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—
Chair

The Honourable Diane Marleau

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• (1535)

[English]

The Chair (Hon. Diane Marleau (Sudbury, Lib.)): Now that we have representatives of all the parties, I will call the meeting to order. I think we have an NDP member missing, but he will be coming shortly, I would think. We're already a little bit late.

Today a number of witnesses have come before us to address the compensation issue and the challenges some public servants have had. This relates directly to motions passed at the end of the session in June. While we have a number of witnesses, I think three of them are prepared to speak, or is it four or five?

Ms. Monique Boudrias (Executive Vice-President, Canada Public Service Agency): I'll be very short.

The Chair: You'll be very short; then we'll get started.

Could you please introduce yourself and say who you are. We'll go from there.

[Translation]

After that, we will go to questions.

[English]

Ms. Monique Boudrias: *Merci beaucoup.*

Good afternoon, Madam Chair and honourable members. My name is Monique Boudrias. I'm the executive vice-president of the Canada Public Service Agency.

I am pleased to be here today on behalf of the Clerk of the Privy Council to provide you with an update on public service compensation issues.

I bring with me today colleagues from Treasury Board Secretariat, Public Works and Government Services, and the Canada Public Service Agency. Each of the witnesses before you today comes to this appearance with a significant background in human resource issues, including public service compensation issues. They will be giving part of the presentation with me and will follow the order in the document that I have provided to you, Madam Chair, and to the honourable members. Given our work experience and background, we hope to fully address the questions of committee members.

The purpose of the presentation is to provide new information that we believe will respond to the unanswered questions and issues raised by the operations committee during its review of the public service compensation issue last spring. It is also to provide to you an update on efforts under way to implement improvements, including system and capacity-building.

What is the issue? As you will recall, some public servants have indicated that their paycheques are late or are inaccurate. To get a better sense of the issues, we conducted a survey with departments over the summer to look at compensation service delivery problems. The preliminary information we received confirms that many departments are experiencing problems, but that the nature and extent of the problems vary from department to department. We have short-, medium-, and long-term plans to address these issues.

What are the root causes of the compensation challenges? The service delivery challenges are due to infrastructure and workforce issues. In regard to the workforce, we have a capacity issue, and it takes up to 18 to 24 months to train to full maturity, including on-the-job training.

With regard to the infrastructure, the issues are the complexity of collective agreements and the web of rules; the difference in business processes from department to department; and antiquated technology, which causes duplication of data entry by departments, data integrity issues at government level, and uneven levels of service.

The good news is that we have an integrated holistic solution, the public service renewal action plan. The four priorities of the Clerk of the Privy Council for public service renewal include commitments to redress the compensation service delivery situation.

On planning, we are looking at development and support of the compensation community based on business needs.

On recruitment, the plan was to hire a minimum of 100 compensation advisers for 2007-08. Up to now we have hired 109 new compensation advisers: 49 hired to date via a public service capacity-building collective staffing initiative, with marketing still ongoing, and 60 hired by Public Works and Government Services Canada from their departmentally managed recruitment drive.

On employee development, we have enhanced training and capacity, as well as ensured common curriculum across the public service.

In regard to enabling infrastructure, I will now ask my colleague from Treasury Board Secretariat, Dan Danagher, to address the current situation.

Thank you very much.

•(1540)

Mr. Dan Danagher (Executive Director, Labour Relations and Compensation Operations, Treasury Board Secretariat): Madam Chair and members of the committee, my name is Dan Danagher. I'm the executive director of labour relations and compensation operations at the Treasury Board Secretariat. It is an honour to be here today to discuss this issue and to focus on progress we're making in this arena, particularly on issues that have previously been the subject of this committee's concerns.

I'm pleased to underscore that since this past summer TBS is now monitoring departments' pay administration performance on a regular basis, and it is following progress and improvements where they are most needed. This past summer we surveyed departments in the core public administration. Between this survey and statistics from the pay system, our analysis demonstrated the extent of the challenge. Through dialogue we are having with departments and the sharing of best practices, we have identified, and we are pursuing, workable solutions.

It is important to stress that there has been no suggestion of lateness in the regular biweekly paycheques. The roughly 190,000 employees of the core public administration continue to receive their regular pay in a timely manner. However, the survey did benchmark the existing standard for timeliness for newly hired and departing employees and demonstrated that 66% of organizations were within the standards; a further 11% exceeded that average by in excess of one week; and roughly 23%, on average, were more than two weeks later than standards.

These survey results informed our dialogue with departments, who also provided information on their backlog for the processing of new hires, promotion, acting appointments, overtime payments, and the type of service delivery structure used at the time. All organizations have since adopted action plans to eliminate backlogs, where they existed, and to improve future performance in this area. They are all aware that TBS will conduct future surveys and continue to monitor performance in this area.

