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Chair

Ms. Yasmin Ratansi

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• (1530)

[English]

The Chair (Ms. Yasmin Ratansi (Don Valley East, Lib.)): Members of committee, it's 3:30 and we have before us witnesses from the Department of Public Work and Government Services. We are doing a study on the freeze on departmental budgets.

We have Mr. Andrew Treusch, the associate deputy minister, as well as Mr. Alex Lakroni, Madam Diane Lorenzato, and Madam Weber.

Do you have any opening remarks, Mr. Treusch?

Mr. Andrew Treusch (Associate Deputy Minister, Department of Public Works and Government Services): Yes, I do. Thank you, Madam Chair.

Good afternoon. My name is Andrew Treusch. I am the associate deputy minister at Public Works and Government Services Canada.

With me are Alex Lakroni, chief financial officer; Diane Lorenzato, assistant deputy minister of human resources; and Caroline Weber, assistant deputy minister of the corporate services, policy, and communications branch.

We are happy to be back before the committee following our department's last appearance for main estimates a few weeks ago. I'd like to note as well that PWGSC tabled its report on plans and priorities on March 25.

Thank you for giving us the opportunity to talk to you about the role Public Works and Government Services Canada plays in supporting the government's approach to returning its budget to balance, as outlined in Budget 2010.

PWGSC is a large and complex department, and it plays an integral role in the daily operations of the Government of Canada. Our vision is to excel in government operations, and our strategic outcomes are to deliver high-quality services and programs that meet the needs of federal organizations and to ensure sound stewardship on behalf of Canadians.

[Translation]

As a common service provider for the Government of Canada, PWGSC acts as the government's principal real property manager, central purchasing agent, banker and accountant, as well as providing services in payroll, pensions, IT, and translation, among others.

Under the government's Economic Action Plan, we received more than \$400 million over two years to accelerate our plans to repair and

restore federal buildings and bridges, and enhance the accessibility of buildings where federal services are provided. PWGSC is also providing support in areas such as procurement to other government departments and agencies that are delivering on their own commitments under the Economic Action Plan over two years.

[English]

PWGSC has undergone many changes in recent years, and we believe we are well positioned to absorb the impact of the freeze. A few years ago we embarked on an ambitious program of renewal and transformation, seeking efficiencies and adopting common business practices, particularly in the areas of acquisitions, real property, and information technology.

Having also strengthened our financial planning, we promote strict discipline in budget management to ensure adherence to sound, standardized financial principles. As well, we have a forward-looking integrated human resources plan with numerous strategies to ensure a solid workforce and healthy workplace.

In keeping with our culture of continuous improvement, PWGSC is currently looking at options to generate the targeted savings of 5% over three years under the current round of strategic reviews. PWGSC was highly rated in its most recent assessment under the Treasury Board Secretariat's comprehensive measure of departmental performance, the management accountability framework.

PWGSC has a robust governance structure to monitor our functions and support strategic decision-making at senior levels. To deliver on our mandate, PWGSC will spend a gross \$6.3 billion this fiscal year.

[Translation]

Unlike most other departments, PWGSC provides both mandatory services and optional services to other government departments and agencies. For optional services, we operate on a user-pay system and thus depend on revenue, primarily from our client government departments, to cover 56% of our expenditures—or \$3.5 billion. Our funding by Parliament is \$2.8 billion, or \$6.3 billion of gross expenditures less \$3.5 billion of revenues. Examples of optional services include auditing, consulting, translation services to departments and telecommunications and informatics services.

•(1535)

[English]

As committee members are aware, the freeze announced on March 4 primarily targets operational budgets, while allowing collective agreements to be funded within those levels. We estimate the impact on our operating budget of \$3.4 billion to be \$8.7 million in 2010-11, which is less than 1% of these funds. In response, we're planning to exercise tighter control of expenditures and increased rigour in all of our financial management; to mitigate potential risks to revenue by closing agreements earlier in the fiscal year; to continue to carefully manage spending on travel, hospitality, and conferences, as prescribed by budget 2009; and to decrease demand in certain areas, such as professional services.

These measures are consistent with our commitment to ongoing improvement in every area of our business.

Madam Chair, in addition to a copy of my opening remarks

[Translation]

in both languages, I am pleased to provide a one-page overview

[English]

which would explain our vote structure and our level of funding.

Madam Chair, this concludes my prepared statements. We are here for your questions.

The Chair: Thank you very much.

We will go to the first round of questions.

Ms. Hall Findlay, you have eight minutes, please.

