sylvestre: In fact, we already had that funding this year, but we're always trying to obtain supplementary funding, precisely for the Public Service Modernization Act, the PSMA, as Mr. Burton mentioned, for implementation of the Management Accountability Framework for the public service.

Ms. Diane Bourgeois: Thank you very much, Madam Chair.

[English]

The Chair: Before we end, there's one point I'd like to ask about.

Mr. Burton mentioned that you have a new compensation framework. Does that mean that if there is a problem in terms of how you compensate certain groups and you're having a hard time recruiting people in those groups, you would be allowed to pay them more than the normal salary would be for that classification?

• (1635)

Mr. Wayne Wouters: Well, again, compensation is more than a salary. When we say "we should not lead, but be comparable to", we look at all aspects of compensation. That is wages and salary, that's pension benefits, health benefits. That's how we compare.

So in some cases we may come out a little bit behind the private sector when it comes to the wages and salaries, but we can rank somewhat better to a lot better in the area of pension. That's how we look at it when we say we want to be comparable. In principle, that's the case.

In the case of trying to engage specialized IT people, we have to look at the market overall in order to be competitive, but we will do it on a total compensation basis.

The Chair: But how do you do that if you have union contracts and pay scales set up already? Are you allowed to vary those pay scales in areas where you're having difficulty recruiting? We know how difficult it is, if not almost impossible, to change classifications.

Mr. Wayne Wouters: There were cases a number of years ago when it was really difficult to hire IT people, our CSs, so as part of that collective bargaining agreement, to recognize the market, we put in place what was called a terminal allowance. In addition to the wage increase or salary increase of that group, we provided an additional amount of compensation. We called it a terminal allowance, which is to say if the market were to change at any point in time, we could negotiate the removal of that terminal allowance. In fact, in the last round of collective bargaining with that group we did agree to phase out that terminal allowance.

So there are different mechanisms like that where in fact we can make those adjustments to address the needs of the public service related to the competitive aspects of the market.

The Chair: Thank you very much.

Thank you for appearing before the committee.

I'd like to take a two-minute break, because we have new guests coming in.

•

_____ (Pause) _____

•

• (1640)

[Translation]

The Chair: We will now resume because we are running a little late.

[English]

We'd like to start right away, because we're a little wee bit behind and we want to make sure we have as much time as possible with both of these groups.

We have before us the Privy Council Office and the Public Service Labour Relations Board.

[Translation]

We will begin by hearing from the Privy Council Office. We're going to let the representatives of both agencies speak for a few minutes, then we will move on to questions. Members may ask whatever questions they wish.

We will begin with the Privy Council Office. Ms. MacPherson, go ahead please.

Mrs. Marilyn MacPherson (Assistant Deputy Minister, Corporate Services, Privy Council Office): Thank you very much. Good afternoon, Madam Chair.

I am pleased to appear before the Standing Committee on Government Operations and Estimates today. I am accompanied by Mr. Yvan Roy, Deputy Secretary to the Cabinet, Legislation and House Planning and Machinery of Government, and Counsel to the Clerk. We are also accompanied by other official representatives who will provide us with support, if necessary.

[English]

PCO's last appearance before the committee was in November 2006 regarding the 2006-07 supplementary estimates, and we understand that we're invited here today to discuss the 2007-08 supplementary estimates.

PCO, as a core institution led by the clerk, has the mandate to support the Prime Minister, the cabinet, and its committees.

Over the next three years, PCO will focus on four key priorities. The first is to continue to support the Prime Minister in exercising his overall leadership responsibility through, for example, advice on the appointment of principal public office-holders and fulfilling the cabinet secretariat role through the challenge and coordination function with respect to policy proposals being brought forward by departments.

The second key priority area is to continue to play a central coordinating role in assisting the Prime Minister in improving the overall management, transparency, and accountability of government. This includes continued support to implement the Federal Accountability Act and its action plan and to support the renewal of the public service.

The third key priority is to provide advice and support on the development and implementation of the government's focused agenda as set out in the Speech from the Throne and identified by the Prime Minister.