In fact, just two weeks ago we launched our second survey of departments, and we expect the analysis to be completed in February 2008. As this survey will be the first to demonstrate the impact of actions taken by departments to tackle the challenges previously raised by this committee, we suggest that the committee be sent a copy of this report at that time. The focus of this work is progress and action, and we are convinced that February's report will show that both have been achieved.

We are fortunately building on a pay administration community of talented, resourceful, and dedicated employees. We have seen strong evidence that departments have taken this matter extremely seriously. They have adopted immediate actions to address the short-term challenges by allocating the resources to clear up backlogs; recruiting new trainees into the communities; hiring coaches and team leaders to quickly increase capacity; increasing the automation of tools and process, where possible, in the short-term; and by restructuring the workload as appropriate.

I am joined by my colleague Diane Lorenzato, the assistant deputy minister of PWGSC's human resources branch, who will provide the

committee with the types of actions that are being taken to resolve the issues that have been raised here.

[*Translation*]

Ms. Diane Lorenzato (Assistant Deputy Minister, Human Resources Branch, Public Works and Government Services Canada): Madam Chair, distinguished committee members, last April, Public Works and Government Services Minister Michael Fortier updated this committee on how the department was working to improve the delivery of compensation services to its own employees. Eight months later, I am glad to report that we see a greatly improved situation to the benefit of our employees.

•(1545)

[*English*]

While between September and December of last year more than 2,000 of the department's 13,000 employees reported problems with their pay, payments for new and departing employees, as well as payments for overtime, are now completely up to date.

As of last Friday we had no outstanding payments that are older than two months relating to acting appointments or promotions, which is their additional pay for additional duties. The workload of over six months for administrative tasks not related to payments has dropped to about 25 cases from the more than 3,000 cases 14 months ago.

The compensation unit has been restructured to facilitate the career development of existing employees and maximize the transfer of knowledge from our most experienced people to new trainees.

[*Translation*]

Since the beginning of 2007, we have hired a total of 60 new employees in the National Capital Region and in Matane; of these, there are 10 retirees with extensive compensation experience to share their knowledge with the compensation trainees that we have hired.

Training of 36 employees hired in February and March at the Matane satellite office is continuing under our new training and coaching programs.

A new management system is tracking workload—ensuring that requests are processed and completed within set timeframes, and allowing us to adjust to changes in the volume of requests as needed.

[*English*]

On average, each month the compensation unit of Public Works receives more than 6,000 client service requests, carries out more than 9,000 transactions, and issues 3,000 cheques outside of the regular paycheque.

We have also introduced greater automation. Employees with unused vacation leave were previously issued payments that had to be generated manually. These are now system generated, and we expect also to have an automated system for overtime payments in place in 2008.

[Translation]

We issue regular updates to employees and managers to keep them informed of our progress, and in the months ahead, all employees will be informed of our service-level standards.

Our efforts to strengthen and modernize our compensation services continue unabated. And while we do not wish to appear over-confident, we feel these measures are putting us on track toward having in fact one of the best compensation services in the federal public service.

Thank you. I would now like to turn the floor over to my colleague Gilles Carpentier.

Mr. Gilles Carpentier (Vice-President , Strategic Infrastructure, Organization and Classification Sector, Canada Public Service Agency): Good day, Madam Chair, honourable members of the committee.

My name is Gilles Carpentier and I am Vice-President of Strategic Infrastructure, Organization and Classification Sector, Canada Public Service Agency. Thank you for this opportunity to speak to you today about the three initiatives for which the Canada Public Service Agency is responsible. These initiatives are part of our short and medium-term planning process.

[English]

Our first initiative is a complete review of each and every activity in the pay and benefits process with the objective of simplifying and streamlining it. A streamlined and simplified pay and benefits process should result in service improvements and identify opportunities to improve the pay and benefits tool box.

Our second initiative is called pay interface, which may be best summarized as an electronic bridge automatically transferring pay data from existing departmental systems to PWGSC's central pay system, resulting again in simplification of the pay adviser's work.

The third initiative is an electronic pay card, which is meant to eliminate use of the hard-copy pay cards that are still in use in most departments. Again, this more modern working tool should contribute to increased quality of pay and benefits services.

So, in summary, these initiatives are all meant to modernize the pay adviser's tool box and, consequently, increase the quality of pay and benefits services.

[Translation]

Thank you for your attention. I will now turn the floor over to my colleague Renée Jolicoeur from Public Works and Government Services Canada.