Ms. Martha Hall Findlay (Willowdale, Lib.): Thank you very much, Madam Chair.

Thank you very much, everyone, for being here with us this afternoon.

I note that the budget for the Department of Public Works over the last five or six years has remained pretty consistent—a little bit up, a bit down—and then all of sudden, this year, we see a jump from last year of almost 20%. There are several questions from that. First, what exactly does that cover, and why? What does that mean in terms of the announced freeze and indeed the additional strategic review for reductions?

So let's start with the first question, on why there is such a significant increase this year, and then hopefully we can ask more on that.

Mr. Andrew Treusch: Thank you for the question.

I can give you our overall main estimates figures for five years, beginning in 2006-07.

Ms. Martha Hall Findlay: No, I've already seen all of those numbers. Everything I've seen has shown fairly consistent numbers. My question is focused on the significant increase from last year to these main estimates, the ones we're dealing with now.

Mr. Andrew Treusch: Very well.

Main over main, 2009-10 was \$2.387 billion, going to \$2.847 billion this year. That's a significant increase. The largest part of that increase would be explained by our department's participation in the government's economic action plan, in particular the accelerated infrastructure program, where we have committed an additional amount of over \$400 million over two fiscal years—the one that just closed and the one we're just entering.

In addition, our department has other project funding. A good example of that would be the funding that's moving through our department in relation to the G-8 and G-20 summits.

Over the five years, you will find an increase. In the earlier years, you'll find some decline in our main expenditures, largely related to the economies associated with "The Way Forward", which were in the real property side. In the last couple of years, indeed, as a result of the economic action plan, you'll see growth.

Ms. Martha Hall Findlay: Thank you for that.

So then my next question does relate specifically to the freeze and then the strategic review. Economic action plan expenditures are temporary in nature, as well as, I'm hoping, G-8 and G-20. There's lot of opportunity to go down there, but we're hoping that, as bad as it is, it's going to be temporary.

In both of those cases, then, can you tell me what the number will be that will actually be frozen? I'd like to have a commitment that the freeze will in fact be on the numbers that would take out economic action plan numbers and G-8 and G-20 numbers, which, as you've just said, are significant increases. What's the number that will actually be frozen?

Mr. Andrew Treusch: The number that would be frozen impacts our regular operating budget. It translates in 2010-11 to \$8.7 million—less than 1%.

The amount excludes budget 2010 actions. In other words, the funding for G-8 and G-20 is excluded from that number, as is our participation in the government's economic action plan.

Ms. Martha Hall Findlay: Maybe I'm a bit confused, but I'm looking at main estimates numbers of total expenditure last year—this is after revenue is taken out—of \$2.4 billion, and then we have \$2.8 billion. That's not the part that is being frozen? You're saying that none of the accommodation and real property assets management piece is actually part of this freezing?

•(1540)

Mr. Andrew Treusch: Our operating expenditures are being frozen. There would be operating expenditures in the real property part of our department. For example, you would also find there a lot of capital votes, and they are not affected.

Ms. Martha Hall Findlay: Okay. Thank you.

If it's all right, I'm going to share my time with my colleague.

The Chair: Go ahead.

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): First of all, thank you very much for being here today. We appreciate your time and your attention to the details. I can see one area that did not receive additional funding year over year and that in fact probably saw a reduction of \$32 million, and that was the information technology infrastructure services.

We know that the Auditor General has commented on this very important issue and has said that while you've made some steps to manage the risks relating to aging IT systems, much work remains to be done. Since the Auditor General has identified this as an area of concern, could you explain why it looks as though funding for the IT infrastructure services has been cut, and perhaps comment on where you see this going and how you're going to address this very serious issue when indeed you're looking at a freeze and a further 5%?

Mr. Andrew Treusch: Certainly. Thank you for the question.

IT is an important part of our department, and indeed we were before a parliamentary committee in the recent past on the issue of aging IT infrastructure.

A lot of IT funding is project-related. Project-related funding has its own lifeline. The two major IT projects under way within the department right now are the transformation of pension administration and the transformation of pay initiative. These are both major undertakings. One initiative involves a \$246 million investment by the government. That's on the pension side. On the pay side there will be an investment of \$298 million. That will take place over many years, and we're at the very start of that as well.

Across the department, we are now putting together an investment plan in response to the Auditor General's report so that we can provide assurance that we're putting our investment on the priorities of the department. We will then be ensuring that we have a department-wide plan, which is what the Auditor General's report was attesting to.

