

House of Commons CANADA

# **Standing Committee on Public Accounts**

PACP • NUMBER 024 • 2nd SESSION • 40th PARLIAMENT

# **EVIDENCE**

Tuesday, June 2, 2009

# Chair

The Honourable Shawn Murphy



# **Standing Committee on Public Accounts**

Tuesday, June 2, 2009

**●** (1530)

[English]

The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)): I'd like to call the meeting to order and extend to everyone here a very warm welcome on behalf of all committee members.

This meeting has been called pursuant to the Standing Orders to deal with chapter 4, "Managing Risks to Canada's Plant Resources—Canadian Food Inspection Agency", of the December 2008 Report of the Auditor General of Canada.

The committee is very pleased to have present this afternoon the Auditor General, Sheila Fraser. She's accompanied by Assistant Auditor General Neil Maxwell and Principal Dale Shier.

From the Canadian Food Inspection Agency we have the president and accounting officer, Carole Swan. With her at the table is Brian Evans, executive vice-president; Paul Mayers, associate vice-president; and Mr. Stephen Baker, vice-president finance, administration, and information technology.

Again I offer a warm welcome to everyone.

We'll call upon the Auditor General, Ms. Fraser, for opening remarks. Then we'll go to Ms. Swan.

Ms. Sheila Fraser (Auditor General of Canada): Thank you, Mr. Chair

We thank you for this opportunity to discuss our chapter on the Canadian Food Inspection Agency's efforts to manage risks to Canada's plant resources.

As you mentioned, I'm accompanied today by Assistant Auditor General Neil Maxwell and Principal Dale Shier, who were responsible for this audit.

This is an audit of CFIA's efforts to keep invasive alien plants, seeds, plant pests, and plant diseases out of Canada. The agency's efforts are important to protect Canada's economy. In 2005 the value of Canada's forest and agricultural commodities was about \$100 billion. They're also important to protect Canada's environment from invasive species, such as the emerald ash borer, which is killing ash trees in Ontario and Quebec. According to experts, invasive species are the second most serious threat to biodiversity, after habitat loss [Translation]

My report focuses on the agency's efforts to keep invasive species out of Canada. This is because there is a general consensus that it costs less to deal with invasive plants, pests and diseases before they become established.

CFIA's efforts to keep invasive species out of Canada are necessarily risk-based. There are simply too many shipments into Canada to allow it to inspect them all. Thus, our audit looked at whether the agency adequately managed the risk that invasive alien plants, seeds, plant pests and plant diseases could enter and become established in Canada.

Mr. Chair, our audit identified a number of serious issues. We therefore looked to some of the underlying causes of the problems and we identified four key issues.

First, there is a lack of appropriate coordination between branches. For example, the policy branch sets inspection standards, but field staff in the operations branch do not always have the current version of the standards, creating inconsistencies. For example, the fresh fruit and vegetable list of inspection standards in Montreal calls for 50% inspection, while both Toronto's and Vancouver's lists call for 10% inspection.

[English]

Second, the plant health program does not have adequate quality management systems. We looked at CFIA's efforts to inspect shipments of plants and plant products. We looked at a small sample of plant shipments from February 2008, where the agency's desk review had determined that 100% of the shipment required inspection. Of the 27 shipments that we examined, we found that only about 40% of the required inspections had taken place. Of the others, some shipments were simply released without inspection, and in other cases the office that was supposed to do the inspection had no record of receiving the related import documents.

Third, there is a lack of information management and information technology support. For example, many of the import approval and inspection activities are still paper-based, and the agency needs to send thousands of faxes between its offices annually, perhaps contributing to the missing documents that we observed in our testing.

[Translation]

Fourth, import volumes are increasing. The volume of regulated plant imports more than doubled between the 2000-01 and 2007-08 fiscal years.

Together, our findings led us to believe that the agency should undertake a comprehensive assessment of the scope and delivery of the plant health program.

## [English]

Our overall conclusion is that CFIA lacks an effective integrated risk-management approach to plant and plant product imports. We made several recommendations aimed at correcting the deficiencies we observed. The agency has agreed with our recommendations and has made several commitments in its response. The committee may wish to explore the progress made to date, including the adequacy of the agency's action plans and timelines to address the issues raised in this chapter.

Mr. Chair, this concludes my opening remarks. My colleagues and I would be pleased to answer any questions committee members may have

The Chair: Thank you very much, Ms. Fraser.

Now we're going to hear from Ms. Swan, the president and accounting officer of the Canadian Food Inspection Agency.

Ms. Carole Swan (President, Canadian Food Inspection Agency): Mr. Chair, members of the committee, I appreciate the opportunity to appear before this committee today. I am the president of the Canadian Food Inspection Agency and I have with me several experts from the agency. We look forward to assisting the committee with its important work.

The threat to Canada posed by invasive species, plant pests, and plant diseases is very real. With that in mind, the CFIA welcomes the work of the Auditor General. We have thoroughly reviewed the findings of the Auditor General's report on managing Canada's plant resources. We take these findings very seriously and we are actively addressing them.

The CFIA's plant import program needs to be modernized to reflect increased import volume, speed of trade, and changing trade patterns. Since the audit was completed, the CFIA has taken concrete steps to address the audit's recommendations. Our action plan, which has been shared with the committee, outlines short-term and long-term initiatives.

### **●** (1535)

#### [Translation]

Although not a formal recommendation, the report says that the CFIA needs a clear champion to address these issues in a timely way. I agree. I have asked Dr. Brian Evans, the agency's executive vice-president and chief veterinary officer, to oversee this action plan. He will be supported by a senior level committee and a program management office. He will make sure that the actions in this plan are supported by technical project plans and that the responsible executives are held to account for their timely completion.

#### [English]

I will now turn to our action plan and some of the actions already under way. First, we are using a more risk-based approach for plant pest surveillance. We are auditing our pest survey protocols, which will improve next year's surveys. We are eliminating the backlog of requests for risk assessments. This will be done by March 2010. We will implement a formal risk-based approach by December 2009, in time for next year's surveys.

Second, we're putting in place a comprehensive quality management system for the plant health program and we have completed revisions to the import inspection manual. These revisions will improve consistency in the interpretation and application of our regulations, and inspectors are being trained on the procedures in the new manual. This will be finished by July 2009.

Third, we are enhancing our partnership with the CBSA so that we can collect better information about the effectiveness of our import control activities.

Finally, we are reviewing what information management tools we need to increase the efficiency and effectiveness of the plant health program, and we are identifying options to fund these. In the short term, we are making essential investments in the tools that we use to track imports. We will complete an assessment of the information management needs as it relates to plant imports by April 2010.

While a lot of work is already under way to improve our approach and capabilities with respect to plant imports, we acknowledge that there is much more to be done. We look forward to the work of this committee to further guide our efforts.

Thank you, and we're happy to answer any questions the committee may have.

The Chair: Thank you very much, Ms. Swan.

We're now going to move to the first round. Seven minutes, Ms. Ratansi

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Thank you, Chair, and thank you all for being here.

Ms. Fraser, thank you for an exhaustive audit. I think it's very disturbing to see what you've found. Some of the issues you raised would be of concern to every Canadian, because you have said that invasive species are the second-largest threat to Canada's plants and plant production. Plant production was valued in 2005 at \$100 billion.

The CFIA has stated that they agree with your recommendation and have given us an action plan. Have you had an opportunity to have a look at their action plan?

**Ms. Sheila Fraser:** Yes, my staff has. We have received a copy of the action plan.

Ms. Yasmin Ratansi: Are you satisfied that it meets your recommendations?

**Ms. Sheila Fraser:** I would say generally yes. But as Ms. Swan has mentioned, the agency needs to prepare more technical, more detailed plans to supplement that more general action plan. We would like to see that included as well, perhaps with more specificity around some of the deadlines, which we would expect to see again in the more detailed plans.

#### • (1540)

Ms. Yasmin Ratansi: Thank you.

Ms. Swan, thank you for being here.

I know the CFIA tries to do good work and everybody tries to ensure that we are safe in our consumption of food. My question is, why are we focusing so much energy on our exports rather than our imports? Which country provides our largest food import? Why are we focusing our resources when according to the audit about 11% of your budget, about \$65.2 million, goes into protecting plant and food safety, and you have about 6,000 people, yet we do not have a formal, comprehensive risk-based strategy and we have backlogs?

Why are we focusing on exports rather than imports?

Ms. Carole Swan: Thank you for the question.

You raise the issue of CFIA activities, the CFIA mandate, and you raise the issue of food safety. You are quite right, the CFIA has a primary mandate for food safety. We also have a mandate for animal welfare and plant health, and it is in this connection that the Auditor General has provided us with the audit on our plant health program.

The country we import most from, clearly, is the United States, in terms of food and food issues. We have adopted increasingly an approach in the plant health area to try to mitigate risk before it comes into the country. We have been trying to work with other countries to stop things from coming in before they become established. The challenge for the plant health program is invasive species coming in. Once they get a toe-hold in Canada it can be very difficult to mitigate. So we have increasingly been focusing on outside the border to try to stop invasive plant pests from coming into Canada at all.

