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# **Standing Committee on Government Operations and Estimates**

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**EVIDENCE**

**Thursday, March 12, 2009**

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**Chair**

**Mr. Derek Lee**

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## Standing Committee on Government Operations and Estimates

Thursday, March 12, 2009

•(1110)

[*English*]

**The Chair (Mr. Derek Lee (Scarborough—Rouge River, Lib.)):** I call the meeting to order, colleagues. We are continuing our review of the 2009-10 estimates.

We have before us today, at our request, representatives of the Privy Council Office, in respect of votes 1, 5, 10, and 25 under Privy Council. We can start there.

Well before the end of our meeting time we will be switching to the issue of appointments, and we have one person. As you know, we're going to review one appointment, and that will wrap up the meeting.

In the absence of any interventions, we'll go to our witnesses, who will present, in an appropriate, short way, the spending plans for the Privy Council under those votes.

We have Simon Kennedy, deputy secretary to the cabinet, and Marilyn MacPherson, assistant deputy minister, corporate services branch.

Whichever one of you wishes, please proceed.

It will be Ms. MacPherson. Thank you.

[*Translation*]

**Mrs. Marilyn MacPherson (Assistant Deputy Minister, Corporate Services Branch, Privy Council Office):** Good morning, Mr. Chair. I am pleased to meet with the members of the Standing Committee on Government Operations and Estimates. As you mentioned, I am accompanied by Simon Kennedy, Deputy Secretary to the Cabinet, Plans and Consultation.

We are here today to talk about the 2009-10 Main Estimates for the Privy Council Office. PCO's last appearance before this Committee was in February 2009, regarding the Supplementary Estimates (B) for the Privy Council Office. The Privy Council Office reports directly to the Prime Minister and is headed by the Clerk of the Privy Council and Secretary to the Cabinet.

[*English*]

The Prime Minister's overall responsibility is to provide leadership in creating and sustaining the unity of the ministry required to maintain the confidence of Parliament. The Prime Minister demonstrates this leadership in two distinct ways: through the exercise of unique authorities as head of government and through the management and coordination of the government's agenda as chair of the cabinet.

The core functions of the Clerk of the Privy Council and Secretary to the Cabinet, and those of the entire PCO, flow directly from these responsibilities. The strength of PCO is in large measure determined by its ability to concentrate its resources on supporting exclusively these two central responsibilities, in addition to helping the Clerk of the Privy Council and Secretary to the Cabinet fulfill his role as head of the public service.

PCO contributes significantly to the implementation of a clearly articulated government policy agenda, coordinates timely responses to issues facing the government and the country, and supports the effective operation of the cabinet and the government. PCO works to maintain the highest professional and ethical standards in the federal public service and ensures that the Prime Minister and ministers within the Prime Minister's portfolio receive high-quality, consistent, appropriate, and non-partisan policy and legal advice and objective recommendations.

[*Translation*]

PCO has four priorities for 2009-10 and will achieve these priorities as follows. First, support the Prime Minister in exercising his overall leadership responsibility. Through this priority, PCO will continue to support the Prime Minister in one of his key leadership roles, which is to create and sustain the unity of the Ministry.

PCO will carry out the following plans to meet this priority effectively: provide advice on the broad organization and machinery of government, the structure and functioning of Cabinet and its committees, parliamentary affairs and the appointments of principal public office holders; and support strong and integrated management across all government institutions, supporting the effective functioning of Cabinet committees by exercising a coordination and challenge function on policy and legislative proposals from departments and by advising on the management of the Government's legislative agenda.

[English]

PCO's second priority is to focus on key policy in legislative areas and to strengthen medium-term policy planning. PCO will provide advice and support in the overall development and implementation of the government's policy and legislative agendas. More specifically, PCO will support the government's efforts to respond to the global economic recession, provide strong leadership of the economic agenda, and provide economic stimulus; help all Canadians to participate in this country's opportunities; ensure the federal government operates more effectively; contribute to global security and well-being; strengthen the federation and Canada's democratic institutions; develop and implement initiatives aimed at securing our energy future by tackling climate change and preserving Canada's environment; and finally, keep Canadians safe.

The third priority is to support management and accountability of government. PCO will support the government's continued efforts to improve the overall management, transparency, and accountability of government. As well, it will help to ensure strong leadership capability at all levels. PCO will effectively meet this priority by supporting the renewal of the Public Service of Canada.

The fourth priority is to strengthen PCO's internal management practices. This priority will contribute to excellence in management practices, resulting in effective and efficient use of resources in support of PCO's operations. In addition, financial and non-financial performance information will be more readily available, contributing to improved transparency and accountability.

PCO will focus on internal renewal efforts and initiatives and the following plans: to strengthen management of internal security, particularly in the areas of emergency management and occupational safety and health; to contribute to provide objective and independent value-added assurance services; to strengthen the integration of human resources planning into business planning; and to implement the second year of a multi-year performance measurement strategy.

PCO's main estimates for 2009-10 total \$128.8 million. Resources are allocated as follows: 47% of our resources are spent on providing professional, non-partisan policy advice and support to the Prime Minister and portfolio ministers; 38% is allocated for internal services; 13% on providing policy advice and secretariat support to cabinet and cabinet committees; and 2% on providing overall leadership and direction to the public service in support of the government's agenda.

As of 2009-10, internal services are now being presented as a separate program activity in the main estimates as per the Treasury Board Secretariat's standardized profile of the Government of Canada's internal services. In prior years, corporate services budgets and expenses were prorated based on the weight of each program activity.

For internal services, please note that PCO operates in a highly centralized and unique environment where many costs normally assumed by line managers are covered by corporate services: for example, all informatics and technical services, which include protected and classified networks based on the uniqueness of our business environment at PCO; all furniture and equipment; supplies; printing and graphics; messenger services; telecommunications;

translation; and the review of cabinet confidence information in order to protect prior and current cabinet information. These are all covered by corporate services and are not allocated to the individual program activities.

The overall increase of \$5.6 million, from \$123.2 million in 2008-09 to \$128.8 million in 2009-10, pertains to the following items. The \$4.8 million is related to the funding for the establishment and the operations of the Afghanistan Task Force. Funding is expected until 2011-12, which is the last year of operation of the task force. The \$2 million is related to the funding for the office of the coordinator for the 2010 Olympics and for G-8 security. Funding is expected until 2010-11, which is the last year of operations of the office. There is \$800,000 that is included for collective bargaining agreements and \$100,000 for statutory adjustments related to the salary and motor car allowance for the leader of the government in the House of Commons.

• (1115)

This is offset by the following decreases. There is \$1.3 million for the funding of the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182, which was originally ending its operations in 2008-09. Therefore, no amounts were approved in the 2009-10 main estimates. However, due to delays of hearings, delays in getting documents, and delays in the production of the report, additional funding for this commission was sought in the 2008-09 supplementary estimates and will be sought through the 2009-10 supplementary estimates (A). There is also a reduction of \$500,000 for statutory adjustments related to the employee benefit plans and \$300,000 for additional efficiency savings related to the procurement initiative.

[Translation]

In closing, I would like to thank you for giving me this time to inform you of the ongoing initiatives in the 2009-10 Main Estimates.

[English]

**The Chair:** Thank you very much for providing your opening statement in both official languages.

I'll turn to Mr. McTeague for the opening round.

**Hon. Dan McTeague (Pickering—Scarborough East, Lib.):** Ms. MacPherson, Mr. Kennedy, thank you for being here today. I have a number of questions, and I'm sure my colleagues will as well. They may be quite diverse; you covered quite an area.

We were interested in the issue of the Public Service Commission. There were concerns raised at previous hearings with respect to ongoing problems they're confronted with, particularly with an aging population, but also the question of mobility. As well, there were some concerns about what they refer to as "the creep", as it relates to not qualifying, or having people in a particular division or at a particular level that doesn't seem to correspond exactly to what they had been assigned to.

I want to ask what work we might expect from the PCO in terms of efforts it may be making in collaboration with the Public Service Commission to address some of these concerns, as well as in the report in 2008?

**Mrs. Marilyn MacPherson:** From my perspective, I'm responsible for the internal management for PCO. I'm sure some of the issues you raised do exist right across the government. However, within PCO itself, I'm not aware of any particular issues around either the flow of individuals coming into or leaving the organization.

In certain divisions of the department, we do have a two-year window where analysts tend to come in from other departments, stay for a period of time, and move out. We don't consider that to be particularly problematic. In other areas of the department we have individuals who stay for long periods of time.