Ms. Siobhan Coady: How much time do I have remaining?

The Chair: You have a minute and a half.

Ms. Siobhan Coady: I have two final questions.

The first is a general question. You had an increase, and my colleague has indicated that you are levelling off and you're not putting in the increases that you've had in terms of the budget freeze. So first you have a budget freeze. Second, you talked about how a few years ago you had this ambitious program of renewal and transformation and efficiency-seeking. Now you're about to embark on another plan to look at another 5%.

What services or indeed human resources are you going to have to target in order to achieve the savings that are required now?

Mr. Andrew Treusch: In relation to the operating budget freeze, which is the subject of our call here today, given the size of our budget, which I described in my opening remarks, we believe we can manage the freeze by administrative measures. I outlined some of those in my opening remarks.

With respect to the strategic review process, we are one of several departments that will be looking across all of their programs in a comprehensive way. We'll be looking to eliminate duplication and waste, and programs that are low-performing. Our proposals will be

presented to our minister. She in turn will take them to Treasury Board, and in due course the decisions of the government will be announced and will constitute part of the budget in 2011.

The Chair: Thank you.

We now go to Monsieur Nadeau,

[*Translation*]

for eight minutes, please.

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

Good afternoon, ladies and gentlemen.

We know that there has been a 1.5% salary increase and that the departments are not funded with new money. So you are at the same level as last year.

I am concerned about what this will do to the workload of the public servants, government workers, at all levels. We know that there have been retirements owing to the accumulated years of service. Public Works is a very big department. There has also been some natural attrition as people change jobs or seek employment elsewhere in the government or in the labour force.

How can you manage this situation or, at the very least, manage your staff without increasing the workload, knowing that you do not necessarily have the means to fill positions when people leave?

• (1545)

[*English*]

Mr. Andrew Treusch: Thank you very much for the question.

Obviously it's a question then of working smarter. It's a very intelligent question. We certainly grapple with increased demands for services. Workload is an issue. We do have attrition rates. We will continue to have retirements. The only way you can match the demand for work and some of the budget constraints we will manage is by re-engineering our business processes and by getting more economies and efficiencies in the tax dollars that we have now. Obviously, new technologies give us possibilities that we did not have in the past. As is the case in the private sector, we're always in search of economies and efficiencies in the way we organize ourselves internally.

One example to illustrate this point would be substituting telepresence for meetings. Harvesting modern technology is much more economical. We can have a teleconference and avoid all the costs involved in travel.

[*Translation*]

Mr. Richard Nadeau: I understand your perspective, what you are doing, namely, you need to work smarter, if you like. However, there is nevertheless a limit to what you can do. We all agree that you can stretch an elastic band, but there is a limit as to how far you can stretch it without it snapping back. You wind up putting a band-aid on a wooden leg rather than treating the problem or remedying the situation.

As for the other aspect, I do understand the principle, I come from the teaching world. It was already difficult to find new teachers before I became a member of Parliament. There is a great deal of competition—I am changing fields—in the public service, there is fierce competition with other public services, whether they be at the provincial or municipal level, or with private enterprise, for similar jobs. At one point, we thought we had what was a solution—today we know that this is not true—in order to save some money: subcontracting.

Will Public Works turn to this pool of subcontractors, who are not public servants, in order to staff positions which, in the long run, are going to wind up costing us more money because we have not found the individuals who will officially replace public employees?

[English]

Mr. Andrew Treusch: I well understand. That's an excellent question. The question of whether in some way the operating budget freeze would disincite regular staffing and as a consequence foster greater use of outside consultants is often raised. It's important to be alert to the fact that just as public service salaries are part of our operating budget, so would be the costs of outside consultants. Insofar as there would be \$8.7 million less in the pot for the Department of Public Works for operating purposes, there would certainly be less money for engaging consultants. In fact, the use of consultants is one of the areas where we plan to be more diligent in the coming years.

As far as what the numbers show regarding our ability to recruit goes, which is at the heart of your question, sir, in the year that just closed, we brought over 1,000 people into our department. We brought in 1,000 people the year before that, the year before that, and the year before that. So we're very competitive. We're able to recruit to our department. We can do that at the same time as we can improve our demographics and close the gap, whether it's with respect to women, persons with disabilities, aboriginal Canadians, or visible minorities. We've met three of those four targets. On the fourth one, we're quite close as well.