The fourth priority is to strengthen our internal management practices, with emphasis on implementing the strategic HR plan and strengthening our emergency management and business continuity planning capacity to ensure the ongoing safety and health of our staff, our information, and our assets.

[Translation]

PCO's Main Estimates for 2007-2008 total \$127 million. Approximately 68% of our resources are spent on providing advice and support to the Prime Minister and Ministers in his portfolio, 22% on providing advice and support to the Cabinet and Cabinet committees and 6% on providing leadership to the public service.

Four percent of 2007-2008 Main Estimates, that is \$5.7 million, is allocated to the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182. Commissions of inquiry are established at the prerogative of the Prime Minister and PCO provides administrative support to those commissions which report to the Prime Minister.

●(1645)

[English]

PCO is providing, or has provided, this administrative support to three commissions of inquiry in 2007-08: the internal inquiry into the actions of Canadian officials in relation to Abdullah Almalki, Ahmad Abou-Elmaati and Muayyed Nereddin; the inquiry into the investigation of the bombing of Air India flight 182; and the inquiry into the actions of Canadian officials in relation to Maher Arar.

PCO supplementary estimates for 2007-08 total \$14.3 million, of which \$14.2 million pertain to the three commissions of inquiry. I will speak briefly about each inquiry.

The internal inquiry into the actions of Canadian officials in relation to Messrs. Almalki, Abou-Elmaati, and Nereddin was launched in December 2006, and the Honourable Frank Iacobucci was appointed commissioner. Our supplementary estimates include \$7.5 million for this inquiry to cover operational costs of the commission, such as salaries, accommodations, travel, furniture and equipment, legal services, and translation. The funding also includes \$700,000 to provide assistance in the form of contribution payments with regard to the cost of legal counsel for certain parties and intervenors appearing before the commission.

The inquiry into the investigation of the bombing of Air India flight 182 was launched last year under Justice John C. Major. Funding requirements in the supplementary estimates for 2007-08 are \$6.3 million to cover the cost of operations, again, salaries, accommodations, travel, etc. The funding also includes \$1.1 million to provide assistance in the form of contribution payments, again with regard to the cost of legal counsel for certain parties and intervenors.

Funding in the amount of \$374,000 is requested in the supplementary estimates for the inquiry into the actions of Canadian officials in relation to Maher Arar. The commissioner, Justice Dennis R. O'Connor, challenged the redaction of certain material in his report. The matter was considered by the Federal Court, and on August 9, 2007, disclosure of some additional information was authorized by the court and an addendum to the report was released. The budget includes some travel, legal services, rental of accommodations, and the production of the addendum report. The budget also includes \$25,000 for contribution funding for Mr. Arar's participation. Although much of this application was in camera, the Federal Court granted Mr. Arar status to participate in portions of the hearings that were held in public. The commission officially wound up on September 28, 2007.

To wrap up, the remaining \$135,000 in supplementary estimates provides funds that were approved under an omnibus TB submission to support the continued implementation of the PSMA, which Treasury Board commented on before us, so I won't get any further into detail on that.

We would be pleased to answer your questions.

The Chair: Thank you.

We will now go to the Public Service Labour Relations Board.

Mr. Bloom, please.

Mr. Casper Bloom (Chairperson, Public Service Labour Relations Board): My name is Casper Bloom. I'm the new president of the Public Service Labour Relations Board.

[Translation]

I have occupied the position of Chairperson since January 2007. I am accompanied by Mr. Pierre Hamel, who is Executive Director of the Board and General Counsel.

We are here today to explain to you why we are seeking funding of \$2.5 million. I would also like to take this opportunity to ask you not to require us to come back year after year for this same amount. I will explain to you why.

After the new act was passed in April 2005, Compensation Analysis and Research Services, or CARS, was added to the board's mandate. These services, which did not exist under the old act, now represent one-third of our mandate. For us to carry out this new mandate, we obviously need funding, and not just other responsibilities and powers

• (1650)

[English]

which was not provided, and as a result, year after year we have to keep coming back and making the same request for supplementary funds to pay for this new responsibility that has been—I won't say forced upon us—attributed to us and that I think belongs with us. It is in the right place.