**Ms. Yasmin Ratansi:** But we have seen, for example, the longhorn beetle and the Asian beetle devastate our forests. The auditor has shown, in her exhibit 4.1, the existing plant health emergencies. Explain to me how you get another country to ensure that its products are safe. Why would that country want to ensure that its products are safe when it expects an inspection to be done here in Canada and you have labels on imports that say a 100% inspection is supposed to be done, and it's not being done? Why is that happening? Where is this confusion coming from? Why are we only inspecting 40% from the sample that the Auditor General did?

**Ms. Carole Swan:** As the Auditor General mentioned, we have to adopt a risk management approach because it's impossible, frankly, whether it is a plant pest issue, an animal health issue, or even a food safety issue, to have zero risk. We need to look at the greatest area of risk

One of the things we found in our plant health program is if we can stop pests from coming into Canada in the first place, rather than inspecting at our borders, if we can assure ourselves that products coming from other countries are free of plant pests, that increases the chance that we will be able to keep these plant pests out of Canada.

**Ms. Yasmin Ratansi:** But the auditor does state that you do not have a formal comprehensive risk-based assessment. So what sorts of tools are you using in your risk-based assessment that help us as Canadians to ensure that the imports coming in are safe?

**Ms. Carole Swan:** We absolutely agree with the Auditor General. As you have pointed out, we need to enhance our risk-based approach for pest surveillance. Right now we do some risk-based analysis based on country, based on the nature of the pest that is coming in. We absolutely agree, we need to get better at that.

One thing I can tell you is we have made a commitment to eliminate the backlog of requests for risk assessment, which the Auditor General noted as well in her report as something we had to pay attention to. We do not allow things to come into the country without a risk assessment being done. So while there is a backlog, at least we know we are not importing things if the risk assessment hasn't been done.

Let me just ask Brian if he wants to add to the risk assessment issue. It's a very important issue.

● (1545)

**Dr. Brian Evans (Executive Vice-President, Canadian Food Inspection Agency):** Thank you, honourable member, for the question, and Carole, for the opportunity to provide some additional perspective on it.

It is very important to understand equally that the plant health import program deals not only with those products for which a risk assessment has been completed and an import permit has been issued to allow that product to come into the country, but it also has to take on board the reality, as Carole indicated, that unless an assessment has been done there is no import permit issued and none of that product can arrive in Canada until that's completed.

**Ms. Yasmin Ratansi:** I know you're going to explain that to me, but if I understood the auditor's analysis, there were products where the importer was told they were a 100% risk so they had to inspect them. How did they get through? I'm seeing some inconsistency in your response and in what the audit found.

**Dr. Brian Evans:** It's not intended to be inconsistent. The audit finding is the audit finding, and we fully agree with the audit finding. The challenge with risk-based inspection systems, as Carole was attempting to indicate, is what you determine is such a risk that you're not going to allow it in at all. The work that is done by CFIA, pre-border, if you will, before things even arrive here, is an assessment of either the individual products or the capacity of another country or the existence of an international standard that would mitigate that risk from coming. For those products that have been assessed and are allowed into the country, we still have that obligation to verify that a country's export shipment to us has met that standard and has not introduced a risk.

The point that I think was very critical, Mr. Chair, is the fact that the Auditor General looked not only at those things that are regulated to come in. Our plant survey work at the border also looks at those things that can come in through other means, not just though a direct import. There are issues around products, such as the introduction you alluded to of a number of pests that we know came into the country back in the 1980s and 1990s. It took many years of its presence before it could be detected.

We've identified risk pathways other than legal imports. These risk pathways include the types of wood packing material that is used. These are not plant imports or plant product imports, but the wood packing that's used to crate computers, cars, and other types of products. Collectively, as a world, we are learning about what risk pathways that presents and the need to trace where that wood material has come from and whether it's been treated appropriately.

Further, it also takes on board the reality of natural pathways. Again, a lot of the plant pests come in through global means. It's the reality of there being not just direct plant imports, but the "don't bring it back".... We need to be aware of individuals bringing material back into Canada as well as travellers introducing things with the product they're bringing in as they come to visit relatives or business acquaintances. This product may not actually be permitted to come in, but it has to be addressed.

Finally, there's the natural introduction that can occur with some plant pests that can enter not just at land border crossings, but in the holds of aircraft, in the holds of ships, through natural wind spread, and other means.

This is part of the challenge the Auditor General has identified. We need to look at our risk-based assessments and at those pathways and products to make sure that we're investing in the right area. We fully support that, and that's where we're going.

The Chair: Thank you, Ms. Ratansi.

Thank you, Mr. Evans.

Madame Faille, sept minutes, s'il vous plaît.

[Translation]

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Thank you, Mr. Chairman.

With regards to this issue, I will focus on resources. I would also like to know more about inspectors.

In your audit, Madam Fraser, you pointed out that inspectors must share their time between inspecting plant imports and certifying exports and that exports are given priority. During our first discussions on this issue, I made reference to businesses in the Vaudreuil-Soulanges area, including Immunotech Limited, among others, which sell natural products. The Canadian Food Inspection Agency used to be responsible for certifying their exports but last February these responsibilities were transferred to Health Canada.

So my question is for Ms. Swan. Over the years have you tried to reestablish a balance between the attention given to imports and exports, and did you negotiate with other departments, including Health Canada or Industry Canada, the transfer of some inspection functions?

**●** (1550)

[English]

Ms. Carole Swan: Thank you for the question.

I'm going to ask Paul Mayers to speak to the issue of Health Canada and our relationship, particularly in relation to resources.

Mr. Paul Mayers (Associate Vice-President, Programs, Canadian Food Inspection Agency): Thank you very much.

The issue of natural health products and the shared responsibilities that the Canadian Food Inspection Agency and Health Canada have in terms of food safety relate to the point the honourable member raised. In the case of natural health products, with new regulatory requirements introduced by Health Canada several years ago, which created the new category of natural health products, these products fall within the definition of drugs and as a result fall outside of the jurisdiction of the Canadian Food Inspection Agency. It was therefore for that reason that products that fall under the definition of a natural health product were then outside the scope of CFIA's mandate in terms of its inspection and certification activities.

We continue to work very closely with our colleagues at Health Canada as we manage the transition in terms of the management of natural health products so that products that previously might have been considered foods but now with the claims that are made come into the definition of a drug, we want to ensure that those products continue to be eligible for export and continue to be subject to export certification.

And there can be a combination effect. We do see situations, for example, where a company that markets dairy products also has a natural health product containing dairy ingredients for which specific health claims are made. We ensure that the CFIA portion in terms of its inspection of the facility is conveyed to our colleagues at Health Canada to facilitate the certification of that product into export markets. So the situation that you note is indeed one that we recognize, and we work very closely with Health Canada so as to minimize any disruption for the industry.

[Translation]

**Ms. Meili Faille:** I wanted to point out that over the years you clarified some of your roles in order to ensure that inspections will be done by those departments that hold that responsibility. So it seems to me that you are trying to reach a better balance between the amount of effort spent on imports and the effort spent on exports.

You have service points in Montreal, Toronto and Vancouver. You carry out approximately 84,000 inspections. Is there any one office that is more problematic than others?

[English]

Ms. Carole Swan: Thank you for the question.

Again, a risk-based approach would indicate there are certain locations that are going to be more problematic for risk in terms of things coming in.

Dr. Evans mentioned that of course the plant health issue generally is not an issue, only of actual importations. It can also be inadvertent entry of plant pests into Canada. So I would agree with you that we do have different risk areas based on differing locations.

[Translation]

**Ms. Meili Faille:** If you do not have the figures, you might get back to us later. How many vacant inspector positions do you have by location? Could you also provide us an overview of the number of certification refusals at each service point?

Let me now switch to your information technology system. What resources did you invest in this area? Has the work started? Do you have a business plan in terms of IT systems? Have you submitted a funding proposal in this regard?

• (1555)

[English]

**Ms. Carole Swan:** I will ask Stephen Baker, the CFO, to handle the details of this. I will just indicate to you that IM/IT systems generally are very important to CFIA in the plant health area, the animal health area, and the food safety area as well. We recognize at the agency that it is an area we need to invest more in.

In relation to plant health—and this again was one of the recommendations the Auditor General made to us, with which we agree entirely—we need to increase funding in that area.

I think it's fair to say we have laid the groundwork for increased investment in IM/IT. We have undertaken a number of improvements to our overall infrastructure—our capacity to manage data overall—but we recognize in terms of the plant health program that we do need to do more.

Stephen.

Mr. Stephen Baker (Vice-President, Finance, Administration and Information Technology, Canadian Food Inspection Agency): Our annual spending on IM/IT has grown consistently as the agency's budget has grown. In 2008-09, the expenditure was \$41 million, about 6.4% of the budget, which is about 3% more than it was ten years earlier. As the agency's budget has grown, the investment in IM/IT has grown with it.

Essentially our strategy around IM/IT is to invest, first of all, in the infrastructure and technology that's necessary to support programs, so networks, computers, communications, things like that, and then to develop applications that are appropriate agencywide. So where an application is useful across more than one program, that's where we put our priorities. In the case of the plant program, our initial investments are going to be in programs that are multi-purpose, if you like, user files, e-certification, that sort of thing

The Chair: Thank you very much, Madame Faille.

Mr. Christopherson, seven minutes.

Mr. David Christopherson (Hamilton Centre, NDP): Thank you very much, Chair.

I thank you all very much for your attendance today. Let me start by saying I certainly have a great deal of respect for the challenge you face and the difficulty in the task you have.