Mrs. Renée Jolicoeur (Assistant Deputy Minister, Accounting, Banking and Compensation Branch, Public Works and Government Services Canada): Madam Chair, honourable members of the committee, I am delighted to inform you of longer term measures

that Public Works and Government Services Canada intends to take to help improve the situation.

[English]

I am assistant deputy minister responsible for the Receiver General function, but I'm also responsible for the central pay and pension systems and processes for the federal government.

Presently, compensation advisers in departments enter transactions in 40-year-old legacy systems. And although my organization and our employees work hard to increase the automation to reduce the workload of compensation advisers and improve service to employees, we are limited with what we can do because of the system's old technology.

To address this problem, a few years ago PWGSC started to work on two major projects: pension transformation and pay modernization. Both projects consist of the replacement of IT systems and modernization of services and processes and increased use of the Web by clients. The pension project also includes the transfer of pension services to employees from departments to PWGSC, in fact to Shediac, New Brunswick, which is PWGSC's centre of pension expertise.

The pension project is fairly advanced. Most components will be in production in 2010, as well as the centralization of pension services. The pay modernization project has not started yet. It is being considered among the other priorities of the government. The pay modernization project will increase the automation exponentially. In fact, these two projects will result in employees and managers being able to do transactions on the Web; the majority of pension transactions being processed within a few days, at the most; a large volume of pay transactions to be entered directly by managers in the pay system, reducing the processing time significantly; employees having access to pension experts within seconds; compensation advisers having the time to provide advice to employees rather than spending their time inputting transactions in the system, as they do today.

• (1550)

[Translation]

Thank you for the opportunity to share this information with the committee.

The Chair: Thank you.

We will now go to questions.

[English]

Mr. Holland, you're first, for seven minutes.

Mr. Mark Holland (Ajax—Pickering, Lib.): Thank you, Madam Chair, and thank you to the witnesses for coming today.

Maybe we could talk, first, about the serious concerns there are about turnover rates within the public service. First, could you tell me how those rates might vary by department, job classification, and geographic location?

Ms. Monique Boudrias: Madam Chair, I can understand the interest of this committee in movement rates in the Public Service of Canada, and I understand that the president of the Public Service Commission, Mme Barrados, mentioned this subject in an annual report. The agency will be pleased to note any questions you might have on employee movement and will provide you with a response.

However, I'm prepared to talk about movement in the compensation advisory community, which is the topic for today. Certainly we are prepared to talk about that community, but not about the public service at all. That was not how we prepared ourselves. We thought we were responding to questions this committee had at the last hearing, in June.

In terms of employee movement in the public service, obviously it increases the workload for this community. I will talk to you now about the turnover rates for those people.

From May 2006 to June 2007, the retirement rate for the compensation community was 4.0%. The separation from the public service was 1.1%. It means that when we consider the departures for the entire group, we're talking about 5.1%. That is a little bit over the rate of the public service. That is because the compensation community is older than the rest of the public service, as a community.

Mr. Mark Holland: You're aware that PSAC submitted an AS round table report to CPSA in August 2006. It recommended that Treasury Board immediately reclassify the compensation advisory positions to the AS-4 level and also establish a national joint council committee to investigate having a new occupational group for compensation advisers. The concern is that, to this date, CPSA has steadfastly refused to meet and address these recommendations.

I'm wondering if you could talk to me about that, why that is, and whether we can expect to see any change in that regard.

Ms. Monique Boudrias: Certainly, Madam Chair, the Canada Public Service Agency is responsible for the classification standards in the Public Service of Canada. We have an agreement right now with the Public Service Alliance of Canada that the next group to be looked at will be what we call the PA group, that is, the public administration group, which includes the compensation community but also the other administrative services employees who are part of the AS group. We're talking here about thousands of people. We cannot just look at a subgroup of a group when we have so many others who are part of a larger group of employees. So we have an agreement with PSAC that we will be looking at the entire PA group.

I would also like to say that the last time we reviewed the compensation community AS-type jobs, there were some grievances put forward. We looked at the job description, we looked at what the people were doing, and we were satisfied at the public service level that the jobs were well classified.

• (1555)

Mr. Mark Holland: You may also be aware that there's a law firm, financed by the compensation community, that has presented a submission to the Human Rights Commission, and this commission recently recommended that the compensation advisers have a case. I don't know if you have any position with respect to that, or if you wish to comment on it.

Ms. Monique Boudrias: Is that about pay equity?

Mr. Mark Holland: Yes.

Ms. Monique Boudrias: I think, on this, I would like to have my colleagues from the Treasury Board Secretariat answer your question.

Mr. Dan Danagher: We obviously can't offer any comment about any litigation that might be in progress right now, but I will note the question, and if we have a response with information we can bring to the committee, we will do so through the clerk.