As some of you may recall, the work we're doing in this particular responsibility is as successor to the old Pay Research Bureau, which was dissolved in 1992. The purpose of the Pay Research Bureau and our Compensation and Analysis Research Services is to see that the parties in negotiations at the table are working with the same data. Part of the problem in negotiations, as those who have negotiated in the past will know, is that the parties come with different data. They say "Our data is correct because we got them here", and the other party says "We have the right data", and they don't come to an agreement. When there is no agreement at the table, it leads to conflict. The purpose, the *raison d'être*, of our board is to do away with the conflict in order to try to have harmonious relations in the public service from one end of the country to the other. That is our *raison d'être*.

This particular new role that was given to us in 2005 is very much a critical part of that, because we are doing the research of the data through an independent means to provide objective, independent, neutral, impartial data that both parties have at the table, so that they are working from the same

[Translation]

data. So there's no conflict with the data because they come from an agency that is deemed to be independent and impartial.

[English]

This particular responsibility is an important one for our board, one that we are happy to do and execute, but we need the funds to do it. For the last few years, ever since the board was given this new responsibility, we have not been funded for it. As a result, we have to keep coming back year after year to ask for something that I would say is elementary.

I'm hoping that as a result of coming here today, we can perhaps avoid having to come back next year, and the year after that and the year after that. When I first started with the board and they explained that to me, I said it made no sense. *Ce n'est pas logique*.

This is something we're asking for. We have distributed to you a document that explains

[Translation]

in English and in French, our board's purpose in general, as well as its terms and conditions, the way in which we operate, responsibilities such as mediation, conflict resolution, adjudication and so on. I won't take the committee's time explaining what is already in the document.

[English]

That is really the reason we're here.

[Translation]

The Chair: Thank you very much. I don't know whether we'll be able to give you a hand, but we'll try.

We'll begin the question period with Mr. Holland.

[English]

Mr. Mark Holland: Thank you, Madam Chair.

Thank you, witnesses.

I'm going to start, Ms. MacPherson, by asking a question about correspondence that comes into PCO. What is the policy with respect to correspondence that comes into PCO that is addressed to the Prime Minister?

Mrs. Marilyn MacPherson: Last year there were approximately 1.7 million pieces of correspondence that came in, either by postal mail or through e-mail, and we do have certain practices. We have 35 people who are involved in actually reviewing correspondence. It is divided into categories. It's basically triaged, so there is political and personal mail that goes directly to PMO. There is priority mail. For example, it could be coming from heads of state. That's normally sent to the office of the clerk, where there are responses prepared for the signature of the Prime Minister. There's another level of general correspondence from the general public and so on.

There are four or five different levels of correspondence and each one of them is dealt with in a different way.

Mr. Mark Holland: For correspondence of a political nature, it is forwarded to the PMO. Depending on the severity of what's contained in that correspondence, do you have a system to determine where in the PMO that information goes? Is there a universal place to which that information goes in the PMO?

• (1655)

Mrs. Marilyn MacPherson: Yes, there is a Prime Minister's correspondence unit, so all of the correspondence that moves from PCO, our executive correspondence unit, goes directly there.

Mr. Mark Holland: Is that a universal practice? Are there any instances where you would not follow that practice?

Mrs. Marilyn MacPherson: For anything that we were going to forward to the PMO, that is where we would forward it to.

Mr. Mark Holland: I'm wondering if you could help me with a couple of other items. The first is public opinion polling. Do you have a figure for how much was spent for public opinion polling, and then, secondary to that, how much of that would have been sole sourced, either as a percentage or a dollar figure?

Mrs. Marilyn MacPherson: No, I'm sorry, I don't have that information. I did take note of it when you asked it when Treasury Board was here, but I would have to go back to the department to get that information. I think it's held in the estimates of other departments, and I don't have the composite figures.