• (1120)

**Hon. Dan McTeague:** Under number 3, "Support management and accountability of government", it says:

...it will help to ensure strong leadership capacity at all levels. PCO will effectively meet this priority by supporting the renewal of the Public Service of Canada.

Can you expand on that a bit?

**Mrs. Marilyn MacPherson:** Certainly there is an actual organization inside the PCO that is responsible, and they do support the Prime Minister's committee on public service renewal. They have a broader mandate to actually look at leadership and the appointment of individuals into the public service at the senior levels.

**Hon. Dan McTeague:** Let me shift gears here; I might run out of time. My colleague, Ms. Hall Findlay, would like to jump in.

I have a simple question on how difficult your task at the PCO is, particularly as it relates to the usual regulations or routines, given the desire to get the stimulus out. What assurances can you give the committee that the way in which one conducts business appropriately, with due diligence being paramount, enables you to meet these Herculean tasks?

You've cited a number of them here, but it sounds to me like you're being asked to do a lot more. How difficult is your job now going to be, given that there's an expectation that things should happen at a much greater pace?

**Mr. Simon Kennedy (Deputy Secretary to the Cabinet, Plans and Consultation, Privy Council Office):** Thanks for the question.

I think in the recent report on reporting on the budget the government set out its accountability framework for how it was going to be moving forward to implement the economic action plan measures. We've been working closely with departments to try to implement that approach—trying to get the cabinet approval process

and the process for Treasury Board streamlined, and looking at ways to get the funding appropriated and into the hands of departments faster so they can actually begin delivering the program.

There is an accountability framework that was set up for the purposes of ensuring that Parliament and Canadians can see how the funds are being spent. The government has indicated it's going to be reporting regularly on the progress. I believe it was yesterday or the day before that the Minister of Finance indicated that there's a website up and running and that the intention is to report regularly on the budget measures and where the money is being spent.

**Hon. Dan McTeague:** Mr. Kennedy, I understand the government response. But from the mechanical point of view of the operations of government, how are you able to be more diligent than you have been in the past in order to meet these objectives? Is there any coordination observing Treasury Board guidelines, your own guidelines?

**Mr. Simon Kennedy:** As the Privy Council Office we're responsible for trying to ensure some coordination across government, so we've set up a regular series of meetings with the key departments, the main departments that are in charge of delivering the stimulus measures at the senior level. We are meeting with deputies roughly once a month to actually do a *tour de table*, to see how things are going, to identify any challenges or problems up front, to keep track of the measures that are being put in place.

Of course, I'm sure any of the deputy ministers you may speak with would say this. This is clearly the number one priority in departments, and to the extent possible, departments are shifting resources to the delivery of the economic action plan measures. So they're applying the same standard of due diligence but putting more people on the case, if you like, to make sure that the processing is done as quickly as possible.

**Hon. Dan McTeague:** Mr. Chair, with your indulgence, I'll allow Ms. Hall Findlay to continue.

**The Chair:** She has a minute and a half.

**Ms. Martha Hall Findlay (Willowdale, Lib.):** Thank you, Mr. Chair.

I'm referring to point number 3 in terms of the priorities referring to "continued efforts to improve overall management, transparency and accountability of government". We've heard a lot lately from the Information Commissioner about, I would suggest, a lack of transparency in the sense of significantly increased delays in access to information requests, the suggestion that there has been a significant increase in cabinet consultations, and a suggestion of the PCO involvement.

I know we're talking now more about the financial aspect, but given that this was listed as one of your priorities, I couldn't help but ask. Has there been a significant increase or an increase in the number of access to information requests that the PCO has been asked to look at and in effect touch in the process?

• (1125)

**Mrs. Marilyn MacPherson:** Yes, our requests for ATIP have gone up significantly over the last probably five to ten years. We are receiving an ever-growing number of consultations. As you can imagine, the requests that come into PCO are relatively complicated because we deal with fairly sensitive and complex files. We are finding that it is extremely difficult to meet the timelines that are in legislation.

We have increased the number of resources that we have internally. We've introduced a new program to actually train people up from PM-1s to PM-4s in order to have people who are capable, because it's very difficult to recruit people who are able to do ATIP in an effective manner. We've also changed our business process inside the department to try to streamline it and make it as efficient as possible. But even with that, the volumes do continue to increase.

**The Chair:** That's your time. Thank you very much.

We'll go to Madame Bourgeois for a first full round.

[Translation]

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Chair, Ms. MacPherson, good morning. And welcome to you too, Mr. Kennedy.

I have several brief questions and we don't have a lot of time. I'm going to ask you therefore to be succinct in your answers.

I have just learned a lot of things concerning the role that the PCO has to play. For example, in your presentation you say that you exercise a challenge function on policy and legislative proposals from departments. That means that, when the Prime Minister and his ministers discuss their proposals, you are the one who determine whether and how they can be applied.

Is that right?

**Mrs. Marilyn MacPherson:** I think that Simon could answer your question.

[English]

**Mr. Simon Kennedy:** Merci .

The Privy Council Office plays two roles. One is as secretariat to the cabinet, so PCO actually organizes, on behalf of the Prime Minister and on behalf of the chairs of the various cabinet committees, the actual meetings of ministers. We provide advice on what could be on the agenda and the scheduling of meetings. We actually help to organize them.

Part of that role is to work with the involved departments that are bringing items into cabinet, to make sure that when items come to cabinet they are ready for discussion. One of the principles we try to observe in working with departments is to make sure that when ministers have items on the cabinet agenda and they're there to make decisions or provide recommendations, they have full information so that the proposals are well developed, the costs are understood, the benefits are understood—that sort of thing.

What Ms. MacPherson referred to in her remarks is that part of the role we play is to provide a bit of a challenge function, if you like. When a department is coming into cabinet with a proposal, we work with them to make sure there is full information. In a sense, we

provide a bit of an opportunity to ask some difficult questions in advance to make sure the proposal is the best it can be. But certainly PCO plays that role in a facilitating sense. Obviously, the responsible minister is responsible for the program and the advice, and ultimately the cabinet makes the decision. But our job is to facilitate that process by working with ministries when they come into the system.

[Translation]

**Ms. Diane Bourgeois:** I see. That means you also support Treasury Board. You support the whole cabinet, including Treasury Board, is that right?

[English]

**Mr. Simon Kennedy:** The Treasury Board committee is actually supported by the Treasury Board Secretariat. It's the one committee actually established in law, and it has a process associated with it.

[Translation]

**Ms. Diane Bourgeois:** You don't support it as such, I agree. Pay equity, which is currently a topic of discussion in Canada, is now negotiable. Without breaking any rules of confidentiality, pay equity might have been dealt with by PCO, for example.

• (1130)

[English]

**Mr. Simon Kennedy:** I'm sorry, Mr. Chair, I don't totally understand the question. I'd like to help answer, but....

**The Chair:** Perhaps, Madame Bourgeois, you could recast the question.

[Translation]

**Ms. Diane Bourgeois:** Since you support the Prime Minister and the ministers or the ideas proposed, I imagine that pay equity might have been discussed by the ministers. Without breaching confidentiality, can you tell me whether you have discussed pay equity and the harmful effects on the living conditions of women?

[English]

**Mr. Simon Kennedy:** Mr. Chair, I can't speak to specific items in terms of what PCO may or may not advise on, or to items that were discussed. I can, however, just in terms of the member's question, indicate that PCO does provide advice on the complete range of files the government deals with. So if it were to come to issues like pay equity or issues regarding labour relations or that sort of thing, that would be an advice function we would have as well. But the central responsibility for the policy and for the work would still reside with the Treasury Board as the government's employer. But we provide advice on a range of matters, which would include pay equity.

[Translation]

**Ms. Diane Bourgeois:** You say that you give non-partisan advice. But when you get a Prime Minister, a government with a certain ideology, can you steer things, or is it the other way around? In other words, is it the Prime Minister who says that he is going to pursue his ideology, regardless of the impartial advice you give him? I'd just like this to be clear in my mind.

[English]

**Mr. Simon Kennedy:** Mr. Chair, what I would say is that Privy Council Office is non-partisan. It is staffed by public servants. Our job is to provide neutral, non-partisan advice to the government and to loyally implement the policies and programs the government establishes.

We would certainly give advice to a government on its agenda, but ultimately the government is accountable to Canadians and is elected with a mandate. So we can give advice on a program, but it's certainly not for us to decide what will and will not be done.