My questions are based on the shock I had when I read some of the findings in the report and the fact that they could go on so long and not be addressed. It's fine that we're hearing some things today, but even that's not satisfying all the needs. The Auditor General gave you a very lukewarm passing grade, if that, when asked about your responses to some things in here. Let me set the stage and try to get an answer from a macro sense. I guess, Ms. Swan, you would be the appropriate one to answer this question. The auditor said in her report that the agency has difficulty delivering timely assessments. She said:

The yearly pest survey plans of the Plant Health Surveillance Unit are not riskbased and focus almost exclusively on existing invasive plants, pests, and diseases rather than identifying potential new threats before they become established plant health emergencies

The auditor also goes on to say, on page 23, 4.93:

Our findings are not new to the Agency. In fall 2003, its own review of the key elements of Plant Health Program delivery identified problems similar to ours.

Further, on page 25, 4.101, she says:

Plant Health Program officials indicate that they are currently working to see how technology might be used to better support the program in the future. While this is a positive development, information management issues have been known for many years; we raised these issues in our 1996 audit of the animal and plant health programs

In fact, in the news release, the Auditor General said, "Our audit findings are serious."

So I go to the departmental performance report for the period ending March 31, 2008, and what do I find? I find that you, Ms. Swan, say in your president's message:

The Agency continues to exercise due diligence by effectively minimizing and managing public health risks associated with the food supply and transmission of animal disease to humans. It also contributes to consumer protection and market access based on the application of science and adherence to international standards. Over the past year, the CFIA conducted food safety investigations and initiated food recalls as part of the CFIA's ongoing commitment to consumer protection.

Then, maybe 20 pages in, at "Effective Risk Management".... This is where you'd think that you'd be pushing the hot button letting the public and the rest of the government know that you're on the case. What's it say under "Effective Risk Management"? It says:

Recognizing the CFIA's vast and diverse mandate, the Agency uses prudent risk management to optimally allocate resources and make decisions related to longstanding and emerging issues.

What I want to know is the difference between what you said was going on in your performance report and the auditor's findings. And they're not new. They go back to 2003 and 1996. So I have a couple of questions.

First, why is there a discrepancy between what the auditor found—and she calls it serious—and this glowing report that glosses over risk management like everything is just fine?

Secondly, given that you've already had two reports, if the Auditor General hadn't brought this report down, when did you intend to start dealing with these things as a legitimate health crisis?

**●** (1600)

**Ms. Carole Swan:** Thank you for the question. There are many parts to this, so let me take them in order.

One thing I do want to make very clear, and the Auditor General will correct me if I don't have this right, is that this is not a health-of-people issue. This is an issue about pests, about potential risk to Canada's forests and crops, but we were not interpreting it, with all due respect, as a health issue.

Having said that, it is a very serious issue. I think you can see, from my opening remarks, from our discussion to date, and from the tablings of an action plan that I grant you is not yet complete but certainly offered as an indication of the commitment that we have to this, that we are determined to do something about it.

The DPR is a very important document for us. We are an agency that is based on risk management. In terms of plant health, we agree we need to do better. You point out that the Auditor General has given us indications in the past that there are issues that have to be dealt with. We agree. We have made some progress, and I would be the first to say not enough to deal with what the Auditor General has told us today.

On a risk management basis, we have been looking increasingly, for instance, at working with international standards, at sharing risk assessments with the United States, to try to increase our risk management approach. We know we need to do more.

In terms of the DPR, I do not have it in front of me, but I asked my folks for our results, our indicators, and I note that in terms of our own DPR we've indicated that we have met our targets only 50% of the time in 2007-08. When I challenged my folks as to what this means, I think in part it's reflective of the increased challenges we have. I think in part it's reflective of very high targets that this agency has set for plant health, recognizing the very important role the agency has, with other partners, in terms of plant health.

**Mr. David Christopherson:** Thank you for that. But I would point out to you, given that you were trying to minimize the importance of this as a health issue, I was only repeating what you said in your report. You're the one who said, with all due respect, "The Agency continues to exercise due diligence by effectively minimizing and managing public health risks associated with the food supply and transmission...".

Those weren't my words. I'm not trying to elevate this into some kind of phony crisis. The words are the Auditor General's, and your words in there talk about it as a public health risk. But you still haven't answered my question as to why you didn't do anything when the internal report showed you something in 2003, and the original audit done in 1996. Why did it take this Auditor General's report...? What I'm hearing and what I'm seeing, quite frankly, Ms. Swan, is that if we hadn't had this Auditor General's report and all you had was the DPR to determine what this department is doing, everything's fine, except for a few minor problems.

I still haven't heard an adequate answer as to why the agency ignored a 2003 review and the 1996 audit. What assurance should we take that you're really going to do it this time, when you obviously promised in the past you were going to do it and didn't?

Ms. Carole Swan: Thank you for the question.

To clarify, in terms of a food safety issue, as I mentioned, the inspection agency has three very important mandates: food safety, animal health, and plant health. This audit is a very important audit

in terms of our plant health responsibilities. We take it very seriously, I can assure you. It is—

(1605)

**Mr. David Christopherson:** What does that mean if you don't do it?

**Ms. Carole Swan:** It is true that we have had indications before. The 1996 audit actually predated the existence of the agency that was on an Agriculture Canada program, so some of the validity is still there. As far as 2003, we have made some progress in terms of meeting the commitments we made to the Auditor General.

The fact that we have an action plan here today and that the executive vice-president of the agency has in his accountabilities delivering a more detailed action plan to meet this audit I think is an indication of our commitment to carry this out.

**Mr. David Christopherson:** You got hauled on the carpet because you got found out by the Auditor General.

Thank you, Chair.

The Chair: Mr. Saxton, seven minutes.

Mr. Andrew Saxton (North Vancouver, CPC): Thank you, Mr. Chair.

Thank you all for coming here today. I understand this is the ninth parliamentary committee you've been before in the last few months, so you're getting lots of experience, and there are probably very few questions you haven't already been asked. We appreciate you being here today.

My first question is for the Auditor General. And since my colleague, Mr. Christopherson, brought it up again, I'd like to put this to bed once and for all. Is this report on food safety, and do you believe that invasive plant species directly affect the safety of our food supply?

**Ms. Sheila Fraser:** Mr. Chair, I thought about intervening on the last question, but I'm glad the question has been asked now.

This is not an audit of food safety. This is an audit of plant health. None of the cases we note as emergencies, even some that could be—there were some potato nematodes and others that people might think could have an effect—have no effect on personal health. So this is not about health.

I would just add, for the benefit of the committee, that in the agency's DPR, in table 2-6, they indicate that many of their performance targets have not been met as they relate to animal and plant resource protection. So there is an indication in the report that they are not performing as they would like.

**Mr. Andrew Saxton:** I have another question for you, Madam Auditor General. With modern transportation and with import volumes increasing, is it reasonable to expect the CFIA to be able to stop all invasive species?

**Ms. Sheila Fraser:** No. I think the president outlined that quite clearly in her report, and we agree. With the volume of imports, it is impossible, probably even impossible if you inspected everything, to find everything anyway. So there has to be a good risk assessment done. There needs to be good information, which I think is one of the underlying difficulties in this program. There is no system in place to track. Everything is paper-based. You can imagine 84,000 shipments coming into the country and having everything paper-based. It makes it very difficult to manage. There is a real need, I think, to improve the information management support in this program.

**Mr. Andrew Saxton:** Do you think a risk management system would be sufficient, or do you think, as some of the opposition members have suggested, that we need a blanket system, whereby just about everything is inspected?

**Ms. Sheila Fraser:** That, of course, is a decision for government to make on the level of resources they want to put into any particular program and the risks associated with that. I would doubt very much that there would be a priority of funding given to inspecting every shipment coming into the country.

#### Mr. Andrew Saxton: Thank you.

I have a question now for Ms. Swan. Can you take us through some of the highlights of the action plan you presented to the committee today?

Ms. Carole Swan: Yes, and thank you for the question.

There are, in my opinion, four major aspects of our action plan relating to the recommendations of the Auditor General. The first is using a more risk-based approach for plant pest surveillance. We agree that we must be more risk-based. So we are doing things like auditing our pest survey protocols, which we hope to improve in next year's surveys. We are going to eliminate the backlog of requests for risk assessments by March 2010. And we will implement a more formal risk-based approach for plant pest surveillance by December 2009, which will be in time for next year's surveys, thus increasing our emphasis on using a risk-based approach.

Second, we're committing to put in place a comprehensive quality management system for the plant health program. In that regard, we've completed revisions to the import inspection manual, a very necessary tool for our inspectors. These revisions will improve consistency in the interpretation and application of our regulations. The Auditor General noticed the issue, and I would agree with this, in terms of consistency of application. Our inspectors are being trained on the procedures in the new manual, which will be completed by July 2009.

Third, we're enhancing our partnership with the Canada Border Services Agency—a very important relationship—so that we can collect better information about the effectiveness of our import control activities.

Fourth, we are reviewing what information management tools we need to modernize the plant health program. In the short term, we're making essential investments in the tools we use to track imports. We will complete an assessment of the overall information management needs, as they relate to plant imports, by April 2010.

• (1610)

Mr. Andrew Saxton: Thank you.

How's my time, Mr. Chair?

The Chair: You have two minutes.