Mr. Mark Holland: You took note of the other questions I asked?

Mrs. Marilyn MacPherson: We will check with the clerk to make sure we have the actual questions.

Mr. Mark Holland: I will just go over them really quickly, if I could, because I think there was one that I didn't ask for, and that was the total amount for public relations training for government representatives as well, again either the percentage of that or the dollar figure that would be sole sourced. As well, my first question that I was asking previously was on government-wide advertising.

That's all for right now.

The Chair: Mr. Silva, did you want to take up the balance of the time?

Mr. Mario Silva: Yes. I didn't have really many questions. I must say, even though I've been here for four years, I always found the Privy Council a little bit of a mystery to me, but that's because you have to be, I guess, the Prime Minister or in the government to figure out what this is all about.

Nevertheless, if I recollect correctly what you said in relation to appointments, I think all the appointments are vetted through the Privy Council or go through the Privy Council. Is that correct?

Mrs. Marilyn MacPherson: I think I probably would defer that to a colleague who actually works in senior personnel, if I could. Mr. Marc O'Sullivan is the assistant secretary for senior personnel, so he can talk to you a little bit more authoritatively.

Mr. Marc O'Sullivan (Assistant Secretary to the Cabinet, Senior Personnel and Special Projects Secretariat, Privy Council Office): Sorry, could you repeat the question, please?

Mr. Mario Silva: The question is on appointments. Are appointments vetted? Do they go through...? Every program has to go, I presume, through the Privy Council Office. Is that correct?

Mr. Marc O'Sullivan: The appointment is made by the Governor in Council, then it goes to the cabinet, with final approval by the Governor General. These are appointments to all the agencies, boards, and commissions, as well as diplomatic appointments, appointments of deputy ministers, and these come through the Privy Council Office.

Basically, ministers make recommendations, because the enabling legislation that provides for the creation of the position that's being filled provides that a recommendation is made to the Governor in Council. That's made by the responsible minister.

We examine the recommendations to make sure they conform with the enabling legislation. Security checks are made as well. Compensation issues that have to be dealt with are dealt with because the Governor in Council usually has the authority for compensation. Then the appointments go to cabinet for ratification, and then the Governor General signs the order in council and the appointment is made.

So there's a population of roughly about 3,000 people for whom appointments are made by the Governor in Council, and it's the Privy Council Office that offers support for that.

Mr. Mario Silva: Maybe I can try to put in the context of the estimates why these appointments are important.

If there's money that's been allocated for these individuals, and we know there's a backlog in appointments, specifically to the Immigration and Refugee Board, and families are waiting for these particular cases for a very long time unnecessarily and they're not being filled, doesn't this mean that in fact it's not fulfilling the mandate to get these appointments going?

We just had Treasury Board here not long ago saying that they're providing a new office to help in terms of fulfilling the mandate of the government directive, but shouldn't there be directives that if you have moneys allocated for these appointments, you have to make the appointments?

Mr. Marc O'Sullivan: The Privy Council Office supports the cabinet in its decision-making, including for the approval of appointments. It's contingent upon appointments being recommended by ministers. Basically, we're processing. We fulfill a technical function in processing.

The actual moneys for the payment of the salaries of the individuals are disbursed by the organizations themselves. In terms of money being set aside for a given organization like the IRB, it's the IRB's budget that covers the salaries of the members of the IRB.

• (1700)

Mr. Mario Silva: I understand that. I'm not disagreeing with that. I'm just saying moneys have been put in different envelopes throughout the different ministries, departments, and agencies across the country by the government, but if you're not making the appointments, you're not really fulfilling the mandates when you put those envelopes in. If you're saying you need money for 10 or 40 positions and you only have 0.5, there's a problem there.

Mr. Marc O'Sullivan: We recognize that there is an issue with organizations, in some cases, where the vacancies are not necessarily being filled at a fast enough clip.