Mr. Mark Holland: I appreciate that.

The Chair: You still have three minutes.

Mr. Mark Holland: Thank you.

In the Auditor General's report in 2000, Sheila Fraser directed Treasury Board to develop a new classification system to avoid further pay equity related cases. Would you not agree with me that the compensation adviser case is a classic example of what the Auditor General was referring to, without referring specifically to that case?

Mr. Dan Danagher: Madam Chair, I obviously can't make a reference that something is a classic case, because I can't comment on any pay equity litigation.

Mr. Mark Holland: Do you share that concern, then? Without talking about the case specifically, do you share that concern of the Auditor General? Do you feel that it's been broadly addressed?

Mr. Dan Danagher: We feel that pay equity as a whole was broadly addressed in 1999. We are aware that there are outstanding litigations currently in the process that we will address at the appropriate time.

Mr. Mark Holland: We received a copy of a pay stub for a compensation adviser with CSIS and a copy of a pay stub for a compensation adviser with DND, as well as a work description for both. The difference per annum is \$14,000 for the exact same position with the same functions. This clearly indicates that CSIS has been able to rate the complexities of the compensation adviser position and that Treasury Board has failed to. Would you agree with that? And have you looked at these kinds of interdepartmental differences?

Ms. Monique Boudrias: Madam Chair, what I would like to answer on this is that the job description of the employee of National Defence is part of the core public administration, and CSIS is a separate employer, having their own system, their own classification standard that is not comparable to ours. They don't use the same rating. We are not aware of that case specifically, but I can answer that they are two completely different systems of classification.

Mr. Mark Holland: But have you made interdepartmental classifications, or do you feel that this has been sorted out, or do you feel that these gaps exist between departments?

Ms. Monique Boudrias: No. There is no gap within the departments. For all the departments that are part of the core public administration for which Treasury Board is the employer, all the job descriptions are the same. They are rated at the same rate and they are classified at the same level, and we have done that in a very structured approach throughout the years in reclassifying. When there was a public-service-wide reclassification in 1999 and in 2003, there was a review of the entire job description for all the compensation advisers. They were all reclassified at the same time, because if we did not do that, you can imagine the issue we would have in terms of people moving from a department to another one to have a better job or a promotion or better salary level.

So within the core public service the employer is paying all the compensation advisors the same way at the same salary. But when we go out of the core public service where Treasury Board is not the employer, they have their own classification standards, their own classification system, their own collective bargaining approach where there is bargaining with unions, or no bargaining because people are not unionized.

• (1600)

[Translation]

The Chair: Thank you.

Mr. Nadeau.

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

Good day to all of you.

Compensation is near and dear to many sectors of the public service. At the very least, it is a subject dear to many people who work in the Outaouais region. As you probably know, I met with Minister Fortier last March. With him was an employee who explained the situation. Every time Mr. Fortier has met with the committee since then, he has updated us on the situation, however briefly. The fact remains that he has reported some progress on this front.

My aim is to try and improve matters. We know, and you know, that there is a problem. It is unfortunate for those who are experiencing it first hand. I have a file containing the names of 29 public sector employees who are still waiting to be compensated for overtime worked. The delays are primarily with Public Works and Government Services Canada. I read Mr. Nantel's most recent report, which you may be familiar with. I met Mr. Nantel when I met with the Minister. I would like to read you an excerpt from the report, because I would like to get your comments:

Every month, new problems arise as a result of the lack of experience of new trainees at the compensation centre. At least our directors have now decided to meet to discuss the problem and they have contacted us to ask that we send them the documents required to proceed with compensation actions.

The biggest problem encountered is the misplacing of documents and overtime cheques. If these two problems could be resolved, this would prevent many new ones from cropping up. Compensation services are not alone in not keeping up. Human Resources are also experiencing problems.

We'll stick with compensation services for the moment. Problems in this area were mentioned. The report dates back to November 19 last. While I would like to hear your comments on this subject, I do have two other questions for you as well. I hope you can give us an update on your area of responsibility.

We have also heard about union-related issues. We heard how 15 or 20 years ago, dealing with pay issues was like a walk in the park. Everyone was familiar with how things worked and things managed to get done. Over time, there have been cutbacks, restructuring and so forth. Employees have a great deal more work on their plates. Consequently, after they receive their training, employees realize that they could work elsewhere in the federal public service and earn a similar salary, for doing work that is far less complex. Moreover, employee turnover has been quite high. Employees apply for a position elsewhere in the public service where working conditions are better. The union regularly brings cases like this to our attention.

Regarding issues of this nature and restructuring, have you anything new to report to us, so that I can go back to these individuals, share the tenure of our discussions with them and report back on possible solutions to the problem? I am prepared to listen to what you have to say.