**Mr. Andrew Saxton:** The environment CFIA is working in has become much more complex and must be making your job more difficult, obviously. With increases in globalization, and with weather affecting the range and distribution patterns of pests, it's a wonder that more invasive pests haven't already entered Canada.

What is the CFIA doing to better understand how these pests enter and spread? What is the CFIA doing to mitigate these threats?

**Ms. Carole Swan:** It is, in fact, becoming more complex. I'll ask Dr. Brian Evans just to give a couple of examples of how we are trying, on a science basis, to identify additional pathways for pests.

Dr. Brian Evans: Thank you.

As has been indicated, this is an area where, when one adds climate change, globalization, invasive species, the reality of a number of different convergent factors, what is absolutely critical, and where CFIA knows and is currently making significant investments, is the recognition that we are not in isolation in this. So a lot of the intelligence-gathering around pest introductions and the ability of pests to propagate and survive in the Canadian context is information we're gathering collectively with our counterparts in Europe, the United States, Australia, and New Zealand, other parts of the world, who are also trying to find the best way to deal with this reality that is part of the global circumstance.

We're also working much more openly, I believe, with our provincial counterparts and with the academic sector. I think what's critical, in looking at some of the new technologies, is the recognition that with a number of these pests, the ability to identify them to their specific genus, species, and what not as they adapt to new environments as well requires us to do more than just take out a textbook and try to compare a bug to a textbook. So we're into looking at DNA, and DNA profiling from DNA gene banks, to identify these pests as quickly as possible. Again, working with other sectors and other science communities will help us get that information as quickly as possible and do a lot more in the area of forecasting and modelling, to know with changes in temperature and changes with wind patterns and other things which pests we're most vulnerable to, and then doing the economic assessments of what would that mean to the forestry sector, to the grain sector.

So that's how we're building that data information, which will underpin a risk-based approach, so that we can take decisions that we know can mitigate in those areas that will have the biggest consequence as our number one priority.

The Chair: Thank you, Mr. Saxton.

Thank you, Dr. Evans.

Before we start the second round, I have a question to you, Mr. Baker, and this has to do with communications, both internal agency communications and communications with other departments and stakeholders.

First of all, when I started practising law many years ago, we had letters and telegrams if it was something important, but we moved on to the mag card, to the fax machine, to e-mail, to other advanced and enhanced forms of electronic communication. But when I read this report, there are several thousand faxes crossing Canada every day, half of them are getting lost, the communications between Vancouver and Toronto and Montreal is deficient, the communications between your agency and the Canada Border Services Agency is almost non-existent. I don't think it conveys to the taxpayer the assurance that things are getting done. It really comes down to, in a lot of cases, when I do read the report, communications.

I have two questions to you. If I went to your offices today, is it still a situation in which we have thousands of faxes going back and forth? Because, again, as I said, it's my belief that you're probably three or four generations behind what's going on in the real world. Is there anything you can tell us that would give us assurance that the agency is using modern, up-to-date communications, both internally and externally?

## Mr. Stephen Baker: Thanks for the question.

I think the issue with the faxes is that the process is partly automated. So what happens when an import is coming into the country is there is an automated process, a handshake between the Canada Border Services Agency and CFIA. But the importer is required to provide information for the people in the import controls centre to assess the risk of the import coming in.

That information is frankly not available electronically from the importers. So the importer fills in a paper form. It comes to us on paper. It comes to the ISC that it is sent to and it needs to go to the ISC where the inspection is going to be held.

So the fax process is a semi-automated transfer of information. We are building an infrastructure to be able to do that electronically. But in order to do that, we have to automate the front end of it, which is when the importer fills in the information required for us to assess the risk on the product coming in. That exercise is a significant investment in business requirements and automation, because there are thousands of importers and thousands of products and thousands of requirements for information, not all of which are the same.

So the fax process is a work-around that we found to avoid the mail, essentially, because otherwise we would have to mail these forms back and forth. So we have semi-automated it.

I agree with you that it is probably about 15 years old in terms of technology. To advance to a place where you actually have automated transfer of this information requires that we have the capacity to do that. We need to build that, and that is part of our initiative. But the other part of it is to get the importer to fill the information in electronically, which is actually a CBSA and CFIA exercise to the importing community.

E-forms, the way you do that, is part of what we're exploring. But the reality is that at this point in time, a lot of the stuff that comes in to us is actually on paper. Therefore we either have to enter it into a system or transfer it electronically through a fax, which is what we do.

So the answer to your question is we have very sophisticated communications in terms of our operational stuff around inspections. We have lots of systems and telecommunications and all of that's modern. This particular incidence is a case where the environment we're working in hasn't caught up from a technology perspective to what we could do, and we can only do part of that. We can only do our end of it. The other end has to be done through CBSA and the importing organizations to be able to provide the information electronically.

#### **(1615)**

#### The Chair: Okay.

We're going to start round two now, five minutes each. Ms. Crombie, five minutes.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Thank you, Mr. Chair.

Thank you, Madam Fraser, for another thorough audit. But I think my questioning will be for the CFIA group.

Ms. Swan, I am going to start with you. I am going to build on Mr. Christopherson's questions and then Mr. Murphy's as well.

Firstly, it was a very disappointing audit, to be frank. Frankly, it was quite a serious indictment of the management performance over at CFIA. We have a track record of disappointing audits in 1996 and 2003 that revealed similar issues and problems.

I guess I'll ask again: why haven't those issues been dealt with until now? How can we have the confidence that they will be addressed and the action plan will be fulfilled and implemented?

Ms. Carole Swan: Thank you for the question.

I think it's fair to say you can tell from our action plan and our comments here today that we take this audit very seriously. We found it a very serious audit as well.

I would like to underscore one thing before I proceed with the rest of your question. In no way should this be considered an indictment of the CFIA officials who work in the plant health area. I find them to be extremely dedicated, competent, working around, doing whatever they can do to do their very best. So I want to make it clear that although we recognize there are lacunae and things to do, I can tell you that the agency, in terms of people on the ground who work on this program, are extremely dedicated to making sure this program works the best it can.

Having said that, we recognize that we need to do better. The 1996 audit, as I mentioned previously, was on the plant and animal health programs administered by Agriculture and Agri-Food Canada, prior to the creation of the CFIA. However, there were many recommendations made that were important. The CFIA creation in 1997 did render some of these recommendations inappropriate in terms of the mandate that was created for the CFIA.

The 2003 review also indicated to the agency that it had some serious challenges. There was a management action plan put in place in 2003 and assessed over the last number of years at the CFIA as a result of the 2003 review. The CFIA has implemented a number of the recommendations of this review.

However, we agree with the Auditor General that we have to do more. We are trying to focus that on the areas of risk management, installing a quality management program for plant health generally, and working better with partners in CBSA.

**Mrs. Bonnie Crombie:** How long has the current management team been in place? Has there been some significant turnover so that there hasn't been follow-through on some of these issues?

**Ms. Carole Swan:** The current management team that you see before you has been in place for approximately two years or less. I was appointed in June 2007, as was Dr. Evans as executive vice-president. Paul was appointed fairly recently, this year, and Stephen as well. So as with any department or agency, there always is some churn. I think you see in front of you a team that's been together between six months and two years.

• (1620)

Mrs. Bonnie Crombie: Let me continue, then. With respect to a national tracking system, I found it inconceivable that one didn't exist, particularly with the scale and scope of 84,000 shipments each year. What would be the cost of such a system, and why doesn't one exist?

**Ms. Carole Swan:** I will turn to Stephen in a minute for cost. He may not have those figures readily at hand, in which case we will have to get back to you.

We absolutely agree that a national tracking system is an important aspect of being able to monitor and do proper risk assessment on plant health issues.

I can see Stephen perhaps doesn't have that information specifically on cost. We will get back to you on that.

I will ask Paul, though, to speak a little bit about tracking, and how, in the absence of a national tracking system, we have tried to manage risk.

Mr. Paul Mayers: Thank you very much.

The answer that Stephen provided earlier gives some insight into the challenge we face. The investment that we've already started to make in terms of some short-term solutions on our IM/IT, coupled with, as the president has noted, a broader assessment of where we can further improve in this area, is focused on the improvement that Stephen noted. That means not just what we do in the CFIA, but as well how we can move the yardsticks with our partners. Electronic certification, as an example, is a key area of focus for us in order to facilitate that ability, the enhancement of tracking to be able to move from that paper-based system to electronic systems that allow us to have more real-time information in relation to imports.

In the context of imports, the issues that those imports raise, both in terms of the nature of the product and the particular types of risk it might present, are all areas of focus presented in the management action plan. The reason they're in that plan is for the very concerns that you express, which we have agreed with the Auditor General around, and that is that there is a need for improvement here.

**Mrs. Bonnie Crombie:** My time is up, so if you could consider it later—

**The Chair:** Thank you very much, Ms. Crombie. We can come back to you later on.

Thank you, Mr. Mayers.

Just before we go to Mr. Miller, I want to point out, Ms. Swan, and you brought this up twice, that the 1996 audit was done on the Department of Agriculture, which had the same responsibilities. Your agency is the successor, and of course the management would, or should, have known about the audit and assumed the responsibility. You don't start with a clean slate when the agency is formed; you start with the same problems that existed at the time you inherited this organization. So I don't see that as being an excuse or a rationalization for not doing anything over the years since the 1996 audit.

Mr. Miller, five minutes.