• (1550)

[Translation]

Mr. Richard Nadeau: I recall a certain time when Mr. Fortier was the minister responsible for Public Works—and Ms. Lorenzato was present at this meeting—and we discussed the whole issue of pay management. This committee was looking into this issue because there were significant delays in the issuance of pay cheques, delays that were even disturbing as same people were not getting their pay on time.

At that point we did uncover one problem, in particular, and we met with the union on the matter: the people who work in payroll were well trained, but they were being paid less, in the federal government, than others who did similar work. So, after one, two and a half or three years of training, people would disappear and seek employment elsewhere.

You have just told me that you are very competitive. Did you change the pay scales, for instance, in this very specialized field in a department the size of Public Works? Did you change the pay scales in order to better retain employees in these types of positions, such

as compensation and pension analysis, etc., a field that is quite broad?

The Chair: Mr. Nadeau, you have one minute remaining.

Mr. Richard Nadeau: What type of solution have you implemented to deal with this issue?

Mr. Andrew Treusch: Thank you, sir. I would suggest that Ms. Diane Lorenzato answer this question.

Ms. Diane Lorenzato (Assistant Deputy Minister, Human Resources Branch, Department of Public Works and Government Services): Thank you, Mr. Nadeau.

Indeed, at that time, it was a challenge to recruit people for the department's compensation branch because it was not attractive. We subsequently set up a development program, insuring that employees recruited for the compensation section were at the junior level. They now participate in a development program which brings them up two levels once they have qualified and have the required skills and experience.

The development program is structured, and has coaches, mentors, classroom training and field training, so that the people no longer have to go looking for the next promotion. They are interested in staying with the department, because they have a future ahead of them.

Also, with respect to the human resources community, we have designed a promotion roadmap for the people in compensation. This helps us attract people and shows them that there is a future in other fields. This is a platform for these people.

We have applied the same principle in other sectors within the department—translation, human resources, finances, economy, acquisitions, real property—which makes the department interesting because people see that it is possible to progress in their career within Public Works Canada. That is how we have managed to turn the corner and attract more people than the number we need.

The Chair: Thank you.

Mr. Gourde, are you sharing your time with Mr. Warkentin? You have the floor for eight minutes, please.

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Thank you very much, Madam Chair. I too would like to thank the witnesses who are here today.

Could you explain which part of your departmental budget has been the most affected by the freeze?

[English]

Mr. Andrew Treusch: Again, it will be restricted to the operational part of our budget, and the priorities that you have seen in budget 2010 would not be affected. Our capital budget would not be affected, and our program allotments, if you like, would not be affected, so it will be our administrative side or our operational funds. We also have a freeze that's specifically related to our travel and to our hospitality.

So those are good examples of the kinds of things that are affected in the department. All of our operating money—that's the kind of thing where we will be needing to find \$8.7 million in savings.

• (1555)

[Translation]

Mr. Jacques Gourde: What strategies have been implemented in order to ensure that these cutbacks are made in both a strategic and reasonable fashion?

[English]

Mr. Andrew Treusch: Well, our CFO is here at my right, and his principal preoccupation is ensuring that our budget is in the black, is balanced. At the start of the year, we have our plans. We have our plans to deal with any financial pressures. Included in those plans will be strategies to manage our operating budget freeze. And then, on a regular basis, we examine our budget situation, all of our envelopes, against the forecast. That's led very much by the CFO and his work, but with the whole management team.

In our performance accords, financial management is a critical aspect of how we rank our senior managers. We expect them to be on top of the expenditures of their branches and we expect them to ensure that they're managing to the budget and forecasting as well as they can.

[Translation]

Mr. Jacques Gourde: What lessons have you learned from past economic recessions that may help us better manage the current freeze on the departmental budget?

[English]

Mr. Andrew Treusch: Budget 2010...?

[Translation]

Mr. Jacques Gourde: Canada has experienced other recessions or budget freezes in the past. Have we gained any experience from action that has been taken in order to have a better established strategy?

[English]

Mr. Andrew Treusch: That's a wonderful question, sir.

I have the good fortune of having been a civil servant through the recessions of 1980-81 and 1990-91 and the program review experience of both the mid-1990s and now. Certainly, while as a government we face some economic and fiscal challenges as we go through this recession into recovery, this is nothing like the challenge of the mid-1990s.

We entered this in a relatively better-off situation in terms of our debt and deficit load, and we're coming out of it with a sterling first quarter this year of 6.1% annualized growth. The measures will not need to be as onerous as we experienced over a decade ago.