[Translation]

**Ms. Diane Bourgeois:** Thank you. I appreciate your answer.

Ms. MacPherson, you mentioned an increase of \$5.6 million for the year 2009-10, including \$2 million for funding the office of the coordinator for the 2010 Olympics. Is this \$2 million budgeted solely for 2009-10, or will it be kept on afterwards? You say that it is budgeted up to 2010-11, but when will it end exactly?

[English]

**Mrs. Marilyn MacPherson:** The coordinator position is held by Ward P.D. Elcock, and he was appointed in October 2007, and his mandate is to do security planning cross-jurisdictionally and for the whole-of-government approach for both the Olympics and the G-8. His funding runs over four different years at a total forecast now of \$5.4 million. So he started in 2007-08 with \$500,000; in 2008-09, we're forecasting \$1.9 million; for main estimates in 2009-10 it's \$2 million; and then for the wrap-up in 2011 it will be another \$1 million.

[Translation]

**Ms. Diane Bourgeois:** There is also \$0.3 million for additional efficiency savings related to the Procurement Initiative. What is this? The committee actually examines procurement methods.

[English]

**Mrs. Marilyn MacPherson:** Previously in a budget there was a decision that starting in 2008-09 there would be a cut of 0.7% on all departments over \$40 million to meet a fiscal deficit, so in 2009-10, already reflected in the main estimates, is a cut of \$800,000. However, there is an ongoing fiscal deficit, so in order to meet that, there is a further cut of \$300,000 this year. Next year it will move to \$600,000 and the year after it will be up to \$1 million in order to take care of the fiscal deficit.

•(1135)

[Translation]

**Ms. Diane Bourgeois:** Thank you.

[English]

**The Chair:** Thank you.

That's your departmental contribution to addressing the deficit.

**Mrs. Marilyn MacPherson:** That's correct.

**The Chair:** Thank you.

Mr. Calandra, for an eight-minute round.

**Mr. Paul Calandra (Oak Ridges—Markham, CPC):** Thank you, Mr. Chair.

I appreciate that, and I will do my best to stay within the eight minutes that I'm afforded.

Thank you very much. I appreciate you coming. As you know, one of the most important things we're hearing about in our ridings and one of the initiatives that is most important to this government is the stimulus package, and more importantly the budget, getting the budget out the door and getting the funds flowing so that we can build the roads, the bridges, and the other things that Canadians are depending on us to do. Obviously the government has to work cooperatively with the bureaucracy to get this done.

I was wondering if you might be able to highlight some of the things that the bureaucracy, or the public service, is doing to help speed up the implementation of Budget 2009.

**Mr. Simon Kennedy:** A number of things have been done, and I can itemize them.

The first is with regard to the process for cabinet approvals. Work has been done to try to accelerate the normal cabinet approval process. Typically, it would be a number of months after a budget is put out that items would come forward to cabinet. PCO has been working with departments, where possible, to try to group together like items and to bring them to the cabinet system on an expedited basis.

We've been trying to work with colleagues at Treasury Board to do much the same with Treasury Board submissions. Once the policy is established at cabinet, there is then all the administrative detail of how a program will be designed, the terms and conditions and that sort of thing.

Treasury Board has been working with departments to help them develop their Treasury Board submissions, in many cases in parallel with the policy development work. So they are trying to do both at the same time, as opposed to doing it sequentially. They are trying to bring Treasury Board proposals into the Treasury Board, again on an expedited basis, grouping together proposals that are similar where that's possible.

Also, they have been working across departments in the government, looking at how various authorities can be realigned to better support the delivery of the stimulus measures. For example, where a department might have a robust risk management framework in place, that department might be given more authority than is typical to be able to go out and actually execute contracts and undertake work.

In addition to that, the government has been exploring—and certainly the public service has been supporting this—ways to streamline various approval processes. For example, if one wanted to construct a bridge, you would typically have approvals under the Navigable Waters Protection Act to look at how to streamline and reduce redundancy under that legislation.

In addition, I mentioned earlier, with regard to the whole process around appropriations, to try to find a way to accelerate appropriations.... For example, there are a large number of items set out in the Budget Implementation Act so that the appropriation authority can actually take place through the budget legislation. Once the legislation passes, departments will actually have the authority to spend. Again, typically what would happen is the spending authority would be through the supplementary estimates, either in June or perhaps in December, which would be up to eight months after the budget is typically tabled.

Altogether in that process—I don't have the figures directly—the savings would be anywhere from a couple of months to as much as a year or more in terms of the ability to roll out measures.

I would note that the IMF, in its article 4 assessment, which I believe came out yesterday, actually had some very positive things to say about what Canada is doing to try to focus on delivery of the measures in the budget.

**Mr. Paul Calandra:** Before being elected here I was part of the Red Tape Commission in the Province of Ontario, so accountability and how we spend taxpayers' money is extraordinarily important to me—as important as getting the money out the door. I also have a responsibility to the people in my riding to make sure that it's being done accountably.

How are we going to be reporting on how the money is being spent? How is the stimulus package going out the door, and what projects are being done? Is there a mechanism for us as parliamentarians to review that? How will we keep Canadians informed?

• (1140)

**Mr. Simon Kennedy:** Mr. Chair, the most obvious and I think one of the central means for accountability will be the quarterly reports that will be produced for both Parliament and for the public.

I mentioned earlier that we have set up with our colleagues in the other central agencies a regular series of meetings with departments. The key purpose of that is to actually collect the performance information that will be used to inform on the development of those reports. I think members would have seen in the most recent report tabled that there were tables for each of the main areas of the budget indicating the status of the measure in question and when funds could be expected to flow. The hope would be that in subsequent reports we'll be able to report in a bit more detail on how the actual funding is flowing.

Again, I can't speak to detail. This would be something individual departments could speak to, but certainly in terms of the proactive disclosure rules, I know a number of departments are actually posting all of the various contracts and so on directly on their website. As the Minister of Finance indicated earlier, there is an intention through the main website to be regularly reporting on how the government is making progress on the stimulus measures.

**Mr. Paul Calandra:** One of the things I keep receiving at my office are e-mails and letters hungry to know specifically, or in broader terms, how the budget will help Canadians. Obviously, we do our best to explain to Canadians how this is going to help, by building roads and bridges, rebuilding community centres, and keeping people in work and getting them back to work, and how

important it is to get the money out the door, so that people can see what government is doing.

I'm just wondering if you might be able to comment—and I can appreciate that this might be a bit of a difficult one—on how quickly we can expect the initiatives brought forward in the stimulus package to help Canadians, or how quickly Canadians will start to see a benefit from the massive investments we're making in communities across the country.

**Mr. Simon Kennedy:** Mr. Chair, our aim is certainly in support of the government, and I think the government's aim is to get the funds out the door as quickly as possible. Personally, I'm not an economist, and I would feel hesitant to speak about the specific timing. I think that would be a question better directed to the Department of Finance.

I can say, though, certainly from a lot of work I've done in this area, that obviously there's always some time required for the effects to be picked up in the broader economy. It's no different from being at a traffic light: if you're 25 cars back and the light goes green, your car takes a few minutes to get rolling. That's why it's all the more important to get the funds out as quickly as possible, and that's the objective set out in the measures I talked about earlier.

**Mr. Paul Calandra:** Mr. Chair, do I have another minute or so?

**The Chair:** You have four seconds. You've done very well, Mr. Calandra, thank you.

Mr. Martin, for eight minutes.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Thank you, Mr. Chair, and thank you, witnesses.

I'd like to start with two technical or practical questions regarding the estimates, which might get fairly short answers, and then I have some policy-type questions.

First of all, I note from the estimates, or from your presentation, Ms. MacPherson, that internal services amount to fully 38% of the total amount being requested. That strikes me as a lot. Most organizations would be worried if they were burning up 38% of their total budget in administration only and the rest in actual product.

How do you account for those numbers?

**Mrs. Marilyn MacPherson:** Mr. Chair, PCO is a very small department and we are very centralized. We are all here in Ottawa, and we do not deliver programs, nor are we in any way regionalized. So what we have done in our department is really to focus our energy on ensuring that the people who are doing the analyses and supporting the Prime Minister and the cabinet are able to focus on that. In doing so, we are exercising economies of scale, and we have centralized as much administrative support as we possibly can inside the department.

So where you would find in other departments managers and organizations throughout those departments paying for things like printing and graphics and telecommunications, and those kinds of things, in our department it is all centralized. For example, all the furniture we pay for under internal services. We do all of the telecommunications. We pay for all of the software. We take care of all of the desktops and all of the infrastructure. We also have a messenger service that we provide internally to the department. We take care of all of the translation and all of the supplies.

So it's quite a different construct from most departments, but I think it actually is more useful for our department and it makes better use of our funds.