**Ms. Carole Swan:** Mr. Chair, if I might clarify that, you're absolutely right, and certainly if I left the impression that we were in any way saying that the 1996 audit was not relevant because we were created in 1997, that wasn't my intention. It was only to say that the audit was on plant and animal health. Only part of that was transferred to CFIA. There were parts of the audit that, yes, were quite relevant.

The Chair: Mr. Miller, five minutes.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Thank you, Mr. Chairman.

I'd like to welcome and thank our witnesses for being here today.

First of all, I have to comment on the earlier question from the member of the NDP. It's a typical absurd NDP the world-is-falling kind of attitude on just about anything and everything. No organization, whether it's government or a branch of it, is ever perfect. I can tell you, as a farmer and a proud Canadian, our food supply in Canada is as safe as anywhere in the world. Sure there are issues that come up now and then, and you deal with them.

I bring that up because Mr. Christopherson tried to lead us to believe this was about food, and it's not. It's about pests that come in. The Auditor General, Ms. Fraser, even verified what I just said. If he wants to know about food safety, there's a subcommittee on food safety currently under way. You have a member who sits on it. We're very close to completing our study, and there will be a report.

To listen to Mr. Christopherson you'd think the pests that come into this country all show up at a border crossing with a suitcase. It doesn't work like that. I know that may be hard for him to believe, but I think we need to point that out. Pests don't just come in at border crossings; they can come in on their own, or I presume they can.

How do we monitor how pests come in here? We know they can come by water, air, or however. Could you comment on that?

**●** (1625)

**Ms. Carole Swan:** I'm going to ask Paul Mayers to give us a couple of examples of how we monitor. In particular, he will address some of the issues where we have plant emergencies currently in place.

Mr. Paul Mayers: Absolutely. Thank you.

As Dr. Evans noted, there are a number of pathways of concern. Those pathways don't only relate to the import of plant products. Wood packaging material and the risks it presents can also be a significant issue. That is why the focus of our activities is really on partnership and collaboration. We work with our provincial colleagues, other government departments, and our counterparts in the U.S. and around the world.

It might be useful if I pause here to note the very premise of our programs. When we as an agency undertake a risk assessment to authorize the entry of a product, we take into account the infrastructure in the exporting country and their ability, through signing an export certificate where necessary, to convey to us the assurance that they are applying appropriate risk mitigation in their country.

So when we look at the issue of a pest having entered Canada, and it occasionally happens—take the emerald ash borer as an example—we conduct survey work in collaboration with others. We work with provincial and municipal governments in responding to that threat, with the aim of slowing the spread of the pest as part of our risk mitigation approach.

Mr. Larry Miller: Thank you for your comments. But I was trying to establish whether pests can enter this country on their own.

Mr. Paul Mayers: Absolutely.

Mr. Larry Miller: Okay. That's what I was trying to get at.

Some serious issues have been raised here by the Auditor General, and we should all take them seriously. I think I'm convinced that the CFIA is doing that. There were some problems in here, and it's very clear that they were identified under the previous government after severe cuts to the CFIA. They always say about a problem that the first step is admitting you have one, and the CFIA has acknowledged that it needs to do better and is committed to doing better. I'm convinced of that, and that's a good thing.

I know the government is trying to give CFIA the tools and budget to carry out and fulfill its mandate. The budget has actually increased under this government, and more resources are available to the CFIA than ever before. Staffing has increased by 14% since March 2006. The budgets were cut by previous governments in 1994 and 1995, and again in 2005.

Another \$113 million has been invested in the CFIA, and there are 200 or more CFIA inspectors. I mentioned the food safety committee, and its inspectors who appeared as witnesses even indicated that the entire system has been improving since 2006.

What else is there other than more resources? More is never enough, but is it headed in the right direction?

**•** (1630)

**Ms. Carole Swan:** As you can see from the CFIA response to the audit, our challenge is risk management. Whether it's in food safety, animal health, or plant health, we have to find the right balance of risk. We cannot inspect our way out of a plant health situation. As others around this table have noted, inspection is an important aspect, but it's by no means the only way to guarantee that invasive species don't enter Canada.

One of the aspects of the Auditor General's report that we take very seriously is her indication that we need to do better in developing a risk-based program, and a large part of our action plan goes to that issue.

The Chair: Thank you, Mr. Miller.

Thank you, Ms. Swan.

[Translation]

Mr. Desnoyers, you have five minutes.

Mr. Luc Desnoyers (Rivière-des-Mille-Îles, BQ): Thank you, Mr. Chairman.

Madam Fraser, Madam Swan, I fully agree with my colleague from the NDP. Looking at this report, there is every reason to be concerned. It makes us wonder. We are talking here about invasive species, pests, diseases resulting from those and potential damage to our ecosystems both in Quebec and Canada. So this could have a major impact on the life of Canadians. If the committee did not look into these problems, it would fail to carry out its duty, unfortunately.

The report of the Auditor General clearly states that invasive species associated with the greatest risk are not given priority. The fact that 42 full assessments are on hold and that four assessments would require a large scale follow-up represents a huge failure.

The report of the Auditor General talks about elevated risks. So the Agency needs to provide clear answers, especially on its action plan. Do you require additional resources? We are being told that the present government provided some, but I get the impression that other needs are not being met. We are told that there is insufficient information management support and that there are breakdowns in information transmission. Do you have a business plan for this information network and, if so, could we get a copy?

Several aspects entail high risk and we must take a close look at these. So I would ask you to tell us what you intend to do according to your action plan. 1996 was a watershed. The program at the time was a responsibility of Agriculture Canada but it seems to me that things have not changed very much since then. Where are you now? Where were you in 1999, or 2001? I do not know, but these recommendations suggest that quick action is required. The Auditor General talks about a one-year backlog of assessments. I wonder how the Agency will be able under its action plan to become an agency for 2010 rather than an agency for 2000.

[English]

**Ms. Carole Swan:** Thank you. Again, there are a number of questions there. I'll take one at a time, and I will ask Brian to give a little more detail in terms of the action plan.

The honourable member mentioned that a lot has changed since 1996. I think that's quite true. This committee has referenced a number of those things—globalization, trade has increased dramatically—with challenges for plant health. On this being a serious issue, we absolutely agree. Plant health is one of the major mandates of the CFIA. It is a mandate we take very seriously. Absolutely, there are potentially negative things that could happen in the plant health world.

You mentioned the direction of IM systems. We agree. We have had a little bit of a discussion here, and the Auditor General has certainly covered in her report the need to modernize our IM/IT systems. We are making a number of endeavours and initiatives. We are approaching this, first of all, on a system-wide basis. The kinds of specific things we will need on the plant health side need to be supported, first of all, by overall improvement in our IM/IT system. Then we can build on specific plant health issues as well.

We do have a plan of action that we tabled with the committee. It is clear we need to make that more precise. As Dr. Evans works through this over the next few months, we are happy to come back to the committee to table further information. We certainly will be dealing with the Auditor General and her colleagues to keep them apprised of the plans we have as we develop them in more detail.

(1635)

[Translation]

**Mr. Luc Desnoyers:** In terms of information technology, I asked you to table your specific business plan for this area. It is an important area. Indeed, it is part of your four key priorities. I gather that you developed a business plan and that its implementation will require vast resources, both financial and human resources. We would like a copy of that document if it exists.

[English]

**Ms. Carole Swan:** Mr. Chair, we are developing that plan. I can ask Stephen to speak to the initiatives we are implementing right now. We are making some essential investments in the tools we're using to track imports. We would certainly be happy to table the more detailed plan as we develop it.

Mr. Stephen Baker: In terms of what we're doing in the short term around IM/IT, as I said earlier, we try to make investments in systems that have applicability across many programs, because that's the most efficient way to focus the resources, and specifically around applications that will support the plant program. There are three: a client file or essentially a registry of importers, the e-commerce part of the process, and some work towards automating this transfer of information, which is currently done by fax. These are three areas where we're working in the short term.

In the longer term, we recognize we need to assess the needs of the plant program in general. We've committed to developing a strategy, the resource requirements, and the funding strategy to deal with that.

The Chair: Merci, Monsieur Desnoyers. Thank you very much, Mr. Baker.

Mr. Shipley, you have five minutes.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you. You caught me. I thought they had one more turn.

I thank the witnesses and the Auditor General for being here again. We actually see a lot of each other. To be honest with you, Ms. Swan, I've come to have a lot deeper appreciation of the complexity of CFIA than I did a little while ago, based on the Auditor General's report and dealing through the food safety issue that we're doing as part of a subcommittee of the agriculture committee.

I have a question, because it takes me back to the food safety issue. It actually has a protocol. When we had the food safety issue, there were protocols for the provincial public health, the municipal public health, and CFIA. What happens when a pest comes into a province? Who takes the lead? How does that unfold in terms of a process and protocol, so that the communications and understanding of not only, for example, the loggers, if it's something that comes in.... We talked about the emerald ash borer, but it could be just about anything. Just help me a little bit in terms of that process, if you could

Ms. Carole Swan: Let me ask Paul Mayers to start with this one.

Mr. Paul Mayers: Thank you.

Mr. Chair, when a new pest enters Canada, the first considerations are, of course, its distribution in Canada and the potential for establishment, its impacts, and potential pathways to spread. The CFIA, as the federal regulatory agency, regulates those behaviours that might contribute to spread and responds in the context of mitigation—eradication where eradication is possible, and where eradication is not possible, then in terms of minimizing that potential for spread.