The operating budget freeze as well is a freeze that, as departmental managers, we welcome, because it leaves a great deal of latitude to departments to allocate this according to their own needs and priorities. In the mid-1990s we had quite severe and dramatic action on the human resource side. Thousands of civil service jobs were eliminated. There was as well a staffing freeze of various incarnations. These left a legacy that some have referred to as a "lost decade"—a management gap that we've never really been able to fully regain.

We are more fortunate this time. The economic and fiscal environment is more fortuitous. Secondly, this measure of an operating freeze allocates more flexibility and helps us mitigate the human resource aspects of it relative to either a staffing freeze or a salary reduction, which would obviously make recruitment either difficult or impossible.

[Translation]

Mr. Jacques Gourde: I will turn the floor over to Mr. Warkentin.

[English]

Mr. Chris Warkentin (Peace River, CPC): Thank you, Madam Chair.

I do thank you, witnesses, for being here this afternoon. We appreciate your testimony thus far.

I want to follow up on something you talked about, and that's the decade of minimal hiring. It caused a gap in terms of the escalation of that grouping that otherwise would have been hired at that point when it came to the groups that would have gone into management roles.

You spoke about demographics a little bit, and you mentioned the female component. You talked about visible minorities and people with disabilities. I'm wondering about the demographic of age. How is it right now within your department? Do you have any concerns relating to pending retirements?

I guess the question is are you as lopsided as the private sector is right now?

Mr. Andrew Treusch: I have serious concerns with age, I'll tell you—

Voices: Oh, oh!

Mr. Andrew Treusch: —but I think you're asking for my view of the department.

Mr. Chris Warkentin: That's right.

Mr. Andrew Treusch: I have some age distribution figures here, sir, and I'll try to find a pithy way to summarize.

Here's one way of looking at it. The largest percentage falls in the 50 to 54 age band. That is 20% of our employees. That is followed by the 45 to 49 age band, at 16%. That indicates the aging of our demographic. You do see the results of our recruitment, though. You see, at the bottom end, that 10% of our population is under 30. You can see the inflow across the department, and you also can see people who look like me. We have between 500 and 600 persons retiring every year, out of a stock of 14,000 and 15,000 in the department. That should give you a sense of the numbers.

That demographic is worrisome. It's probably the major preoccupation of our human resource assistant deputy minister. It's not unlike other departments and it's not unlike large sectors of the private sector. One of the things we share in common, when we get together with private sector leaders, is the human resource challenge. Aging is the principal concern.

●(1600)

Mr. Chris Warkentin: I appreciate that. I guess I was hoping you had a different answer, but it sounds like you're in line with the rest of the world.

So we'll all look to that plan. If you come up with the answer to the plan, let us know, because we have other departments that we'd like to share that information with.

Thank you.

The Chair: Thank you.

We will go to Monsieur Allen, for eight minutes.

Mr. Malcolm Allen (Welland, NDP): Thank you, Madam Chair.

Thank you to all for being here.

The demographics are interesting. Specifically, the age piece you talked about is clearly worrisome for a couple reasons. One is the knowledge base that one potentially loses if indeed the number escalates. When folks who are 50 to 54 make up 20% of your workforce, you're looking at losing potentially one-fifth in a very short span of time, based on pension requirements at 55, as some folks see it, or 60. So I guess one of the questions around your HR strategy is how you intend to work your knowledge folders to make sure you have that knowledge.

The other piece is that clearly you've looked at this quite rigorously. No doubt because of the freeze in your operational budget, it's an HR strategy in which it doesn't matter if you hire a consultant for a dollar less, because you really have a dollar less to start with. That being the case, do you have a strategy in place that says these are the bare bones you need to replace based on the numbers that go out the door? Do you have any specifics to that?

From what I've heard in the first half-hour or 40 minutes—you've been quite specific—this is an all-encompassing thought process when it comes to an HR strategy.

Mr. Andrew Treusch: Thank you.

If I may, I'll try to answer your question, sir.

Diane, please supplement me with your more expert knowledge.

Let me just start with the basic math. For a while now, we have been fixated on the renewal of the public service. Central to this has been recruitment of the next generation of leaders, and then progressively training and developing these new recruits. In round numbers, I mentioned that with the wave of retirement, we're looking at 500 to 600 persons a year. If you recall the recruitment numbers I was citing—and this was only for post-secondary recruitment—I think we're talking about 1,000 people each year over the last three years alone. So you can see the augmentation of our human resources at the base.