• (1145)

**Mr. Pat Martin:** That's interesting. Thank you.

The second question is that I notice your budget has fallen from \$200 million a year in 2005-06 to \$135 million now. That's a huge cut.

What is the explanation for this downward trend—not that I'm against downward trends in spending?

**Mrs. Marilyn MacPherson:** I wasn't in the department for all of that period of time, but I do know there were two or three things that would have contributed to the decrease. One was that in 2006-07 there was a transfer of responsibilities out of PCO, when we returned to core business and transferred \$14 million out to other departments.

There was also in that year, or the year prior, a change to the funding provided to ministers, and for our department that resulted in a decrease of approximately \$5 million to \$6 million.

At that time we were spending about \$26 million on the commissions of inquiry. But this year, for example, we have no money for those in the main estimates, notwithstanding the fact that we're still supporting three commissions of inquiry. It's simply a matter of the timing, and we'll be coming in for supplementary estimates.

**Mr. Pat Martin:** That's another good answer.

I would like to ask about some specific things now, though, regarding the comment that one of your roles is to help expedite the rollout of the stimulus package and to accelerate cabinet approval.

How do you expect to be able to almost double the volume of activity packed into three months in the vote 35 money? Somewhere along the line, due diligence or scrutiny or oversight is going to have to be sacrificed on the altar of getting it out the door. What kind of advice are you giving to be able to assure people that we're not chucking the oversight or the due diligence out the window in the interests of the political expediency associated with getting this money going?

**Mr. Simon Kennedy:** Mr. Chair, I have just a couple of comments.

One is that, just in terms of sound risk management, I think the downside risks of job losses and the economy slowing further have to be taken into account in the risk management equation. When an examination is undertaken of spending, one way in which to save

time and to accelerate the delivery of programming is to focus on the terms, the conditions, and the criteria that are really the most critical.

When the economy is at full employment and when times are good, for example, if the government were looking to spend on infrastructure and other sorts of things, typically what one would want to do would be to focus more effort on picking the most strategic projects.

At the moment, with job losses and with the slowdown in the economy, a key purpose of the stimulus measures is to stimulate aggregate demand. The way in which you stimulate aggregate demand is you get dollars into the economy quickly, hence the focus in the budget on short-term, shovel-ready projects.

One way to reflect that in the programming is to have a very focused set of criteria to indicate that these are the things we need to focus on in order to get that project approved. Perhaps some of the other considerations that might be there in different circumstances, such as some of the more strategic aspects and so on—

**Mr. Pat Martin:** Like the navigable waters act—

**Mr. Simon Kennedy:** On the navigable waters act issue, that's been an issue that government has heard about from many stakeholders and from provinces in terms of that legislation, and it has decided to proceed with proposed amendments to the legislation to focus on only the ones that are of real concern to navigation.

• (1150)

**Mr. Pat Martin:** I have very little time left, so I'm going to ask you one more question. Part of the budget was the expectation of \$10 billion realized through the sale of public assets. Does it fall to the PCO to give the recommendations on the cost-benefit analysis of whether to sell a building and lease it back or whether to sell Canada Post or whether to...?

First of all, what kinds of assets have you seen contemplated? Secondly, what recommendations are you giving for them to be able to realize \$10 billion in the sale of public assets?

**Mr. Simon Kennedy:** The Privy Council Office would provide advice on whatever the government asked to receive advice on, so that would be—

**Mr. Pat Martin:** Is that one of the things that's currently being developed in the PCO? We can't seem to get—

**Mr. Simon Kennedy:** Mr. Chair, I'm not really in a position to talk about what specific advice we would be asked to provide now on the matters that we're being asked to look at right now.

**Mr. Pat Martin:** Well, does such a list exist of public assets to be sold off?

**Mr. Simon Kennedy:** The whole issue of public assets was raised in the context of the economic statement last fall. The Minister of Finance or the finance department may be better placed to speak to specifics on that.

**Mr. Pat Martin:** We've asked them. They keep saying.... They won't tell us, so we're asking you, under sworn testimony before this committee, is such a list being developed by the PCO?

You're asking us for money to finance your operations. We want to know what operations you're undertaking.

**Mr. Simon Kennedy:** As a public servant, I'm just not at liberty to talk about the advice we're giving to the government.

**The Chair:** Mr. Martin, committees of the House normally recognize the routine confidentiality within ministries and in the Privy Council. We do that to accommodate the functions of government. It would be unfair, right off the wall, to ask Mr. Kennedy to make disclosure of things that may or may not exist within the Privy Council like that. Perhaps Mr. Kennedy's answer has already satisfied you.

**Mr. Pat Martin:** Well, thank you for your intervention, Mr. Chair, but as my colleague says, we seem to have stumbled across Roswell, the Area 51, of the American space program that nobody is allowed to talk about.

We all know it's there. It's being debated and it's being developed, but it's taboo for some reason.

At some point, we're going to have to find out what properties and what crown corporations they plan on unloading.

**The Chair:** This matter is on our future agenda, actually, if you're talking about disposal of capital assets.

I've taken some of your time. If you can put a question in 10 seconds, then you may. Go ahead.

**Mr. Pat Martin:** The residential retrofit program was promised, yet we don't see it in the Budget Implementation Act. Was it the PCO that was asked to put together the details of such a package or to recommend it? Where did this fall off the rails? Homeowners now don't have the confidence that they can spend the money and expect to get their rebate because the enabling legislation doesn't exist. What role did the PCO have in developing this program?

**Mr. Simon Kennedy:** Mr. Chair, I'd have to get back to the committee with the specifics, but I believe the home retrofit program was in the notice of ways and means motion, which means that, as has traditionally been the case, it took effect at that date and the follow-up legislative changes would follow in a subsequent budget implementation act, which would presumably come later in the fall.

**The Chair:** We'll have to accept that answer, but I will say, Mr. Martin, that your chair went through the notice of ways and means motion last night and I couldn't find it. We'll do some more research on that. We have a great researcher here. In any event, that's not Mr. Kennedy's area of legislation.

We'll go to Ms. Hall Findlay, for five minutes.

**Ms. Martha Hall Findlay:** Thank you, Mr. Chair.

I'd like to pursue just a little bit my earlier questioning about the access to information requests. I understand that a lot of departments have seen significant increases in requests.

Can you comment on whether the proportion of the requests coming to PCO has increased, and the complexity, and if there are any specific departments that have increased the number, proportionally, of their requests to the PCO?

•(1155)

**Mrs. Marilyn MacPherson:** I can't speak specifically as to whether there are particular departments that are consulting with us

more or less. We are consulted, but we also have to go out and consult, so it is a two-way street.

But in all business related to ATIP, it is going up in volume. I could get you some specifics if you were interested.

**Ms. Martha Hall Findlay:** That would actually be very helpful, simply because the Information Commissioner specifically said that a significant part of the increase in delay has been the cabinet consultations and made a suggestion that there has been more involvement by the PCO. He didn't say it as in it being for all departmental requests; the suggestion was that there was in fact a proportionate increase in that.

**Mrs. Marilyn MacPherson:** Right. I should explain. There are actually two different organizations inside Privy Council Office that are occupied with ATIP. One is the one that works for me, which actually gets the requests for information for both the access to information and privacy. We handle those. There is another organization that is in the legislative area, which takes care of cabinet confidences. I know this was the first report in which the commissioner has ever commented on the cabinet confidences.

Inside of PCO, running an ATIP office, I am a client department in the same way that all other departments are clients. So as soon as there is any information or documentation that may have a section 69, which is cabinet confidence, we have to go to cabinet confidences and have them review it. I know their volume is quite high, and he did make comment about that in the report.

**Ms. Martha Hall Findlay:** Just bearing with my own learning curve, can you help me understand the difference when he talks about cabinet consultations as opposed to cabinet confidences? Those are two very different things, no?

**Mrs. Marilyn MacPherson:** No. He speaks to cabinet confidences in the report.

**Ms. Martha Hall Findlay:** When he says "cabinet consultations"?

**Mrs. Marilyn MacPherson:** Yes. There are two or three things that happen. We have consultations between departments when there is more than one department that may have an interest in the file—

**Ms. Martha Hall Findlay:** Right.

**Mrs. Marilyn MacPherson:** —but there is also a review of cabinet confidences, a review of information or documents to determine whether or not they fall under section 69 of the act. That is the part that goes through legal counsel, and the documents are reviewed there. In the report he made specific reference to the cabinet confidence/counsel role in PCO.