What we don't have is a mandate for pest management in all of its senses, and that's why it's a partnered activity. We're guided, of course, by the Plant Protection Act as well as the International Plant Protection Convention. It falls to us, in that context, to respond. There are specific pests of quarantine significance around which we have particular obligations, and that is the role the agency plays in working with our partners within that shared jurisdiction.

As well, the invasive alien species strategy for Canada provides the framework for the collaborative response that we undertake and for the ongoing management of both forest or horticulture pests across the federal departments and agencies that would be involved and across other jurisdictions, like our provincial counterparts.

**●** (1640)

**Mr. Bev Shipley:** I think what I'm hearing is that CFIA becomes the lead. If it comes into a province, the province automatically builds that partnership with you, you take the lead, and however that unfolds, depending on what the circumstances are, you deal with it either as an eradication or as a control. Is that correct?

Mr. Paul Mayers: That's right, because not all of the circumstances facilitate eradication, unfortunately, as we've learned with the emerald ash borer.

**Mr. Bev Shipley:** So when you have something, a pest that comes in—it's not in the truck, it's not on the skid, it actually is carried in by a bird or it gets blown across into an area—how do you evaluate that risk? Because it may or may not be something you're familiar with.

Mr. Paul Mayers: That's an excellent point. That's why the international collaboration that Brian spoke to earlier becomes so important. Understanding the nature of the risk associated with the pest in its country of origin becomes an important part. The risk assessment process we spoke to earlier takes into account those considerations in defining the nature of the risk—the potential, for example, that the pest will be able to overwinter.

Mr. Bev Shipley: I think you mentioned earlier in your discussion that because of our land mass around the United States and our connection to those borders, the majority of them will come in from the United States.

I want to go back. CFIA was meeting with its U.S. counterparts in May. This is now June. You were talking about harmonization, and we're going to have a number of discussions around harmonization between the United States and Canada, what we can do to improve that communication and improve our export and our trade and actually build a consistent field for our producers on both sides of the border.

Tell me, on a scale of one to ten, where are you in terms of the discussions that have been going on with the United States and Canada over the years up to where they are right now?

Mr. Paul Mayers: It is within the North American Plant Protection Organization—and that is the body within which we work with our colleagues to the south, the U.S. as well as Mexico—where we work to harmonize the risk assessment process for North America, where we work towards what we characterize as a North American perimeter approach, where we collectively take similar approaches to preventing the entry of pests not just to Canada or to the U.S., but on a collaborative basis to prevent their entry into North America.

I would characterize the nature of that partnership in your one to ten scale as an eight or nine. It's a highly collaborative process. The North American Plant Protection Organization plays its part as the regional organization within the International Plant Protection Convention, so it is a highly interactive partnership.

The Chair: Thank you, Mr. Shipley.

I just want to ask about a point that arose, and then I'll go back to you, Mrs. Swan.

Mr. Mayers talked about the invasive alien species strategy, and of course \$85 million was allotted to that in 2005. But that's time-sensitive. It allowed the agency to have new programs and new initiatives, but it was over five years, and it expires, I understand, in March of next year. Does the department have any plans for a renewal of the strategy, with similar funding?

My secondary question is whether, if the funding of that strategy is not renewed, the programs of the agency are going to be compromised.

• (1645)

**Ms. Carole Swan:** Mr. Chair, yes, we absolutely are developing plans to look at the next round of the invasive alien species strategy. You're quite right, it was time-limited funding. We are working with partners in other government departments, and we expect that we will put before ministers, at some point, a recommendation. We are developing the specifics right now as to what that will look like. We

want to take into account what was effective over the last five years and what wasn't, and we will, at some point, yes, be asking for another invasive alien species strategy.

The Chair: Thank you very much.

Mr. Christopherson, you have five minutes.

Mr. Larry Miller: Point of order.

Mr. Chair, at any committee I've seen, every member of the committee gets to get their questioning in before somebody gets a second round. Do you not operate under the same rules here?

The Chair: We're in the second round now.

**Mr. Larry Miller:** You go around the table until everybody.... Is that not the tradition here?

The Chair: We have a different form agreed on here.

Mr. Christopherson, you have five minutes.

Mr. David Christopherson: Thank you, Chair.

May I remind colleagues, particularly on the government benches, who are trying to minimize this—because we're playing semantics with regard to whether it's food specifically—that the issue at hand.... In the news release the Auditor General released on the day of tabling the report, the first sentence said, "There are serious problems in the Canadian Food Inspection Agency's approach to protecting Canada from invasive alien plants, plant pests, and diseases."

Also, in the first page of her report, it says why it's important:

Canada's plant resources are critical to the well-being of Canadians. Invasive alien plants and plant pests can threaten biodiversity and the economy. Experts have concluded that invasive species are the second most serious threat to biodiversity after habitat loss.

I just want to underscore that.

My first question is based on the comments about the 2003 review and Ms. Swan's comments. I wrote them down as best I could, so if I'm not dead accurate, I accept that.

You said that as a result of that, you were therefore assessing things and monitoring things and evaluating things. That was in 2003. Yet in 2008 the Auditor General came in and looked at a snapshot of 27 shipments. Only 40% of the inspections took place. Of the others, some shipments were simply released without inspection, and in other cases the office that was supposed to do the inspection had no record of having received the related import.

Again, I'm coming back to why there weren't alarm bells going off. This sort of thing must have been going on before. It couldn't have been the first example. How could something like that go on after you said in 2003 that as a result of that, you were monitoring and evaluating? How could the Auditor General possibly find, half a decade later, something as serious as that? Please help me understand.

**Ms. Carole Swan:** Let me again say that the Auditor General pointed out what we consider to be very important changes we have to make to the plant health program.

The 2003 audit did indicate some of those issues. Since 2003, the agency has done its best to try to move towards a more risk management approach. We have, as Paul Mayers and others mentioned, tried to adopt more of a perimeter approach in terms of sharing information with our U.S. colleagues. We've tried to make sure that international standards can be applied in terms of what we do in the plant health world.

I absolutely agree with the Auditor General, and that is why we are here today with our action plan. But more needs to be done, and we are committed to doing more.

**Mr. David Christopherson:** Well, you know, I'm growing weary, I must say. Your lines are well practised, but you're not answering my question. You just dodge around it.

I asked a very commonsense, legitimate question after you said, in 2003—your agency, not you personally—that you were going to monitor and review and assess. And half a decade later, we came out with that, and all you gave me was the government line about how wonderful you're doing. I'm really disappointed that this is the kind of information you're giving me.

Let me try something else to see if I can get a clearer answer.

The Auditor General mentioned this morning that in Montreal, for instance, the fresh fruit and vegetable list called for a 50% inspection, and Toronto and Vancouver called for only 10%. Help me understand the thinking that allowed such diverse percentages of inspection.

**Ms. Carole Swan:** Mr. Chair, I'm going to ask Paul Mayers to speak to the issue of differences in risk assessment as it relates to location and the possibility of invasive species.

(1650)

**Mr. Paul Mayers:** Thank you. I will do my best on this front. It's obviously a detailed technical question that might certainly go beyond my expertise.

As was noted earlier, the issue of what particular shipments might enter at a particular border, a point of entry, and the nature of the risks associated with those shipments will define the level of intensity of activity. Now, there are two considerations, of course, that you note. One of those relates to the program design and the second relates to the level of delivery against that design. So the design takes into account the risk, the nature of products, and therefore you can appropriately see a diversity of that expectation.

**Mr. David Christopherson:** I hear where you're going, sir. I appreciate that. I'm sorry to be rude. I really am.

Let me just ask you this. As a result of the audit, will any of that change, or will that 10% and 50% still remain? What I'm getting at is this. What you're telling me, at first blush, makes sense. It depends on where it's coming from and so on. But what I want to know is whether that has been so thought out that this is really all it is. There's nothing else to it; there is no improvement to be made. The 10% and 50% would stay no matter how much money or study you threw at this. That would stay for very good reasons. If it is true, I accept that.

The Chair: Mr. Christopherson, your time is up.

We'll go to Dr. Evans and then we're going to hear from the auditor.

**Dr. Brian Evans:** If I could, Mr. Chairman, just to supplement, I hope it's the direct answer to the question the member was searching for.

I think it's important to understand that one of the points the Auditor General identified was to ensure that we had systemic, consistent approaches across the country. As the first step on that, in fact, I believe we have taken a large step down that road, which is the fact that we did update all the national import manuals of procedures by the end of May. They were concluded a week ago, with input from across the country to ensure a national level of performance and understanding and interpretation. As already indicated, the training against that manual is now under way, to be completed by July.

It is our expectation that with a revised national import manual of procedures that governs the inspection activities at all ports now being consistent across the country and now in place and available to all of our staff electronically, and with the reinforcement of that through training, we will achieve a consistent level of inspection at all ports of entry, consistent with the risk assigned.

The Chair: Excuse me. We are going to go to the auditor.

**Ms. Sheila Fraser:** I just wanted to confirm what Dr. Evans has just said. The finding in the report was related to the inconsistency in understanding by people in the various offices of what the inspection standards meant. We give an example where there was a standard of 67%. Some thought it was 67% of shipments; some thought it was 67% of all shipments. There was confusion. For a particular product, the way it was being applied across the country was different. These are instances where you would expect the same standard to apply across the country, and work needed to be done to bring that consistency into place.