Given the demographics associated with these people coming into the department, we need to be upping our game on training and development, on coaching, career development, and mentoring, and on succession planning for our vital positions, and we're doing all of that.

We're doing a number of other things, but those are obviously the fundamentals of a human resources strategy. We are doing much more in those areas than we would have one, two, or three years ago. That will continue. Indeed, I expect we'll probably be doing more of that in the coming year, notwithstanding the freeze.

Diane.

●(1605)

Ms. Diane Lorenzato: Actually, I could add that we've just launched a new initiative on knowledge transfer to address that specific issue. We are concerned. There are some positions we call critical because the knowledge that comes with the position is something gained over a series of years. We've done a pilot project in one of our regions, in the Quebec region, and in one of our major branches, real property, to test our tools to transfer that knowledge. We want to institutionalize the way we transfer the knowledge that is specific to those positions.

Regarding the critical mass we need as a department to deliver on our mandate, we've asked each of our ADMs to do their strategic staffing plan. As part of the plan, they have to identify the critical positions in their organization in order to deliver on their mandate. With that, combined with the knowledge transfer, the succession planning, and the recruitment strategy, we should be in a position to fulfill our requirements.

We also have a departmental learning policy that clearly states that every employee needs to have a learning plan, and that each employee will have a minimum of three days of learning. Of course, that will fluctuate depending on where you are on your maturity growth vis-à-vis your position. Our investment in training has been constant year after year.

So we've been addressing it from different angles.

Mr. Malcolm Allen: It certainly sounds as though you're doing a lot of work at HR. I just didn't get a number for what that critical mass is. I need to move on to something else.

In your budget, clearly there's money that comes from the tax base, and then there's other money that comes from a revenue base. For part of that, we have heard about how there are assets out there that perhaps may not stay on the assets side: they may be sold, or moved, or have other things done to them.

If indeed you do get rid of assets, whatever those happen to be, how will you account for the money you receive for the asset? What can it be used for within your department, if anything at all? Have you identified any of those assets that you may actually want to be disposing of?

Mr. Andrew Treusch: Insofar as we have capital assets in relation to our capital budget—and again, the capital budget is not affected by the operating fees—there are well-defined policies and procedures for the disposal of crown assets.

I'm not an expert in this vocation, but when a department or custodian declares that it no longer has a need for an asset, there's a policy to be followed whereby we ensure that it is indeed surplus to the Government of Canada, that there is no requirement for it. Then, as long as it is not a contaminated site or not the subject of an aboriginal claim, it may be disposed of at market rates to ensure a value for the crown.

That's a general review of what happens.

We do indeed, from time to time, have properties that are assets, and they can be disposed of. Sometimes we dispose of them ourselves, and sometimes that's done by the Canada Lands Company. It has a mandate here.

The important thing to note is that where there are revenues or proceeds from the sale of a crown asset, they do not accrue to the custodian department. They accrue to the consolidated revenue fund.

The Chair: You can have a very brief question, Mr. Allen. You have 30 seconds.

Mr. Malcolm Allen: Have you identified any surplus assets?

Mr. Andrew Treusch: At any particular time, there are probably assets in our inventory that would be surplus to our requirements.

The Chair: Thank you.

We will now go to the last round of five minutes.

Ms. Hall Findlay.

Ms. Martha Hall Findlay: Thank you, Madam Chair. I have just one very simple question, and then if I can I'll share my time with my colleague.

Mr. Treusch, you'll just have to bear with me, but I heard a number of numbers, and I heard a number of numbers about savings and what was actually being frozen or not. I remain just a little bit confused. I see a lot of line items in the description of the comparison of 2009-2010 and 2010-2011 main estimates. What is the number that will actually be subject to the freeze?

I don't want savings. I just want to know the number that is going to be frozen.

• (1610)

Mr. Andrew Treusch: Mr. Lakroni.

Mr. Alex Lakroni (Chief Financial Officer, Finance Branch, Department of Public Works and Government Services): From our operating budgets of \$3.4 billion, we have a salary budget of about \$1 billion. When we apply the freeze, that leads to an amount of about \$8.7 million.

Ms. Martha Hall Findlay: I'm looking at total operating expenditures here for last year of \$5 billion, almost \$6 billion. I'm looking at various portions that come up as operating expenditures. I'm not asking for the savings. I'm asking for what total is going to be frozen.

We hear the government advertising and bragging about departmental freezes. I'm looking at very big numbers here that have increased by almost 20%. All I'm trying to get at is the departmental number that will actually be frozen, so we can compare

apples to apples when in fact we want to hold the government to account on the actual freezing.