**Ms. Martha Hall Findlay:** Yes, he did, but in a separate part of his earlier departmental reports he also talked about increased delays because of an increased number in consultations. I thought those were somewhat different. It was a different department asking PCO.

**Mrs. Marilyn MacPherson:** You're exactly right. So anything that has to do with cabinet confidences, the cabinet confidence organization...any ATIP organization in any department will forward documents there to have them reviewed to ensure that we are not letting information go that shouldn't.

There's also the process for consultations, and every department, if they have documents where there is another dep, then it would be likely that we would consult with DFAIT, maybe with CIDA, and maybe with DND.

**Ms. Martha Hall Findlay:** Has there been any change in policy within the PCO over which areas should have more scrutiny, in terms of which may be more worrisome, in that sense, to disclose?

**Mrs. Marilyn MacPherson:** No. As soon as anything is thought to be a cabinet confidence, it goes through exactly the same process. It's very rigorous.

**Ms. Martha Hall Findlay:** Who actually makes that decision about who thinks it is a cabinet confidence?

**Mrs. Marilyn MacPherson:** It comes to PCO and it is the cabinet confidence group inside of PCO that makes that determination.

**Ms. Martha Hall Findlay:** So there hasn't been a change in policy within that group?

**Mrs. Marilyn MacPherson:** No.

**Ms. Martha Hall Findlay:** Thank you very much.

Do I still have time?

**The Chair:** No.

**Ms. Martha Hall Findlay:** Thank you.

**The Chair:** Mr. Calandra wants me to be real strict today.

Monsieur Roy for five minutes, and then over to Mr. Warkentin.

[Translation]

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Thank you, Mr. Chair.

Ms. MacPherson, on page 5 of your statement, you say the following: "PCO will focus on internal renewal efforts and initiatives and the following plans to: ..." Then there's a totally incomprehensible phrase: "continuer d'offrir des services de certification à valeur ajoutée qui soient objectifs et indépendants;" Maybe it's not a good translation. For me, certification service is ISO 9001 or something like that. I don't understand what you mean.

• (1200)

[English]

**Mrs. Marilyn MacPherson:** I apologize for the translation, or for the turn of phrase. What it's referring to is the new audit policy that has been put in by the Treasury Board ministers. What that refers to is that we are setting up our external audit committee, and we have set up an audit organization within the department. What that organization is expected to do is assurance audits to ensure and to be able to advise the clerk and the audit committee that management is being carried out inside of the department in an effective way. That's just a reference to the fact that we will be entering into an ongoing audit program where there will be a number of audits carried out year over year.

[Translation]

**Mr. Jean-Yves Roy:** So it's really an audit program that doesn't have anything to do with certification. I really didn't understand what the Privy Council was doing in this area.

[English]

**Mrs. Marilyn MacPherson:** Yes.

[Translation]

**Mr. Jean-Yves Roy:** In your remarks, you talk about "strengthen [ing] the integration of human resources planning into business planning." If you want to strengthen the integration of human resources, it means you've identified a weakness. How can you further integrate human resources in business planning if, in the past, they were already participating? Did PCO have trouble participating in the planning of work?

[English]

**Mrs. Marilyn MacPherson:** What that relates to is that in 2007 we launched in PCO our first strategic HR plan. There had not been one before. In that plan we did a number of focus groups with managers and staff to try to determine what we could do to improve both the workforce and the workplace, for the employees and also for the operation of the organization. At the same time, it became obvious that we needed to do better planning.

We are in the same position as every other department: we need to recruit very talented people, we need to retain them, and we need to ensure that they have proper training and development. So we launched into this strategic HR plan. It is for three years, and we have a number of initiatives under way, particularly to improve our recruitment and retention of staff.

We also realized that you need to tie your human resources planning with your business planning, so in accordance with the direction we were given in the last fiscal year by the Clerk of the Privy Council in his report, every department was required to do an integrated business plan that included emphasis on HR. We have done that. It certainly wasn't perfect, but we continue to strive to make the connections between our HR planning and our business plans to ensure that what we have in our business plans is clearly related to the priorities in our report on plans and priorities and also takes into account the areas of risk that we identify when we do our annual risk profile. It's all about instituting, inside the organization, a better management framework for the full purpose of ensuring that we have the very best workforce we can possibly have in support of the Prime Minister and the government.

[Translation]

**Mr. Jean-Yves Roy:** That answers my question.

I'd like to come back to support for government management and accountability. You said that PCO will support the renewal of the Public Service of Canada. Is that really its role? Isn't it more the responsibility of the Public Service Commission or another department? Do you simply want to play a monitoring role or do you intervene directly within departments with a view to the efficient renewal of the public service? Do you ask for reports from each of the departments? Do you require a specific performance from them? Your statement isn't clear in this regard.

[English]

**Mrs. Marilyn MacPherson:** First of all, the clerk is the head of the public service. In that role, from the point of view of giving direction on a government-wide basis, he issues an annual report every year. In his reports he has outlined an action plan, with expectations for all departments. As I just mentioned, for example, there was an expectation that every department would do an integrated business plan. There are also other requirements, which he has put into his document. It is a general direction that goes out from the clerk to all of the deputies to assist with the renewal of the public service.

We also have, as I mentioned before, a secretariat that is devoted to the support of public service renewal. Just recently, a portion of the former Canada Public Service Agency moved into the PCO. That organization is specifically tasked with the collective management of the assistant deputy minister population. They were already responsible for deputy ministers. They are to try to provide a more collective and organized approach to talent management, for example, at the ADM level. So while we're not an operational department, we have taken a leadership role, generally speaking, across the government and also more specifically for the more senior levels.

• (1205)

[Translation]

**The Chair:** Thank you, Mr. Roy.

[English]

Just before I turn to Mr. Warkentin, I want to clear up the issue of the ways and means motion that reflected the home renovation tax credit. I'm advised by Ms. Scratch, our analyst, that there is a second ways and means motion and a second notice of motion. I'm looking at the one that's in the budget documents. Your chair spent much too long on that one-inch-thick ways and means motion last night trying to find it. It's actually in a second ways and means motion.

I'm sure, Mr. Martin, you'll be able to find a copy of it—Ms. Scratch will be able to find it. I haven't actually managed to have the benefit of having it before my own eyes yet, but I'm looking forward to it.

I'll turn to Mr. Warkentin, for five minutes.

**Mr. Chris Warkentin (Peace River, CPC):** Thank you, Chair, for the opportunity.

Thank you for coming before us this morning. We appreciate your testimony and your interaction with us.

I'm going to leave the estimates, because I think we probably have heard where all the money is going, and we appreciate the fact that

you're wise managers of that. But since we've got you here, I thought it would be an important thing for us to consider whether in fact you as a department or as an organization are receiving enough money or resources when it comes to the access to information requests you receive.

Coming out of the Accountability Act, there was an increase in numbers of places and organizations where people could access information, where they could request information. Has that increased the workload for PCO, in terms of the requests that would be coming from other departments and as they may relate to cabinet confidences?

**Mrs. Marilyn MacPherson:** Not that I'm aware of. I think most of our consultations are still with the line departments, not with the new players that have come under the ATIP.

**Mr. Chris Warkentin:** Okay. But you are seeing a steady increase, in terms of the number of requests?

**Mrs. Marilyn MacPherson:** Yes.

**Mr. Chris Warkentin:** Is there a sense, or is it your sense, that additional resources may have to be directed towards not only your responsibilities for addressing access to information requests, but also to other departments? Maybe I shouldn't be asking you if you've heard from other departments in determining a necessity for additional resources, but do you feel you have all the resources that are necessary to address the growing number of requests you're receiving?

**Mrs. Marilyn MacPherson:** At this point, I think we have allocated sufficient individuals to handle the workload we have at this point. One of the things that affected our rating in this last report—we actually got three stars out of five, which was significantly better than the F we received the year before—is that we've changed our business processes. So at this point in time I think we are able to handle the volume. We're just getting rid of some of the backlog, so I think we'll be in better shape. But like anything else, as volume goes up, if nothing else changes in the equation, then it is likely there would need to be other resources or more resources applied to it—either that or some change in how the process actually operates.

**Mr. Chris Warkentin:** We appreciate the fact that there has been such significant improvement within your own department, and other departments as well, and we appreciate your efforts to be open and transparent in that manner.

I'm reluctant to ask the question because I don't know the answer—people always say don't ask the question unless you know the answer or have a good idea—but is there any ongoing discussion with regard to the frustration many people have when they receive a document they've requested through access to information and find significant portions of the document are blacked out?