The Chair: Thank you very much, Mr. Christopherson.

Thank you, Dr. Evans. Thank you, Ms. Fraser.

Mr. Weston, five minutes.

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Thank you, Mr. Chair.

Thank you all for coming today.

What is fascinating is not only the challenge of doing what you're doing but also anticipating the threats of the future. My mind goes to *The Andromeda Strain*, or more poetically, to Yeats's comment:

And what rough beast, its hour come round at last, Slouches towards Bethlehem to be born?

The first part of my question is this. How do you look toward the future, particularly with exponential increases in globalization and changes in weather patterns? What are you doing to try to anticipate the little beasties before they get here?

Secondly, how do you work with your provincial counterparts to ensure some effective way of anticipating these threats?

Then I'll go to a third question. To what extent do your measures sometimes wrongfully impede the imports of products? Do you find you get objections from your importers that you ultimately have to concede are valid?

#### (1655)

**Dr. Brian Evans:** If I could comment, Mr. Chairman, with respect to the issue of how one plans for the expected and also how one is prepared for the unexpected, I think it is important to point out, as others have mentioned, that Canada is part of a number of collaborations. One that has been referred to is NAPPO, the North American Plant Protection Organization, which brings together the science expertise and capacities that exist with Canada, the U.S., and Mexico. We also participate actively in what is called the IPPC, the International Plant Protection Convention under the United Nations.

Within those activities, what we are attempting to do collectively is modelling. In other words, we're looking at the impact of temperature changes and changes in wind and current patterns and how those would affect the distribution of pests through natural means of entry, or through inadvertent ones. At the same time, there is sharing of information collectively with other countries who have similar concerns as Canada. Again, we participate in what's called the quadrilateral plant health group, which includes Australia, New Zealand, Canada, and the United States. So we're looking at hemispheric realities and how they are having an impact and the types of issues these countries are managing. We're also investing significantly in new science, particularly what's called foresight science.

Foresight science has been promoted very actively in Canada by a number of entities, including the Privy Council Office. It's the ability to look at the weak signals that exist and that can be interpreted in ways that try to figure out how they might coalesce into a circumstance, and what the results and consequence of that circumstance might be—social, economic, or trade-related. If that circumstance were a convergence that could happen in five, fifteen, or twenty years out in the future, we would do what is called backcasting. That is to say, with these multiple scenarios that could occur, what would we have to be doing five or ten years out to lead us to desired outcome, as opposed to the negative consequence outcome?

It's a new application of scientific principles that also obliges us, as the CFIA, with our counterparts, to be actively involved in looking at the curriculum that's being taught in agricultural colleges and various teaching institutions around the question of what are the skill sets we need for people who can apply that type of technology to give us a better predictive value. And also, beyond the point of predicting what may show up and what might be the pathway, it also tells us what our best strategy is to deal with something, should it get in, despite everybody's best efforts.

Again, it's not a situation of trying to respond to something after it's here and then figuring out how to deal with it, but in fact of knowing what the best defence for Canada would be, collaborating with the sectors that would be involved, whether it's horticulture or the wine industry, and the impact on grape-growing in certain

regions of the country that are very sensitive—or it could be the forestry sector.

Those are the types of investments we are making to get the best models available to us that will give us an early indication of the types of plant pests, in terms of weeds, or other types of issues in terms of viruses, that could come in, and what would be the most logical way they could find their way into Canada.

The second point you raised was the issue of working with provincial counterparts. Again, what is critical about that relationship is getting that knowledge...which, again, is a question of looking at specific ecosystems within provinces that may be unique and have to be protected. It looks at the level of surveillance and the surveys provinces are doing, or the information systems they are picking up through their work, whether it's the ministry of natural resources, or information they're getting from industry, in terms of die-offs in certain parts of the forest. It's a matter of trying to determine quickly if it's a pest issue, or if it is related to some other ecosystem change that needs to be taken onboard in those areas where pests do find their way in despite everybody's best efforts. You certainly want to ensure that it's detected as early as possible to mitigate the level of economic harm that can derive from that.

The third point you raised was whether some of our regulatory decisions serve to be rather unpopular with certain segments, simply because we are a regulatory agency. I would answer back, certainly that can occur. I would use the specific example of the issue of a North American perimeter, which Paul referred to. Because the issue is about trying to ensure integrity within the North American reality, we take decisions that address issues, for example, of pests that may not have an impact directly in Canada but may have a huge impact on the U.S. citrus industry. Because of the integrated trade between our countries, it could find its way into Canada and then be introduced into the U.S. While we don't necessarily have a strong citrus country, it could affect other species besides citrus. Therefore, we're obliged to take action as part of perimeter security. Some people would say that disenfranchises their interest in terms of a nursery, or something else, because of the cross-species availability of that pest to affect the nursery; but that action is taken in a broad series of commodities in the best interest of maintaining a very important trade relationship with the U.S.

# • (1700)

That would be an area where perhaps a regulatory science-based risk decision could be seen as impeding trade, that people might not necessarily support the rationale.

**The Chair:** Mr. Weston, a very brief question, if you have one. If you don't, it's fine.

**Mr. John Weston:** Continuing from that, who takes the lead, the province or CFIA? How do you work it out?

**Dr. Brian Evans:** As Mr. Mayers has indicated, we have 200 identified regulated pests in Canada. In other words, if it falls into that category of the 200 pests, we have worked with industry, provinces, and others to determine these are the pests of highest significance. Then if it's a regulated pest, we have the lead authority. If it's something that isn't on the list, it becomes an issue of determining what the economic impact of that is and should it be added to the list of regulated pests or is it something we're prepared to live with collectively.

The Chair: Thank you, Mr. Weston.

Ms. Ratansi, five minutes.

Ms. Yasmin Ratansi: Thank you.

Just to bring back the focus, the focus of the audit was the management of risk to Canada's plant resources. And the audit focused on whether there was a risk-based approach to prevent the entry of alien plants, pests, and diseases into Canada.

There is a general consensus, Ms. Swan, as you say, that it costs less to deal with invasive plants, pests, and diseases before they become established. When the auditor was auditing, when we are looking at new invasive plants, pests, and diseases, the way you do your scientific survey, only a small proportion of the survey was focused on new invasive plants. In fact, 84% was focused on existing pests. How is the CFIA going to ensure this balance? How are we prepared for the other alien species that may come in?

Eliminating the backlog for risk assessment.... Some of this backlog goes back to 1999. In that period—you were to complete it in 2010—what are we looking at? What are some of the risks we are anticipating? When you do a risk model you anticipate what's going to come down the pipeline. Is 2010 adequate, or will you have to react to something?

I'd like to ask the Auditor General: They have 13 statutes to deal with—is it too cumbersome?

Thank you.

Ms. Carole Swan: Thank you for the questions.

Let me ask Brian to address the issue of science and scientific surveys and how we are balancing that, what we know and what we don't know.

**Dr. Brian Evans:** I was actually hoping the Auditor General would answer the third question first.

In response to the question on the issue of survey priorization, we fully agree with the Auditor General that we need to find a different equilibrium in terms of both what we're actively doing for new detections versus dealing with those issues that have been identified. But currently, I guess, our efforts are to try to mitigate the consequences of what does exist.

I believe the Auditor General did make specific reference in her report to the fact that currently the CFIA is managing six declared plant health emergencies with six different plant pests that affect different sectors. One affects the stone fruit sector, particularly in the Niagara Peninsula, and others affect the forestry sector and the potato sector. Again, the challenge becomes one of trying to mitigate the economic challenges in terms of production costs to those sectors

that are impacted by the presence of those pests, as well as mitigating the potential market access economic loss, which can be significant for a country that is very export-dependent in our forestry and other sectors.

That certainly is a challenge we are taking on in terms of the risk modelling proposal that has been included in our action plan, in the role that I will continue to play in the oversight of managing the interface between our science determinations, our operational delivery and our program design, and in co-chairing with my counterpart, Mr. Baker, on the finance side, in the short term, how we manage both the costs of those emergencies but also how we can make reallocations within the organization to make sure that we have that balance in looking for the new surveys.

It also has an impact on the operational staff, who are charged with both managing the existing detections and their time allocation in looking for the new pieces. So part of that looks at new partnerships. Does it have to be CFIA alone that conducts the survey work? We do have MOUs with three provinces currently, Alberta, B. C. and Ontario, to try to engage and expand that capacity to work in these areas of agreed priority. But it is a negotiated priority with both the industry's affected sectors and the provinces in terms of the areas they're prepared to invest.

We are trying to be as creative as we can to expand the expertise that can be brought to those surveys, in a way that will give us the balance the Auditor General has recommended and which we fully support.

The second point you raised was the extended risk assessment backlog. This is both about getting smarter about doing the risk assessment processes and finding alternate ways to advance the risk assessment processes. Again, part of that is the sharing activities that we're undertaking to do with other jurisdictions, so we're not duplicating risk assessments into common ecosystems, so that we can use that risk assessment if it applies to the Canadian circumstance and ecosystem as part of our process. Another part is to work more closely with the academic sectors and, where they have expertise, to engage them in conducting some of the risk assessment work on our behalf. Then there is us getting more into a validation of the risk assessment process than the actual front-end piece.