Ms. Monique Boudrias: I would like to ask Ms. Lorenzato to answer the first question, because it specifically concerns her department. I could field the question about responsibilities, employee turnover and union-related issues.

Ms. Diane Lorenzato: Madam Chair, we are indeed fully aware of the situation raised by Mr. Nadeau.

To date, we have addressed a good portion of the files, but we have found that some are more complex than others, because it comes down to different interpretations where the employee and management do not necessarily agree. We are therefore in the process of resolving these matters.

In fact, we asked management to provide us with a complete list of employee files that were not yet fully resolved. We have made considerable progress and we now see that a small number of cases—29, as you mentioned, out of a total of 13,000 employees—remain to be fully resolved.

One of my biggest concerns was indeed the loss of documents. Compensation problems recently raised by employees stemmed from the fact that compensation services did not have the necessary documentation to carry out pay transactions. This led us to contact managers to remind them of their responsibility to submit the paperwork in advance—they know that an employee will be joining their team—or at the very least, on time.

In some instances, more stringent measures were taken, for example, when students were hired. We know that from time to time, students are hired. All of the paperwork is assembled and submitted to an officer for quick processing.

To resolve the overtime issue, a sticking point in particular among blue collar workers, we are in the process of automating the system. At present, all transactions are done on paper and the manager must sign the document, which is then forwarded to compensation services. Often, documents get misplaced along the way.

We are looking at ways for employees to enter data in the computerized system, so that it is conveyed directly to PWGSC's compensation services. That way, there is no actual paperwork and hence, fewer opportunities to lose data and make mistakes. Transactions will be processed much faster. We are hoping to have this system up and running by the beginning or middle of 2008. It will improve the situation, because indeed, this is one area that still requires some work.

I hope that answers your question.

•(1605)

The Chair: Mr. Kramp.

[*English*]

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Welcome, to our guests.

I have a few questions here.

We've had quite a remarkable improvement in results from when our previous witnesses were here and the compensation advisers were up in arms, etc., and overworked and underpaid, etc.

But I have a bit of a problem with an equation here. You've hired 100-plus compensation pay advisers, and it's going to take a year and a half to two years to train them. So they're really not that effective yet. And yet, in the last few months, we have had a dramatic improvement.

So my question to you is, why have we had such a dramatic improvement before we even have these compensation advisers in and able to contribute well to the system? Is it because of the technology advancements you've made, or is it just from more attention being paid to the file?

Ms. Monique Boudrias: I would say, Madam Chair, that attention is being paid to the file. We have a very dedicated community, who have agreed to do overtime to resolve the issues. We are counting on them and are very appreciative of what they've done.

The new people who are coming on board are obviously learning. But as my colleague Madame Lorenzato mentioned, we were lucky to get some former employees who were retired but who came back through that process to help us look after the worst part of the workload and the cases we had.

Mr. Daryl Kramp: Thank you.

You've stated that we are going to get a report or update in a couple of months, which we're looking forward to. What I would also like to see, of course, is the starting point. You made your original assessment, so I'd like to make sure it's included in that so we will have some comparative data to rate. And possibly, could you give us some idea of what you might have included in that report?

Mr. Dan Danagher: Essentially the report will cover exactly that, Madam Chair: the results of the first survey, a summary of the actions taken by departments, and the results of the second survey—some indication of the actions still to be taken if in fact there is still a gap, after the second survey, between the standards and what we see.

•(1610)

Mr. Daryl Kramp: Now, we have some new IT systems or payroll service systems coming online. I'm curious about two points on those.

Is this a self-created or a designed set of software, or have you been able to, per se, buy this off the rack and use an existing program? Are we spending huge amounts of money for design or are we able to pick up something that's universally acceptable?

Mrs. Renée Jolicoeur: Thank you for giving me the opportunity to answer your question and shed some light on those questions. They are very important.

We are going to use what we call commercial off-the-shelf systems. These systems are already programmed. They are used by large corporations. In fact, before deciding on the models of service delivery that we will adopt, we consulted with large corporations, with other public services at the provincial and municipal levels. We are part of a number of benchmarking groups. Everybody is going in that direction now.

So the model we will be using in government in a few years—because it takes time to implement those systems—is exactly the model used by the other public services presently or what will be used in the future. They are doing the same thing as we are. They are migrating to this more modern set-up for those functions.

So the challenges we are experiencing presently are experienced by other organizations as well.

Mr. Daryl Kramp: Personally, quite frankly, I'm pleased to hear that. I've had some experience with designer systems. The exponential cost of them is just unbelievable. So I commend you on your decisions to go with a system with a proven track record and apply it to the government purposes.