What's the number that's going to be frozen?

Mr. Alex Lakroni: I will provide you with an explanation and then the number.

On \$3.4 billion of operating budget, there is a salary envelope of about \$1 billion—\$1.080 billion. When we account—this is again an estimate, because the amount has not yet been confirmed to us officially—give or take, we're looking at a freeze of about \$8.7 million. That's the amount to be frozen.

Ms. Martha Hall Findlay: So out of a total departmental budget, in terms of operating expenditures that I'm looking at, that is now almost \$6 billion, the only portion that's actually going to be frozen is \$8.7 million?

Mr. Alex Lakroni: I don't think the operating budget is \$6.3 billion.

Ms. Martha Hall Findlay: Well, I'm looking at total operating expenditures. If I'm missing something, I'm more than happy to have you explain it to me. I'm just looking for a number.

Mr. Alex Lakroni: Okay.

The \$6.3 billion is various components. As Mr. Treusch explained, the special allotments that are for non-discretionary expenditures are excluded from the freeze. For instance, all the money for the economic action plan—

Ms. Martha Hall Findlay: I hate to be blunt, but I understand that. What I'm trying to get out of this is that if you take out the discretionary amounts, what is the number that will be frozen? We were told that this department's budget was going to be frozen, and I just want to be able to compare. What is the number? If it's only \$8.7 million, that's not an awful lot in the grand scheme of the advertisement that somehow government departments are being frozen. It ends up being a very small portion of the departmental spending.

Mr. Alex Lakroni: I have to go back to the basics of the budget. A big chunk of our budget is for non-discretionary expenditures. The government decision is that those non-discretionary expenditures are to be excluded from the freeze. In addition to that, we have other expenditures that are revenue-dependent.

So when you make all those adjustments on a salary budget of about \$1 billion, more or less, the freeze—it's an estimate, again, until it is confirmed—is \$8.7 million for 2010-11.

Ms. Martha Hall Findlay: Thank you.

The Chair: Thank you.

Mr. Andrew Treusch: Can I just augment that, very briefly?

The Chair: Sure.

Mr. Andrew Treusch: By its very title, the operating budget “freeze” is meant to eliminate growth in the operating expenses of a department. Insofar as the government is looking to harvest savings from programs, that process would be strategic review. That's the process that will unfold for our department over the coming year.

●(1615)

The Chair: Thank you very much.

I thank you for being here.

I will suspend the committee for 30 seconds while we change our witnesses.

Thank you.

●

_____ (Pause) _____

●

The Chair: Order.

Yes, Mr. Holder.

Mr. Ed Holder (London West, CPC): I'd like to express some concern on behalf of the Bloc and on behalf of the NDP and on behalf of the Conservatives.

I really appreciate that the Liberals have great quality of questions. I think that's really excellent. I think the tenor of the questions is useful. But I'm appealing to the chair for a sense of fairness. I had a series of questions, and I was slated to be the next Conservative speaker. It would have been great if all of us had had a second round.

I would appeal to you, Madam Chair, that if we do not all have a second round as per our flow-through, no one gets a second round, and we find some way to do that in the spirit of fairness. It seems to me that the Bloc would have had other questions to ask our guests. I think the NDP would have had some, and certainly we would have had some as well.

We need to find a way, Madam Chair, if I might, through you, to make it fair to all concerned. I appeal to your sense of fairness.

The Chair: It was a committee rule that was established. If the committee is agreeable to saying no to a second round.... Because we're tight at 45 minutes. If it's agreed by the committee, before we start the next....

What we could do is any time we have 45 minutes only, we could stick with one round. Fair enough?

Mr. Ed Holder: It feels fairer, that's all.

The Chair: Okay. Thank you.

We have before us now Madame Suzanne Legault, who is the interim.... You're still the interim commissioner?

Ms. Suzanne Legault (Interim Information Commissioner, Office of the Information Commissioner of Canada): I'm still interim, yes.

The Chair: Until somebody ordains the final commission.

We also have Madame Layla Michaud, the interim assistant information commissioner.

I understand you have some opening remarks.

Ms. Suzanne Legault: Yes.

The Chair: Thank you. The floor is yours.

[Translation]

Ms. Suzanne Legault: Thank you, Madam Chair, for the opportunity to present the perspective of the Office of the Information Commissioner of Canada as part of the committee's study of the impact of the freeze on federal institutions' budgets.