Not all vacancies are filled. In some organizations the enabling legislation provides for a certain number of positions. The operational needs of the agency are not necessarily for the maximum number allowable. In fact, in some cases the chairperson will say “don't give me the maximum, it's unwieldy, I'd rather have this number”, which is a more manageable and more workable number.

So not all vacancies are automatically filled.

Mr. Mario Silva: Okay. Thank you.

The Chair: Thank you.

Madame Bourgeois.

[Translation]

Ms. Diane Bourgeois: Thank you, Madam Chair.

Good afternoon, ladies and gentlemen. I'm very intimidated by the people who come from the Privy Council Office as well. We're not used to meeting with them.

Ultimately, you're the top agency: you control the Treasury Board and the Canada Public Service Agency. Employees told us about their difficulty in obtaining their salary benefits. They have made enormous efforts for that not to happen again. Our committee has also taken measures so that they can receive their salaries.

Are you aware of this problem, which still seems to affect certain employees? Are you solving it?

Mr. Marc O'Sullivan: We're entirely aware of the problem and of the discussions you've had on this question with the people who have appeared before your committee. I thought I heard this afternoon that Ms. Boudrias was to appear before you soon on this subject on one or two occasions. It's the Agency that has the leadership to address this problem.

She observed the scope of the problem by first providing an overview of the various departments in order to note deficiencies and then by examining with those departments the corrective measures that could be taken to correct the problem. The Agency intends to ensure follow-up with the departments so that, where there are problem cases, they are addressed and resolved.

I don't have the details. As I know that Ms. Boudrias will be appearing before you, I'll let her have the pleasure of bringing you up to speed on what is being done to solve this problem that we have observed and that we want to solve.

Ms. Diane Bourgeois: You just said “that we have observed”. Do you have greater powers than those of Ms. Boudrias? Can you go faster so that this problem no longer reoccurs?

Mr. Marc O'Sullivan: To my knowledge, this is a problem that is not amenable to as quick a solution as simply seeing the Privy Council Office say that it should be solved.

Some departmental human resource sectors have personnel shortage problems and ad hoc needs, as a result of which there is an increase in staffing requests. This has had the effect of increasing the workload and, consequently, of causing delays. The problems are numerous, and the solutions to those problems will also be numerous. There isn't an easy solution that can be immediately implemented. However, the division of responsibilities related to human resource management in the public service is indeed the

jurisdiction of the Agency, which must exercise its leadership in the human resources community and see that this problem is quickly solved.

Ms. Diane Bourgeois: Very good.

My second question is for Casper Bloom, from the Public Service Labour Relations Board.

I worked a little with the Labour Relations Board regarding psychological harassment. I introduced a bill at the time on psychological harassment, and I was very disappointed by the support of the Labour Relations Board in negotiations with the employers, the departments in particular.

What measures are you taking, first, to find a solution to psychological harassment, which is proven, and, second, to help employees so that harassment does not reoccur?

• (1705)

Mr. Casper Bloom: First you must understand our mission and purpose. When a party appears before one of our grievance adjudicators to decide a specific issue... An employee in a particular department may have raised a psychological harassment problem and filed a grievance. The grievance follows its path in the department itself. In some cases, it winds up before our tribunal. This is the adjudication part. Our adjudicators hear the parties personally or through their union representatives. They present their case and the adjudicator eventually decides the question and makes a decision. We have no settlement responsibility or duty.

Another function of our board is precisely to resolve disputes. That's the question you're asking. That's another section of our board. We have a group of trained people who are skilled and experienced in mediation. When there is a psychological harassment problem and either of the parties seeks our intervention, we go to the department in question to solve the problem through mediation.

Our mediation service is currently one of the best in the country, and I mean “in the country”. We have what we call a batting average of more than 80%. When we send in mediators, at the request of the parties, to solve psychological harassment cases or other problems—because a lot of problems can be raised—we succeed in resolving more than 80%.

You mainly emphasize the issue of psychological harassment. I don't have the figures, but I can tell you that we have less success in that area because it's a very difficult problem to solve. Having worked in the private sector for more than 30 years, I had to deal with this kind of problem. So I know that psychological harassment problems are very hard to solve. If the problem can be solved, our board will solve it. We've had very good success in this area and others.