However, this system is obviously having an effect already, when you're automating and bringing forth new systems. What kind of effect is that going to have on potential staffing? Is that going to affect our compensation advisers? Maybe we won't need as many in the future. Is there a thought process involved with that?

Mrs. Renée Jolicoeur: I cannot judge the number of compensation advisers, because the competencies required of compensation advisers will differ. They will provide different advice to the employees. As you know, we also have a challenge to recruit the best elements in the public service. The compensation package is one of the assets that we can offer in the public service. This information is not necessarily well known, and the compensation advisers can provide that information to potential employees.

The difference it will make in terms of recruitment is that this new technology is technology that people know, that they use commonly at home or at work presently. So it will be easier to recruit employees as compensation advisers because the technology is a lot easier to operate. Also, there will be a lot less training required to operate those systems. The clients—the employees and the managers—will be using systems similar to those that they use when they do Internet banking.

So managers, rather than having to go through the compensation advisers, as is the case presently, will be able to enter the transactions directly into the system. That will come to the pay system, and the transactions will be done immediately.

Now, this will apply to a portion of the transactions. There remain transactions that will require the involvement of the compensation advisers. But the high-volume transactions will be handled automatically through the Intranet, if you wish.

Mr. Daryl Kramp: Thank you.

Do I have another minute, Madam Chair?

The Chair: Sure.

Mr. Daryl Kramp: You've set up a new office in Matane. I just need to understand this a little bit more. Is this decentralization or is it a centralization of services? I'd like to know more about the capacity and the capability and what's involved with the office there.

Ms. Diane Lorenzato: Thank you.

First of all, we've restructured our compensation unit to adopt what we call a hybrid system, where employees have access to their services through a service centre, through telephone and e-mail, but the infrastructure behind the service centre is organized by business line, by client group. You have teams effected to each of our branches—a team for our acquisitions branch, a team for our real property branch, and so on—that are full service. They actually have the full spectrum of expertise in compensation.

We decided to open the satellite office in Matane to expand our capacity and not have all of our resources here in the NCA, where we actually see, as you mentioned, a turnover. In Matane we already have an office providing other types of services, so the pool of expertise and talent we had onsite was a good fit to actually expand our business lines into that region. We decided just to take advantage of the talent we had in Matane. What this does is create a team that will be attached to one of our branches.

So it's not decentralizing the service, it's simply increasing our capacity to provide a good service.

• (1615)

Mr. Daryl Kramp: Thank you.

The Chair: Thank you.

Mr. Silva.

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

Let me first apologize to the witnesses for my lateness. I had a private member's bill to present in the House. Today we were also honouring Madame Robillard, who announced her leaving, and several members got up to say some very nice words and to praise her for all her efforts for Canada over the years. By the time I got to

my private member's bill, it was a little bit late, and I apologize for that.

I'm also new to the committee, but two things come to mind that have been raised at the committee and that seem of great concern. Maybe you can provide some further clarification on them.

The first area is classification and timely payments around compensation benefits. The other issue is turnover. Those are the two issues that I've heard over and over again people express some serious concerns about. Perhaps you could elaborate a little bit further on both.

Again, the first issue is classification and compensation, the timeliness of these payments and the benefits. That has been raised by several people. The second issue is turnover, and whether that's creating serious problems within the civil service. The turnover seems to be a little bit high.

So perhaps you can comment on that and give us some explanations so that we can understand this.

Ms. Monique Boudrias: Madam Chair, on the issue of timeliness of payments, I would like my colleague from Treasury Board Secretariat to answer that question. I will cover the issues of classification and turnover.

Mr. Dan Danagher: On the timeliness of payments—you may have missed those opening remarks—essentially we conducted a survey in August. That survey and analysis of PWGSC's online pay system demonstrated to us that 66% of departments on average meet the standards of timeliness.

This is not for regular paycheques, because everybody gets their regular biweekly paycheques on time. This is for things like paying a new employee, striking off the record a departing employee, and so on.

Roughly 66% were within the standard of timeliness, 11% were about one week outside of that standard, and 23% two or more. That has led to action plans in each of the departments.

We conducted the second slice of the survey just two weeks ago. Those results should be in by January. After we've completed our analysis, we will be filing with the committee, sometime in February 2008, a report covering those two surveys.

Ms. Monique Boudrias: Thank you.

Madam Chair, if I may, I will cover the question on classification first.

I'd just mention that we have been looking at the classification issue for many years for the compensation advisers. It started in 1989, where we moved them from a clerk level 4 to a clerk level 5. In 1997 they moved from a clerk level 5 to an officer level 1. In 2000 they moved from an officer level 1 to a level 2. In 2003, after a collective grievance that they pushed forward, we reviewed them again and we maintained them at the AS-2 level.