We saw this most recently in a document that came from the NCC, and it was surrounding the improvements to 24 Sussex. Something that you and I—or maybe not you and I, but many people around this table—might find frustrating is that there were significant portions blacked out on issues that I think would be generally considered relatively harmless. The average person, certainly the average parliamentarian, gets frustrated when they see large segments of a document blacked out. Is there any effort to address that concern and possibly rethink the amount that's blacked out?

The sense is that in order to get the documents out the door, there's a decision just simply to black out significant portions just in case they might be problematic, rather than erring on the side of full disclosure.

•(1210)

**Mrs. Marilyn MacPherson:** I've never heard of that practice in our office. People take their job very seriously because it is in accordance with the law. But they do apply the sections of the law equally as diligently, so if they apply a blackout on a particular section, then they actually have documented why they do that. The recourse is always there. There are certainly complaints that go to the Information Commissioner, and he will come in and look at the documents, and in some cases support what we have done. In some cases, there's been some small amount of additional information that has been released.

But basically we follow the rules as they are laid out in the act for what we should and should not be actually disclosing.

**Mr. Chris Warkentin:** Thank you.

**The Chair:** Thank you.

Ms. Hall Findlay, for five.

**Ms. Martha Hall Findlay:** Thank you.

I don't have any specific questions, so I will take a brief bit of time to just say congratulations for reducing your costs over the last few years. I'm hoping that hasn't challenged the actual efficiency and efficacy of the operation, but I'm a big fan of cutting where we can. So I congratulate you on that.

If it's all right, I'll split my time with my colleague, Mr. McTeague.

**Hon. Dan McTeague:** Thank you.

I'm wondering if you could give us a bit of an elaboration on anticipation of... I understand you've made some changes here and allocated a greater number to security, including the Olympics. But I'm wondering if there has been any allocation you're familiar with that has raised the attention of the PCO, generally, with respect to trade, the so-called “thickening of the border”, as it relates to Canada's possibility of becoming more involved with the question of assuming a greater responsibility at the borders. This seems to go hand in glove with the issue of ensuring that trade continues uninterrupted, which came out of some of the discussions with the Prime Minister and the President of the United States. Has the PCO seen this area in particular as a priority, given its economic impacts, which I think can't be gainsaid?

**Mrs. Marilyn MacPherson:** Personally, I'm not aware of any of those conversations in my role. I'm not sure....

**Hon. Dan McTeague:** I didn't see it in your presentation.

**Mrs. Marilyn MacPherson:** No.

**Hon. Dan McTeague:** Yet, to use the chairman's expression, it's the “gorilla in the room”. It is paramount. I'm just wondering if there has been anything on that front.

**Mrs. Marilyn MacPherson:** Nothing specifically that I'm aware of.

**Hon. Dan McTeague:** Do you envisage, through all of this, any contingencies? What do you have set aside for contingencies in the area of security in terms of the budgets?

**Mrs. Marilyn MacPherson:** We don't have any contingencies. If we find we don't have sufficient funds, for example, for the coordinator, then we would come back in with supplementary estimates.

**Hon. Dan McTeague:** That's all I have for now.

Thank you.

**The Chair:** Monsieur Gourde, please go ahead for five minutes.

[*Translation*]

**Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC):** Thank you, Mr. Chair.

Is renewal of the public service a priority? If so, why?

[*English*]

**Mrs. Marilyn MacPherson:** Yes, it absolutely is a priority. I think it is the priority not only for the public service but for many private industries as well, because of the demographics of our country. We have an aging baby boomer population, and inside of the public service we are going to be losing a considerable number of people, particularly at the senior levels, probably over the next five years. So it is absolutely vital that we go out and recruit new people, either at the entry level or at the mid-manager level in order to ensure that we have a substantial public service.

Canada has a very good reputation with respect to our public service. In order to maintain it, it's absolutely essential that we bring in people and give them enough time to get up to speed. When people like me leave the public service, I want to make sure there is a contingent of folks behind me who are going to be taking care of the business of the government.

•(1215)

[*Translation*]

**Mr. Jacques Gourde:** You've given a partial answer to my next question, but I'm going to ask it anyway. What are the key elements in the renewal of the public service?

[*English*]

**Mrs. Marilyn MacPherson:** I'm not an expert, but I would suggest that one of the key things is the need to brand the public service as a great place to work, because in fact it is. And it's probably one of the best kept secrets in Canada. I also think that the work.... In advertising or in trying to attract people to come into the public service, there's the fact that you are exposed to the whole parliamentary process; you have an opportunity to actually affect many Canadians in how they live. That's pretty impressive. That's a pretty impressive offer for someone to come in to be employed.

One of the other things we absolutely have to do is get that message out to university students, for example. Many deputies, for example, go out to universities to actually speak to students to give them some sense of what it's like to work in the public service, to encourage them to do that.

And of course we are out running collective staffing processes to try to attract people into the public service and to train them up.

[Translation]

**Mr. Jacques Gourde:** What is the role of the Advisory Committee on the Public Service?

[English]

**Mrs. Marilyn MacPherson:** Again, it's not my area of expertise, but my understanding is that the role of that committee is to actually give advice to the government on how all of that can be done, how to actually attract people into the public service, and what types of people they should be looking to attract into the public service.

[Translation]

**Mr. Jacques Gourde:** My final question is more personal, but it might inspire the succession.

I know that you've had a distinguished career within the public service. What message would you like to pass on? What has given you the greatest pride as a member of the Canadian Public Service?

[English]

**The Chair:** This is quite an interesting question.

Monsieur Gourde, were you perhaps thinking of addressing these questions to the next witness who is from the Privy Council and who deals with public service renewal?

[Translation]

**Mr. Jacques Gourde:** It's for both of them.

[English]

**The Chair:** I'm going to let Ms. MacPherson off the hook from reviewing her career for us and thank both her and Mr. Kennedy.

I think colleagues will agree there's been an improvement in ATI procedures, they're within budget, and there are no major disagreements.

**An hon. member:** [Inaudible—Editor]

**The Chair:** Yes, ATI responses have improved. I guess you weren't listening. I'll just note that; the record will show that.

I want to thank the witnesses for appearing.

**Mrs. Marilyn MacPherson:** Thank you.

• (1220)

**The Chair:** In this phase of the meeting, colleagues, we're going to be interviewing Ms. Patricia Hassard, who was recently appointed to the position of deputy secretary to the cabinet in senior personnel and public service renewal.

I just want the record to show that we're not reviewing this appointment because of any perceived weakness or anything. Ms. Hassard has a very good record and an excellent career in the federal public service. We're reviewing this appointment, first, because

members have agreed that we should be reviewing appointments on a random basis just to better show that we are doing it to assure continued quality of these appointments; and, second, because the committee was looking at some public service issues and her appointment to her current responsibility is related to those.

Colleagues may wish to ask questions about the public service or public service renewal within Ms. Hassard's mandate, but the main purpose is to generally provide the parliamentary review of her appointment.

Ms. Hassard, you don't have to make a statement, but if you would like to, if you've prepared something, we'd be delighted to hear it, and then we'll go to questions.

Before you do that, could I just alert colleagues that we have a draft report on the agenda. It's been prepared by staff, and it's also in relation to the appearance of the Public Service Commission. If members are satisfied with that draft, as is, we could move adoption of it or go in camera to discuss it briefly. If there is any member who is dissatisfied with the draft and wants to deal with it later, we'll deal with it later and not today. I'll just give members notice of that. I'd like to wrap up about 10 or 15 minutes before the top of the hour.

Ms. Hassard, over to you.

**Mrs. Patricia Hassard (Deputy Secretary to the Cabinet, Senior Personnel and Public Service Renewal, Privy Council Office):** Thank you very much, Mr. Chairman, and in particular thank you for that clarification of why I was called before you. I must say, there have been moments when I thought maybe I'd won the lottery.

**The Chair:** Or lost the lottery?

[Translation]

**Mrs. Patricia Hassard:** Mr. Chair, members of the committee, I am very pleased to be here today and to tell you a bit about myself and my appointment as Deputy Secretary, Senior Personnel and Public Service Renewal with the Privy Council Office.

Let me begin by briefly introducing myself. I understand that you have received a copy of my curriculum vitae for your review.

[English]

I think I'm one of the few public servants in the national capital region who was born and raised in Ottawa. I come from a long line of teachers—I know a couple of you are teachers—on both sides of my family who encouraged me to pursue a life in the public service. I would call myself a career public servant because it is my calling. In fact, I can't imagine doing anything else. It's been my whole career.