Ms. Diane Bourgeois: That's fine, thank you.

[English]

The Chair: Mr. Albrecht.

Mr. Harold Albrecht: Thank you, Madam Chair, and thanks again to the witnesses for being here.

I took some solace in the fact that my colleague across the way, who's been here for four years, still finds some of this rather confusing. I certainly, after almost two years, don't claim to understand it.

My question is to Mr. Bloom. You alluded in your comments to the fact that you're hampered by this fact that you need to appear to request the funding through the supplementary estimates. Then you seemed to express some hope that maybe this committee would help you with that.

My question would be, how can this committee help you, and what kind of steps have been taken to address this earlier? What's the roadblock?

Mr. Casper Bloom: What we have done each year since 2002-03, effectively, is make our request through Treasury Board. Treasury Board understands the problem, and they have tried to help in their way, but it's never been successful. They have provided us with temporary funding, because they understand that we need the money if we want to continue having the compensation analysis research service operate and function properly.

So they have provided us with the funds on an annual basis. But each time, we have to go before them. We have to prepare a business case, we have to explain, we have to justify, and eventually we get the money. But the time it takes, particularly the time this gentleman with me spends working on that business case each year, doing it and re-doing it, to me is a waste of our time and energy, when this is taxpayer money that's being spent and we can use it more productively.

This is one area that to me seems like what you could call a no-brainer, something that should be done; it should be in our core funding.

If Parliament in its wisdom gave us this responsibility, which it has done, and with no funds attached to it, there's a disconnect somewhere. The very fact that it gave us this responsibility—and we accept it voluntarily and willingly, because it belongs with us.... But you have to give us the funds to be able to carry it out.

• (1710)

Mr. Harold Albrecht: My question is.... First of all, I don't want Mr. Hamel to be unemployed, but I am concerned about the use of taxpayer money, as we all are around this table. Does this committee have the authority to do what you're asking, or where does the authority lie? I guess that's really the crux of it.

Mr. Casper Bloom: It seems to make sense to me. I'm not giving you authority that you may not have; I'm just venting. I've been saying to whoever will listen to me that this is an issue that has to be dealt with.

Mr. Harold Albrecht: Who has the authority? I guess that's the question.

Mr. Casper Bloom: Who has the authority? Well, Treasury Board and the Minister of Finance....

The Chair: The only authority we have, Mr. Albrecht, is, if we are all in accordance, passing a motion recommending that they give them the ongoing funding. That's the authority we have.

Mr. Harold Albrecht: I'm not in a position to do that, because as I said earlier, I don't understand this entire thing. But it seems, from a commonsense perspective, that this would be the way to go, and I think we should look into it further.

The Chair: To be honest, it is the role often of Treasury Board to make different departments and agencies prove the need for funds, and I would say that after five years, they may very well have a good case.

Are you finished, Mr. Albrecht, or are there any...?

Mr. Harold Albrecht: Does anybody else want to go?

An hon. member: Not right now.

The Chair: Okay. For the Liberals, are there any questions left?

Monsieur Nadeau.

[Translation]

Mr. Richard Nadeau (Gatineau, BQ): Thank you very much, Madam Chair.

Good afternoon, ladies and gentlemen.

I'd like you to tell me how many appointments the Prime Minister must make in the course of a year.

Mr. Marc O'Sullivan: First, I'd like to point out that the appointments are made by the Governor in Council, not by the Prime Minister.

Mr. Richard Nadeau: Does the Prime Minister make any appointments in the course of a year?

Mr. Marc O'Sullivan: No. The appointments are made by the Governor in Council, that is to say the Governor General acting on the Cabinet's recommendation.

Mr. Richard Nadeau: In other words, the Cabinet and the Prime Minister meet, suggest names, and the Governor General makes the decision.

Mr. Marc O'Sullivan: That's correct.

The Cabinet ratifies the ministers' recommendations.