Right now we have an agreement with the Public Service Alliance of Canada to look at the PA group. That is a very large component. It's a new group, and the AS group is part of the PA group. We have an agreement to review the PA group with the alliance. We haven't yet started the work, but at that point the compensation adviser position will be looked at again. That's from a public-service-wide approach.

But with the presentation we made today in terms of saying that we will move to more technology, transformation, and so on and so forth, obviously we will have to look at those job descriptions in terms of where we're going from a technological standpoint.

So there are two means by which, in the near future, we will be looking at the job descriptions of those compensation advisers.

• (1620)

Mr. Mario Silva: Thank you.

The Chair: I'm just going to jump in here, because this is very near and dear to my heart and I'm dying to ask a few questions, if the committee doesn't mind—and I'm not waiting for your answer.

You said you've hired 109 new compensation advisers, but it takes up to two years to train them. Have you taken into consideration the number of compensation advisers who are retiring in those two years? What are you going to do? I don't think 109 will even come close to replacing the retiring ones, let alone filling the jobs that are there.

Ms. Monique Boudrias: Madam Chair, we have a five-year plan, and we've done the human resources plan, linked to the business plans of each department. It has been a collective effort with all the departments to look at where we are going in the next five years.

Consider that the compensation advisers retire when they get the golden numbers. They don't wait; they retire. We know that. When eligibility kicks in, they retire. So we know how many will be leaving, and the plan is for 100 in the next five years. We recognize that we should have done that five years ago to prepare for this. We haven't done it. We know where we are right now. We're moving. Everybody is working together.

And in the meantime, as I mentioned, Madam Chair, we're looking at rehiring former compensation advisers to give us a hand, and we're looking at overtime.

The Chair: We all know that there's a problem with classification. But why wait for the negotiations to do the whole sector? I mean, when you have a very unique, special problem in one part of it, which is compensation advisers, why not address that separately? Let the classification and all the rest of it.... Work it out. It'll take another five years.

Meanwhile, if you don't work it out shortly, you won't have the compensation advisers that you need, and they won't be trained the way you want them to be trained.

I believe you were the deputy minister or associate deputy minister at National Defence, and you looked at the problems there at that time, so you're very familiar with the challenges.

Ms. Monique Boudrias: Yes, and at Defence, certainly we—

The Chair: Just a second. It's a 38-minute bell, so we're okay for another few minutes.

Mr. Chris Warkentin (Peace River, CPC): It's a 10-minute bell, we're being informed.

The Chair: It can't be a 10-minute bell. It's on a motion to adjourn the debate.

You can stay or leave. I want to continue this, because this is very important.

It's a 30-minute bell.

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): I hear you. I'm staying. This is important.

The Chair: Yes, it is.

I'm asking you these questions because I know you're doing a lot of work, and I really appreciate some of the work you've done, but I don't think you're addressing, in some ways, the immediate problem.

Ms. Monique Boudrias: Madam Chair, in terms of the immediate problem, what we're saying with the current job description and the current.... There is a difference between complexity and workload, and unfortunately workload is being paid by overtime and not by classification. The classification standard that we have in the Government of Canada does not recognize workload.

So what we're saying here is that we have nothing against them. They're dedicated employees. If their job was worth an AS-3 position across the public service, or AS-4, we would do it. We've done it through the years, and we have a lot of time for our employees who are in the pay business.

The Chair: Some departments aren't under Treasury Board, let's say. They have the ability to do it, therefore the compensation advisers who are working under the Treasury Board then go to the higher-paying jobs, and you lose more employees. I know this is what's happening. It's a real challenge.

Ms. Monique Boudrias: It's a challenge. As the employer being part of a larger unionized organization, we have to not only look at the classification but go to the bargaining table. We are not separate employers and we don't have the same system as they have. Unfortunately, they are all paid by the Government of Canada, but that's the situation.

What we want to reiterate to this committee is that we are taking care of the community. We are looking into it, and I want to reiterate what I said to the member previously. We won't wait for the big review of the PA group to do something. That's one initiative that is a public-service-wide initiative. We are looking into the situation right now, and with the evolution of the job descriptions based on the changes in technology, we will be reviewing those job descriptions again. If they are at a level higher, we will be looking at that, obviously. We are very committed to those employees.

The Chair: I understand that, but it doesn't solve the immediate problem.

I can talk to some of the people who live in my riding. I have a man who's retired from National Defence. He retired at the end of August. He has not had one penny since he retired. He's been told it takes at least four or five months. He hasn't had his severance pay. He is relying on his family to buy groceries, for God's sake. There's no answer. They just say, "Oh, it has to take that time. Didn't you know? Isn't that too bad?" I find that really despicable, and that's why I'm pushing so hard when I hear of a case like this.