[Translation]

My first experience with the federal government was as a Tour Guide in Dawson City, Yukon, for Parks Canada. I spent the summers giving tours of historic sites from the gold rush era and swatting mosquitoes. In the winters, I went to law school at the University of Western Ontario.

[English]

Administrative law, as you know, governs the relationship between citizens and their government. While administrative law was my favourite subject at school, it was not necessarily my best mark. I did my articling in London and came back to Ottawa to join the government and to practise administrative law.

As you can see from my CV, I did start out doing legal research at the Canadian Transport Commission, and I ended up becoming the assistant general counsel. I found that my strength and my interest as a public servant was in management and in building capacity in organizations. You will not find many people as curious about organizational structure or how decision-making processes work as I am.

I moved from a director role in the new National Transportation Agency into a counsel and director of operations role in the Legislation and House Planning Secretariat at Privy Council Office. This was my first tour of duty in Privy Council Office. I learned a lot about parliamentary business, agenda setting, cabinet processes, and electoral law. I also learned a lot about how to manage people, or how not to manage people, depending on your point of view.

• (1225)

[Translation]

After a number of years in L&HP, I moved into a Director of Operations position in Security and Intelligence Secretariat. The role was similar in that it involved support to Cabinet, but the subject matter was completely different and fascinating to me.

[English]

I then spent three years over at Elections Canada where I met some of you. The Elections Canada mandate, I believe, is a noble one because of the democratic tradition it represents. I was there for the general election of 2000. This was a landmark election because it was the first time the federal government used the national register of electors.

[Translation]

In 2001, I went back into the security world at the Solicitor General, first in policing and then in national security and emergency management. I was there for the creation of the new department, Public Safety and Emergency Preparedness Canada.

[English]

Now I find myself back in a core role in the Privy Council Office with responsibility for leadership of two secretariats. One of them is senior personnel, and its mandate is to support the government on Governor in Council appointments. The other is a newly amalgamated secretariat called the public service renewal.

I have an excellent team and we are working hard to help shape the senior cadre so that the public service can continue to provide professional non-partisan advice to the government and high-quality services to Canadians.

Let me stop there. I'd be pleased to take any questions and answer them to the best of my abilities, Mr. Chairman.

**The Chair:** Thank you.

I'll just note for the record as well that on several occasions throughout those years, her career path and mine as a legislator intersected for all kinds of different reasons. "Intersected" is a vague term, but you can say that Mrs. Hassard and I bumped into each other around committee meetings around Parliament Hill in relation to her functions with the public service.

Mr. McTeague.

**Hon. Dan McTeague:** Thank you, Chair.

Mrs. Hassard, you'll appreciate the fact that our chair has been around here long enough to bump into a lot of people over the years, and he is given to name-dropping from time to time. I'm not sure if that will help in his riding, but only time will tell.

Mrs. Hassard, thank you for being here today, and thank you for your presentation. It's very kind of you to offer a little bit of background on yourself for those of us who have not had the experience of bumping into you from time to time.

According to the chart I have here, you report to the national security advisor to the Prime Minister. Do you find yourself having to work collaboratively with Madame Morin as the advisor?

**Mrs. Patricia Hassard:** Thank you for the question.

I think you might be looking at a chart that has a dotted line to her. There's an important distinction there. I actually report directly to the Clerk of the Privy Council. I do report, functionally, through Marie-Lucie Morin on my issues, which are public service renewal and appointments, but not on national security issues. She does have that dual role.

**Hon. Dan McTeague:** Unfortunately there's no legend here that tells us the difference between the connect-the-dots and the lines. We'll figure that out shortly.

Let me ask you a question on the subject of renewal. This is a question I asked the earlier witnesses.

The issue is whether or not, and how, one tackles the question of mobility in the public service at precisely a time when there is greater need for critical mass and experience in particular areas. One thinks, for instance, of EI, but there are certainly more.

What is your plan? What is your interest? How do you see your role in being able to keep these horses moving in the same direction?

**Mrs. Patricia Hassard:** I may answer that question by providing a little more background on what public service renewal is. I think the question about mobility will be in better context in that circumstance.

I think people use the term "public service renewal" without actually knowing how broad it is. First and foremost, it's actually about dealing with the business of government and having government get better at delivering results for Canadians. It's not a time-limited program or project. It's not an HR initiative. It's an ongoing process of the senior leadership and the whole of the public service to adapt to the 21st century and to have a public service that is relevant, dynamic, and excellent at what it does, capable of providing high-quality advice to government and excellent services to Canadians.

I think Madam MacPherson made a couple of the points in her presentation, but I think there's a need to explain the rationale for public service renewal in a little more detail.

It is clear from the Prime Minister's advisory committee on the public service that a country that has a strong public service is going to be a more prosperous and healthy country. They said, "In this [economic] context, there is no doubt that a strong and innovative Public Service is more important than ever."

We believe that to make the public service better, we should continue our efforts on renewal.

We also have some pretty serious demographic challenges. We are a little bigger than we were in 1983, but we have actually aged considerably as a public service compared to other sectors in the Canadian economy. In 1983, 42% of public servants were over 40. Today, 66% are over 40. That's a significant number.

We also have a couple of alarming statistics, in that one-quarter of public servants will be eligible to retire, without penalty, in 2012. That's 25%. And 50% of our executive cadre will be eligible to retire in 2012. We have some work to do to bring the next generation forward and have them ready to replace the baby boomers when they go.

There's one other complicating factor, which is that during the recession of the 1990s the government did not hire and did not recruit. There is a missing generation of leaders, who we are now realizing we don't have.

On the public service renewal, a good part of it is about reaching into the public service and attempting to bring forward the next generation of leaders.

**Hon. Dan McTeague:** Thank you for that.

Maybe I could ask how much in the way of resources you have to achieve the objective you're seeking.

• (1230)

**Mrs. Patricia Hassard:** That's an interesting question. Actually, we're using existing resources. I have a small team on the appointment side. I now have a consolidated secretariat on renewal, but the resources for that came from the Canada Public Service Agency to the Privy Council Office. We had both been working on this issue for some time.

The expectation of the senior leadership is that they will do renewal. They will invest more in people management. They will spend a lot more time on the development of their employees and doing excellent integrated business and HR plans. That's part of their function. It's not a project or a program in the sense that it has additional money devoted to it.

**The Chair:** Thank you.

Colleagues, we'll go to five-minute rounds at this point. We have half an hour, and Mr. McTeague just had over five.

Madame Bourgeois, for five minutes.

[*Translation*]

**Ms. Diane Bourgeois:** If you don't mind, Mr. Chair, I'm going to leave a little time for my colleague, who would like to ask a brief question.

Good morning, Ms. Hassard. I really like your curriculum vitae and your approach. You seem to me to be a straightforward person, with lots of common sense. It is very nice to have you here.

You say, on page 4 of the French version of your presentation, that you are working very hard to help shape the executive cadre. When Ms. Barrados, from the Public Service Commission, came to appear before us, she told us actually that managers and the executive cadre should benefit from further training so as to make better use of the staffing process. I would like to know whether you work in collaboration with Ms. Barrados. That is my first question.

As for my second question, you talked about human resources with my colleague from the Liberal Party. I'd like to know whether you will have a budget and, if so, how much will be dedicated to renewal of the public service in 2009-10.

• (1235)

[*English*]

**Mrs. Patricia Hassard:** Thank you very much for the questions.

Concerning the first one, about the development of the management skills in the executive cadre, there is now mandatory training on financial, human resource, and access to information authorities before they are delegated to a manager. Everyone who receives those delegations has to go through a training program at the Canada School of Public Service. That's one way we are attempting to improve our cadre.

There is another way we're doing it. We have now developed a program called the advanced leadership program. It's only for 25 to 30 people, and they are absolutely the highest-potential people we have in the public service. We have developed a nine-week program for them, which ran once last year and will run again this year. The purpose of that program is to take them at a mid-career level and bring them forward; in other words, expose them to a lot of new ideas, internationally and domestically, and a lot of new approaches to big problems and have them come back to the public service much better equipped to take on some of the senior roles.

We also have another program called Leaders Across Borders, which is doing something similar in conjunction with the United Kingdom and Australia and New Zealand. This is a little exchange program, in which a dozen of our senior leaders go to those countries and theirs come here for a week to share best practices in the Westminster tradition.

We also have another program called “Canada at 150”. This is a really novel idea that has worked out very well. Departments were asked to identify fairly new recruits who had about five years' experience and were showing a lot of interest in the policy issues facing Canada. They have gotten together three times as a group—150 of them. Their purpose is to look at the challenges facing Canada in 2017, when it will be 150 years old. Some of the work they are doing is showing great promise. They will have one more event before they present their report. They are people from all over the federal government. It is one of those interesting new ideas, which seems to be stimulating a new generation in their commitment to and experience in public service.