Mr. Richard Nadeau: How many appointments are forwarded from the Prime Minister and his Cabinet to the Governor General in the course of a year?

Mr. Marc O'Sullivan: Roughly speaking, we have slightly fewer than 1,000 a year.

Mr. Richard Nadeau: Based on those 1,000 appointments suggested to our distinguished Governor General, you conduct a study to determine whether the person suggested falls within an ethical or non-criminal definition so that he or she can appear on the list of appointments. Is that correct?

Mr. Marc O'Sullivan: Security checks are done, and if there is any potential conflict of interest, the person is referred to the conflict of interest and ethics commissioner so that the issue is addressed and resolved before that person's appointment.

Mr. Richard Nadeau: There was quite an uproar when certain persons said that the present Governor General was a Quebec sovereigntist sympathizer, in particular.

Did you conduct any investigations on that subject?

Mr. Marc O'Sullivan: I wasn't at the Privy Council Office at the time of Madame Jean's appointment. As you no doubt understand, issues related to the appointment of a Governor General are not handled in the same way as those associated with the some 999 others that are examined in the course of a normal year. That appointment is made approximately every five years.

Mr. Richard Nadeau: If I understand correctly, the NFB's films aren't necessarily screened to determine whether a person raised his or her glass to toast Quebec's independence. I'm reassured by that.

Mr. Bloom, labour relations in the federal public service are now governed by a code of ethics. It dates from the previous government, but it is relatively new. Is that correct? What is the exact name of the code of ethics?

Mr. Casper Bloom: It's the Values and Ethics Code for the Public Service.

• (1715)

Mr. Richard Nadeau: Can a federal employee, for example, be a member of a political party, have a membership card and appear on the list of that party? Let's suppose this is an employee in the PM group, a PM1, PM2, PM3, PM4 or PM5, for example.

Mr. Casper Bloom: You're asking me a question?

Mr. Richard Nadeau: Yes, I'm asking you a question: you're in the labour relations field.

Mr. Casper Bloom: In my view, answering that question falls within the jurisdiction of the Public Service Commission.

Mr. Richard Nadeau: I'm asking you the question, having regard to your duties in the area of labour relations. Can a public servant be a member of a political party?

Mr. Casper Bloom: Of course, any public servant can be.

Mr. Richard Nadeau: The answer is simple: it's yes.

Thank you.

Mr. Casper Bloom: Any person who is a public servant—

Mr. Richard Nadeau: Any person who is a public servant can be a member of a political party? A senior executive can be one?

The Chair: Mr. Roy wants to answer.

Mr. Yvan Roy (Deputy Secretary to the Cabinet, Legislation and House Planning and Machinery of Government and Counsel to the Clerk of the Privy Council, Privy Council Office): I'll try to help you a little. The entire issue of partisanship and the role of public servants in the political world is not the responsibility of Mr. Bloom and his organization, but rather that of the Public Service Commission of Canada, and is so under the act.

As regards political participation, I would say, to use the expression, that a kind of sliding scale applies. That depends somewhat on the place where the employee stands in the organization. A deputy minister, for example, cannot belong to a political party. However, the lower the person is in the hierarchy, the more possible it is. The fact remains that it is more up to the Public Service Commission of Canada to decide these questions.

Mr. Richard Nadeau: Shouldn't the fact that a person appearing before the Labour Relations Board is not a senior executive but was

dismissed because he was a member of a sovereigntist group immediately put an end to a legal process at the board?

Mr. Casper Bloom: Absolutely not. Our adjudicators hear the cases, and the parties make all the submissions they want to make. The adjudicator doesn't ask any questions—

Mr. Richard Nadeau: If I'm a public servant, but not a senior executive, and the employer wants to dismiss me because I'm a member of a sovereigntist group, for example, I'm going to have to pay out of my own pocket the fees of the lawyer who represents me and defends my case before your tribunal.

Is that in fact the case?