•(1625)

Ms. Monique Boudrias: I will certainly look into the issue of people who are retiring, Madam Chair and Treasury Board Secretariat, in the next monitoring. We should be making sure that people who are retiring know they have to advise us in advance. If we have cases like this, we should look into that rapidly. If you wish to let us know, we will take that under rapid action.

The Chair: I will.

This gentleman told me they agreed they were going to pay him \$30,000 in severance, but they won't give it to him until they decide on his pension, for some reason. So he hasn't had anything.

I'm going to go for five minutes, Madame Bourgeois, and then I'll go to a Conservative, if they want. We will then have to adjourn because of the vote.

Mr. Daryl Kramp: I'm leaving now. I'm sorry.

The Chair: That's fine.

We'll let Madame Bourgeois continue.

[Translation]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Thank you, Madam Chair.

I would like to begin by sharing with you my overall impression of our witnesses' presentations.

On reading your submissions and listening to you, I got the impression that you have the situation well in hand. We committee members do not always have only negative things to say. I just wanted to say that in my opinion, you have, to your credit, identified

the problem areas. I always work that way, that is I analyze the situation and then draw up a plan of action.

Mr. Danagher and Ms. Lorenzato, judging from your answers, you do have a good grasp of the problems. I think I understood you, but I would like to have your comments in writing. Could you possibly forward this information to the committee? Mr. Danagher mentioned a second study now under way and said that results should be released in February or sometime after Parliament reconvenes. The aim of the study is to see if the problems initially identified have been addressed. However, we still do not have a clear idea of what the problems actually are. I am confident that when employees are given the tools they need to do their job, this solves some of the problems and the minor irritants.

Getting back to the big problem mentioned by Ms. Jolicoeur, it is indeed a formidable one. I find you quite courageous to talk to us about it. If I understand correctly, Ms. Jolicoeur, some of your systems are 40 years old. When you want your employees to perform effectively, it is important to give them the right kind of tools to do their job. How is it that the government has not looked into this problem? Are you telling us that no decision has been made on this front? I am curious as to how widespread this problem really is.

•(1630)

Mrs. Renée Jolicoeur: The pension project is well under way. In fact, the main components of the project will be in production fairly quickly, that is by 2010. Replacing these systems has been a lengthy process because the system must remain strong. Half-measures are not an option. These systems must be extremely accurate. Therefore, it is a very time-consuming process.

We have been given the necessary approvals. On the pay side, everything is going smoothly. The Treasury Board Secretariat is currently weighing priorities. As you know, the government does have other priorities. However, I have to say that people are aware of the problem and know that it must be addressed. The process will unfold as it should and in the meantime, PWGSC is continuing to work on the project, even though project approval has yet to be given. We have done some research to ensure that the solutions identified are the right ones. I want to assure you that no time is being wasted and that research efforts are ongoing.

Ms. Diane Bourgeois: I would imagine you have an idea of how long it will take to get these systems up and running.

Mrs. Renée Jolicoeur: Yes.

Ms. Diane Bourgeois: How many years have you been working on this?

Mrs. Renée Jolicoeur: In 1997 or thereabouts, work began on a project to overhaul the compensation and pension system. The project was quite ambitious. We wanted to come up with our own solutions to compensation and pension problems and then, to integrate the two systems.

Our solution today is far more modest in scope. We have decided to keep the two components separate because integrating them is extremely complicated. We plan to use automated systems already on the market. All that will remain is to configure them to take into account provisions in collective agreements.

In 2001-2002, we were forced to end the project started in 1997. This led to a court case which took several years to settle. That explains why Public Works had to wait several years before refocussing on the problem. Basically, that is what we are doing at this time. Resolving the pension problem will help considerably to alleviate the workload of compensation advisors. Part of the work is centralized in Shediac.

Ms. Diane Bourgeois: Again, I would like to ask you to share the following information with us: those areas in which improvement is needed, the main problems that you have identified and your plan of action, with deadlines and performance indicators.

This will help us to understand the situation and to visualize where this is going. Regardless, I do think that you are on the right track and I congratulate you on your efforts.

The Chair: Thank you.

Ms. Monique Boudrias: Thank you, Madam Chair.

We promise to get that information to you.

The Chair: I do hope that you continue on this path because employees are facing major challenges.

We have only 15 minutes left before we must go and vote. Therefore I think we will adjourn.

It is unfortunate that we have to wrap this up quickly, but we have managed to get some answers. Rest assured, however, that we will continue to examine this question in the new year.

Thank you.

[*English*]

The meeting is adjourned.

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