**The Chair:** Monsieur Roy, do you want to ask a question?

[Translation]

**Mr. Jean-Yves Roy:** Thank you, Mr. Chair.

I can assure you, Ms. Hassard, that you won't have any trouble with mosquitoes today if you go outside. But that's not what my question is about.

I have seen for myself in some departments a fairly serious problem regarding senior officials, the executive cadre. These people were often appointed temporarily. I'll give you an example. In Vancouver, there is a large Fisheries and Oceans office, not to actually name it. In two years, there were three acting managers. It wasn't working anymore at all. There were serious internal problems. The trouble was that the historical culture of the department was not being passed on, and that meant that the office was totally dysfunctional. During the Fraser River sockeye salmon crisis, the problem was identified and determined to be serious.

Instead of appointing people temporarily, appointments should be more long-term, permanent, so as to avoid a lot of problems pertaining to the operation of certain departments.

[English]

**Mrs. Patricia Hassard:** Thank you for the question.

I think there are concerns about the situation you raise, not particularly as a result of the acting appointment, but because of the fact that in some professions and in some departments there is an extraordinary amount of churn.

I think the president of the Public Service Commission was here recently. Some of the statistics that came from her study on mobility are quite startling. The personnel administration category had 74% movement in one year. The economist/sociologist category had 71% movement. The executive category had 55% movement.

This is a complex issue. It's not due to just one cause. I think in large measure it's due to the retirements and the domino effect that leaves positions vacant. There are a lot of lateral moves and a lot of promotions. I think it also could be a sign of an organization that's in transition. It's hard to put your finger on exactly why this does happen, but I think the impact on the quality of the work and the attractiveness of that workplace as a place where people would want to work becomes a little bit questionable. There is a serious impact about knowledge transfer and a lack of continuity.

On the other hand, there is actually a positive side to this, in that those vacancies, those positions that are open, do give the

government and the managers an opportunity to hire people with a different skill set. It does give them an opportunity to maybe change the way the nature of the work is done or improve the processes.

I think you have to look at both sides of it, but it is a serious issue. I think we would like the norm for tenure to be at least three years, but it's not something we have been able to edict, let's put it that way. We do attempt to do that with our senior cadre, the deputies, but given the demographics and the operational needs, we find ourselves in a position where we have to move some of the people around to get them the breadth so that they can eventually move up. I think it will be a challenge until probably after 2012-13.

• (1240)

[Translation]

**The Chair:** Thank you.

[English]

We're coming close to the end, but we have room for another round or two here.

Mr. Brown, for five minutes.

**Mr. Patrick Brown (Barrie, CPC):** I was interested in what my colleague Mr. McTeague was touching upon in terms of mobility. I know that at one point in the last Parliament this committee touched upon that a little bit, too, and I share his concern that this is one of the integral aspects of maintaining the integrity of the public service.

One aspect we've looked at before—and I'd be interested to know your thoughts on it—is how the geographical dispersal of the public service can help enhance the integrity of the public service. One statistic that I found interesting in the last committee study was that there is less turnover and there is less retraining when there are public service jobs in small towns. It tends to be the large urban areas where there are the greatest challenges. What thoughts have been given to taking advantage of this opportunity to have jobs in areas that would ensure less mobility?

**Mrs. Patricia Hassard:** Thank you for that question.

Actually, I think it's an excellent point. As we create new organizations or as we're looking at improving our business processes, one of the things that we do need to look at is whether they would be better placed in a region than in the national headquarters. You're extremely correct. For example, we have a pension administration business in Shediac, New Brunswick, which is absolutely fantastic. They do an excellent job. They have a very low turnover rate. They have an extremely experienced workforce. I think the quality of the work benefits from that.

I think it is a question that we should always be asking ourselves: when we're looking at an institutional location, where should it be? I think the turnover question is a significant one.

The other thing I should add is that given the recession, there are actually trends going the other way. We're not sure exactly what will transpire there, but in fact we may see fewer retirements as a result of people being worried about their financial stability. We may see more people who are interested in coming into the public service for the security and benefits it offers. We also may see people who are in the public service who choose not to move because they want to make sure they can maintain that position. It's an interesting combination of factors at the moment.

**Mr. Patrick Brown:** I guess there's an interesting dynamic right now.

On that note, in answering Mr. McTeague's question, I remember you mentioning 25% potentially retiring in 2012. In light of the economic conditions, do you think that is going to change in 2012? Will that projection still be valid?

**Mrs. Patricia Hassard:** It's hard to know. Our projection is that the retirements of the baby boomers will peak in 2012 at about 3.7%, but generally speaking, a person doesn't always retire the day they become eligible for their pension. You do see people staying longer, so it depends a little on the policies we adopt. If we make it an attractive workplace where people who are close to retirement would like to work, we will probably see more of them stay.

• (1245)

**Mr. Patrick Brown:** In terms of the 66% over the age of 40, is that a unique situation we're in, or has that historically been the median age for the public service? If you could put this into context, is this a changing dynamic?

**Mrs. Patricia Hassard:** Yes, it is a changing dynamic. In the 1980s, on average, the median was lower. We are an aging group. If you look at the executive cadre, the age profile is probably changing slightly now, but for the last couple of years the cadre has been relatively the same age. So if one retires, you're just putting another person in for a very short period of time.

**Mr. Patrick Brown:** Can you give me a sense of how different it was in 1980? Are there any statistics that may illuminate that a little? Was it 30% or 65%?

**Mrs. Patricia Hassard:** I said that in 1983, 42% were over 40; now it's 66%.

**Mr. Patrick Brown:** That is a big difference.

Going back to the geographic dispersment, are you aware of aspects of the public service that are taking up that opportunity? Are there others who are more attached to the traditional models?

**Mrs. Patricia Hassard:** That's not really my area of expertise, but you raise an excellent point. If we want a well-trained and reliable workforce, those are options we need to look at.

**Mr. Patrick Brown:** Is that one of the areas you're looking at when you make recommendations on renewal?

**Mrs. Patricia Hassard:** One of the Prime Minister's advisory committee reports mentioned that as a possibility.

**Mr. Patrick Brown:** Thank you.

**The Chair:** Thank you.

The next name I have is Mr. Warkentin.

**Mr. Chris Warkentin:** I have just one question. I probably won't take the whole five minutes, unless the answer leads us to further discussion.

When Madam Barrados was before our committee she expressed some concerns about what she identified as "classification creep". It seemed to be this unknown process of throwing away lower classifications—as people in this mysterious fashion ended up no longer being part of those classifications—and moving into a higher wage category. Is this a concern you have identified? Have you been looking into this? Is it something you intend to do?

I have been advocating among my committee colleagues to look into this and possibly work to address this.

What can you tell me about that today?

**Mrs. Patricia Hassard:** On classification, the person who can probably delve into that for you is our new chief human resources officer. She has recently been appointed and has a role to unify all the central agency employer functions, because in the past, classification was separated from compensation. That may give her the levers she needs to dig deeper.

My issue is not so much classification as mobility and whether that system is being used to keep people in place. It's an interesting issue and it probably should be followed up, but you also have to remember that in the public service, as in most organizations, you see a professionalization. There are not that many secretaries or clerks any more. They are knowledge workers and generally have higher classifications.

**Mr. Chris Warkentin:** On what Madam Barrados expressed concern about, although that is the truth, in her assessment there were certain jobs in which the tasks had not changed, even though the classification had significantly changed over the duration. But this is something we may need to look at in the context of the holistic approach. We'll be bringing the new appointee here to talk about that.

We certainly appreciate your work, and I expect you will get the unanimous consent of this committee today to continue in your work. We want to thank you for your commitment to the public service and to Canadians in general.

• (1250)

**Mrs. Patricia Hassard:** Thank you.

**The Chair:** To echo the words of Mr. Warkentin, thank you very much for appearing today. Congratulations on your appointment, and thank you for allowing us to do our parliamentary work in scrutinizing generally the cabinet appointments.

Thank you very much.

**Mrs. Patricia Hassard:** It's my pleasure.

**The Chair:** You may withdraw at this time.

Colleagues, if you wish we can have an exchange on the issue of the draft report on the Public Service Commission. Are there any comments that would involve a change in the report?

**Mr. Chris Warkentin:** Yes.

**The Chair:** Okay, then we'll go in camera.

*[Proceedings continue in camera]*

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