Mr. Casper Bloom: A person may wish to hire his own lawyer for a number of reasons. In many cases, people who do not want to be represented by their union pay the fees of an outside lawyer out of their own pocket. It may also occur that people are not represented at all. They are what is called self-represented. This is increasingly frequent in our tribunal. We see it regularly, indeed daily.

Mr. Richard Nadeau: As for retaining a lawyer, it may be good that the person has the support of his union, if I understand correctly, but whatever the case may be, he may represent himself. He then does it before a whole battery of lawyers that the government can put up against him.

Mr. Casper Bloom: Neither the department, thus the government, nor the person or his union has an obligation to be represented by a lawyer.

• (1720)

Mr. Richard Nadeau: Thank you very much, Madam Chair.

The Chair: We can come back to that, if you have any other questions.

Do the Conservatives have a question to ask?

[English]

Do you have any questions, Mr. Warkentin?

Mr. Chris Warkentin (Peace River, CPC): No. I think we are probably finished with supplementary estimates. I suspect that there are probably questions with regard to other areas, but I know we didn't come this evening for that.

The Chair: That doesn't matter. They're here on estimates, but the committee is free to ask the questions it wants, because the estimates touch all facets of their job.

[Translation]

Mr. Nadeau, do you want to ask another question?

Mr. Richard Nadeau: Yes, I'd like to know whether compensation analysis and research are your responsibility.

With regard to compensation analyses, I see in the document that was presented to us that, according to your estimates, it is necessary to spend \$7 million on exhaustive market surveys in order to determine the salaries of government employees. Is that correct?

Mr. Casper Bloom: Not exactly. As Mr. Wouters explained, when you talk about compensation, it's much more than salary. It's all the benefits and working conditions that are examined by our group.

It conducts a comparison with the private sector, it conducts a comparison with other public services in the provinces, it conducts a regional comparison by industry, by occupation and by position. We have a lot of things that fall into this area.

Mr. Richard Nadeau: I may be naive about the method you use, but we're talking about \$7 million to determine how much public servants in a nation like Quebec, in a province like Ontario or in Canada earn for comparison purposes. Don't those figures already exist? Personally, I wonder about conducting a survey or spending \$7 million to determine compensation where there are already things on that subject. Isn't that already done by government employees?

Mr. Casper Bloom: No, that's why we've created a tool. They gave us the mandate to do it. Formerly, before 1992, the Pay Research Bureau did this work. It was dissolved in 1992. It hasn't existed since then. In 2005, observing the void and absence of this information, they had to recreate this function at our board.

As I explained earlier, the parties come to the table and cite 2007-2008 in the negotiations across the country. The parties come to the table and have different data. That's what there is in reality, not only in the public sector, but in the private sector as well. I worked for the private sector for more than 30 years. That's also the case in the private sector. The parties have different data. How do you think anyone can reach an agreement if they're working with different data? The parties don't agree, and that leads to disputes and eventually to strikes. For the public welfare, we have to make every effort to avoid that.

Mr. Richard Nadeau: Thank you very much.

That's all, Madam Chair.

The Chair: Very well, thank you very much. I wanted to tell the Privy Council representatives that I'm very pleased to know that we will have results with regard to the questions that were asked about the compensation of Government of Canada employees. We had

enough challenges in the spring and during the summer on this subject. It's a very important topic, which is a real concern to me. We're going to continue pushing ahead. I guarantee you in advance that it's not over. Thank you.

[*English*]

Now I'd like to move to the adoption of the estimates.

We haven't dealt with Public Works, so rather than just globally accept all the estimates, I'd like us to approve all the estimates except for those of Public Works, and report those to the House. Then we could do Public Works after we hear from the Minister of Public Works.

I don't want the vote on every estimate. I'd like to vote on all the estimates, except for those having to do with Public Works, whom we're going to hear from next week.

All those in favour of approving the estimates as I've suggested?

Some hon. members: Agreed.

The Chair: Shall I report these estimates to the House of Commons?

Some hon. members: Agreed.

● (1725)

[*Translation*]

That's all?

An hon. member: That's all.

[*English*]

The Chair: Thank you very much.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.