So we do recognize that is an area, and we stand by the commitment to eliminate that backlog by 2010. That's a hard commitment, and I will come back to this committee if it's not met.

**●** (1705)

The Chair: Madam Auditor, do you have any comment on the last one?

**Ms. Sheila Fraser:** On the question of the 13 federal statutes and regulations, I think that really points to the complexity of the operations of the Canadian Food Inspection Agency and the variety of responsibilities it has. If I could link that to the audit and some of the findings here, I think in an environment like that it's very important that the agency be very clear about what its role is and what it needs to do to fulfill those responsibilities.

Obviously, it can't do every inspection of everything coming into the country, so risk management is really important. It is also very important to have a really good quality assurance program in place, so that it knows what it is doing, and whether there are issues that are being discovered. Then that comes back into the information loop.

It is a very complex operation. Is it more complex than others? I can't really answer that. I'm sure there are other departments that have as many statutes to administer as well.

The Chair: Thank you.

Thank you, Ms. Ratansi.

Mr. Young, five minutes.

Mr. Terence Young (Oakville, CPC): Thank you, Chair.

I heard a couple of terms, a national tracking system and electronic certification, so I think I know what you're referring to. The hand-held computers, the ones that Purolator have had for 15 years, as well as EDS and FEDEX, I'm assuming that's the kind of equipment you're talking about.

I know the budgets were cut in 1994 and cut again in 1995 and the budget was cut in 2005, but was any equipment purchased like that in the 1990s, or was there not enough money? Why are you 15 years behind in technology?

**Mr. Stephen Baker:** We've done some pilots with hand-held equipment, particularly in the food inspection business, but we haven't fully developed the system to deal with that, and we haven't yet made the investment necessary to get us there.

Mr. Terence Young: Is it just a matter of money?

Madam Swan, your report says you will complete an assessment of the information management needs within a year, which is April 2010. So if it's going to take a year to do the assessment, how long is it going to take to make the orders and get the equipment and set up a system so that we don't have another Dutch elm disease or something?

Ms. Carole Swan: With respect to information management, which we agree is absolutely essential in responding to this audit and in making sure that our plant health program is effective and efficient, we are making some investments in the short term. The whole area of large-scale IM/IT is a complex area. It's important to get it right. We need to make sure that we have the right backbone and structure in the agency to be able to apply specific IM/IT requirements to the plant health area.

**Mr. Terence Young:** Are you going to do it internally, or are you going to go outside, get consultants in and get somebody to tell you what equipment you should have? If you do that, you could end up with another \$2-billion gun registry. Is there something you're going to do internally?

**Ms. Carole Swan:** We want to avoid an IM/IT program that either doesn't work or is costly, but we need to make sure we understand what the requirements of the agency are.

**●** (1710)

**Mr. Terence Young:** Madam Swan, what is the risk-based approach, in plain language?

**Ms. Carole Swan:** It is understanding that you can't do everything, you have to look at areas of highest potential impact, in terms of the occurrence of the event and its implications.

**Mr. Terence Young:** So you're in the process of developing this?

Ms. Carole Swan: We have developed it to some extent.

Mr. Terence Young: Do other countries use that approach?

Ms. Carole Swan: Yes.

**Mr. Terence Young:** Have you looked at their models? Is there a model you like that you can implement a little faster?

**Ms. Carole Swan:** We have looked at a number of models. I know that Australia has quite a robust model, particularly with regard to plant health.

**Mr. Paul Mayers:** Australia and New Zealand, with their unique ecosystems, have placed a significant focus in this area. We work quite closely with our colleagues in Australia and New Zealand, as well as in the U.S., in the plant health quadrilaterals. It's a tremendous opportunity to learn lessons.

**Mr. Terence Young:** So you're sharing information?

Mr. Paul Mayers: Absolutely.

**Mr. Terence Young:** I'm interested in how you mitigate threats, Madam Swan. If there was another Dutch elm disease or emerald ash borer, how would you mitigate the threat? Could you prevent it from spreading?

**Ms. Carole Swan:** The first challenge is to identify that it's here. We need the science to identify that a pest is present. We then have the ability to set up quarantine zones to prevent the spread. In some cases, wood, firewood, can be a host for plant pests. We have the ability to restrict movement through ministerial orders. We try to contain. Sometimes it means we have to cut down trees. We try to set up a buffer zone to prevent spread from an area.

Mr. Terence Young: Is that working now?

**Ms. Carole Swan:** It is working to varying degrees. It has been more effective in some cases than in others. In some cases, pests are difficult to quarantine, especially the flying type.

Mr. Terence Young: Thank you.

The Chair: Madame Faille.

[Translation]

Ms. Meili Faille: In fact, Mr. Young asked a question that I had wanted to put to you.

We are now in 2009, and you are going to be assessing your information management needs between now and 2010. Could you tell us when you became aware of the problems in your IT system? [English]

**Ms. Carole Swan:** The Auditor General's report in 2003 pointed to IM/IT. We have known for quite a while that modernization was required. We have tried various work-arounds, which have been more or less effective. But we recognize that a more modern IM/IT system would help us be much more risk-based and effective with respect to our plant health responsibilities.

[Translation]

**Ms. Meili Faille:** In brief, you are making investments, but you do not have a comprehensive business plan, whereas the problem was identified several years ago.

[English]

**Ms. Carole Swan:** I think it's fair to say that IM/IT management is a challenge, not just in the plant health area, but certainly for the agency—and I wouldn't want to go too far afield, but I would say for other departments as well.

There was a reference earlier to another IM/IT program. These tend to be large, lumpy programs of long duration, and it's important to get as much information as we can to make sure we invest in the right ways, because we want to avoid an investment that would not, for instance, allow us to understand better where the risks are.

[Translation]

**Ms. Meili Faille:** Have you made a request under the government's Shared Services Initiative? What priority has the Department of Public Works and Government Services given you? [*English*]

**Ms. Carole Swan:** I'm going to ask Stephen to speak to the issue of shared services. I don't know that it relates specifically to the IM/IT area.

**Mr. Stephen Baker:** I'm not entirely sure what part of the shared services agenda we're talking about.

The agency is in the shared service cluster at the moment. We actually share an HR and financial management system with the Department of Agriculture. We are also involved in the corporate administrative shared services initiative that is being developed by the Treasury Board Secretariat, and we're participating in that with the notion that we would expand our shared base from two departments to more.

In the area of IM/IT, the shared service organization is Public Works and Government Services Canada, which provide, on a shared service basis, access to infrastructure, networks, and technology, and we are a buyer of their services. So they're our principal supplier around network connectivity and communications infrastructure.

**●** (1715)

[Translation]

Ms. Meili Faille: Very well. Thank you.

[English]

**The Chair:** That, colleagues, concludes both rounds of questions.

Before we adjourn the meeting I'm going to ask if either the auditor or Ms. Swan have any closing remarks to the committee.

**Ms. Sheila Fraser:** Mr. Chair, I would just like to thank the committee for their interest in this report. As we have said, we do believe that our findings are serious, that corrective action is needed on a number of fronts, and we look forward to a follow-up audit at some time in the future that will show the agency has taken action.

The Chair: Ms. Swan.

Ms. Carole Swan: Thank you, Mr. Chair.

I would like to thank the Auditor General for the audit. It's not always an easy audit to get, but it's a very important audit, and I think you can see from our action plan and our comments here today that we take this very seriously.

I would also like to thank the committee for its interest and guidance. Again, this is something we are quite prepared to come back on and it's an area of interest and importance to the CFIA.

The Chair: Mr. Shipley, I understand you have a point.

**Mr. Bev Shipley:** I apologize for not doing it earlier, but when you were talking you mentioned bringing back a report. Could you give us a time when you would be able to give us an update on your progress?

**Ms. Carole Swan:** We will develop the action plan that we have tabled with the committee into a much more detailed approach. I would think we would need at least until the fall to do that, and we would certainly be happy to come back to the committee. I think we would want to get the views of the Auditor General before we do that, but certainly we would be glad to appear before the committee then.

**The Chair:** Before we adjourn, I understand Mr. Christopherson has a motion that's going to be tabled for no other purpose but notice.

Mr. Christopherson, do you want to give us 30 seconds on the notice, and that will be it? We're not going to discuss it.

**Mr. David Christopherson:** No, I'll just read the motion so it's on the record. That's all we need to do today, Chair.

It's a notice of motion for Thursday, following the 48-hour rule. My motion is as follows:

That the House of Commons Standing Committee on Public Accounts request that the Auditor General of Canada examine the awarding of a contract by Canada Post to Purolator Courier Ltd. for air mail services, including whether the contract should have been awarded through a public tender process.

The Chair: Okay, that's just a notice. There is no discussion on that motion.

On behalf of everyone on the committee, I want to thank everyone for their appearance here today. I want to thank you for your reports.

I want to thank you for your action plan, Ms. Swan. We all understand your agency is not a simple agency. This audit dealt with only one aspect, and you have a whole host of other issues that are

challenging. Although the audit did identify issues that warrant corrective action, we want to wish you all the best in your future endeavours. Thank you very much.

We'll adjourn.

Published under the authority of the Speaker of the House of Commons Publié en conformité de l'autorité du Président de la Chambre des communes Also available on the Parliament of Canada Web Site at the following address: Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : http://www.parl.gc.ca The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the

express prior written authorization of the Speaker of the House of Commons.

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