I come before you today with two perspectives. One, as the head of the Office of the Information Commissioner. Second, as the ombudsman of the access to information regime in Canada. My remarks this afternoon, Madam Chair, will outline both perspectives.

First, I would like to state that as a steward of public funds, I fully understand and support this exercise in fiscal restraint given the current economic situation. That said, I also believe that the budget cost containment measures have a greater impact on small institutions as the largest part of their budget is dedicated to salaries.

●(1620)

[English]

Since its creation in 1983, the office has been facing an ever-increasing backlog of complaints. Investigations sometimes took years to complete, which affected the service we provided to Canadians, and in some cases their right of access to information. Last year we put into motion a very ambitious plan to maximize our efficiency and provide more timely and effective responses to our complainants by taking critical actions on investigations. Among other things, we engaged the services of investigators on contract to work on our oldest and more complex cases. We dedicated a team to our longstanding cases and we streamlined our approach to the early resolution of straightforward complaints.

[Translation]

After a year of implementation, we see that these initiatives are bearing fruit. We have made a significant dent in our inventory of complaints. In fact, we closed more complaints this year than we have in 20 years.

[English]

However, delivering on this ambitious plan is proving to be quite a challenge. Contrary to bigger institutions, we have almost no flexibility when meeting budgetary constraints simply because there is very little fat to trim down, so to speak. Madam Chair, I am currently using every dollar appropriated to the office. My budget is extremely stretched and we are operating at full capacity. In fact, we finished the last fiscal year with a carry-forward of only \$180,000, which is less than 2% of our budget and less than our allowable carry-forward.

Two years ago my office received a significant increase in its budget. However, we did not get the funding we needed to support our systemic investigations function, which is responsible for our report cards and for allowing us to look at system-wide issues. This function is, in my view, absolutely crucial to the effectiveness of my investigative activities. Therefore, I had to reallocate resources internally to support it, which did have an impact on our remaining investigative cases. As a result, this year I'm starting with a deficit of \$700,000. This constitutes a major pressure on my office, which could impact on our capacity to deliver on our mandate.

The absorption of the wage increase only compounds this problem. In terms of this year's main estimates, our salary and operating budget is \$10.8 million in 2010-11, and our number of full-time equivalents is 106. I can report that at this time I actually have 107 people on staff. Seventy-six percent of our budget is allocated to salaries, and 7% is allocated to non-discretionary operating costs, which includes office equipment and the like.

[Translation]

Of the remaining \$1.8 million, only 17% remains for discretionary costs. Sixty-two percent of this envelope is program-related and covers the costs of the consultants working on investigations. Fourteen percent is allocated to our information management strategy and 24% to our internal services.

The salary cost we will have to absorb this year is estimated at \$100,000, increasing to \$355,000 in 2012-2013.

[English]

Madam Chair, I know that coming after the presentation by the Department of Public Works, this figure must seem to committee members like a very small drop in a very big ocean, but for my office this has a huge impact. To put it in perspective, this is what it actually means. It is the equivalent of the resources required to close some 400 cases. It represents about 20% of our \$1.8 million envelope for our discretionary operating costs. This makes us very vulnerable to any new pressures that may arise this year, either in the form of another court case or several court cases or with an increase in complaints, which could further erode our ability to deliver on our mandate. And to be very honest with you, Madam Chair, the last thing that I would want is to find myself in the position of seeking additional funding from Treasury Board Secretariat to fund litigation cases in which they might be one of the institutions involved in the litigation.

This fiscal year, in order to keep within our appropriations, we will have to cut costs in key areas such as training, computer replacement, and our internal audit function. But perhaps most importantly, I have a great concern as the ombudsman for access to information. In times of fiscal restraint, institutions have historically made cuts to their internal services, including their ATIP programs. As ombudsman for the access to information regime in Canada, I am indeed greatly concerned, because inadequate funding inevitably affects this fundamental service to Canadians, and not only their service, but their fundamental democratic right.

The risks include failure to meet legal requirements, declining performance, and an increase in complaints to my office. And I say this in all seriousness, because in our last two report cards we have observed that under-resourced institutions use time extensions as a coping mechanism, thereby creating unnecessary delays. The drafters of the act never intended time extensions to be a tool to manage workload.

• (1625)

[Translation]

With this in mind, Madam Chair, I fully intend to continue to monitor the performance of federal institutions in access to information through my report cards and systemic investigations,

which are, in my opinion, key tools in assessing institutions' performance and also in protecting the rights of Canadians.

In closing, the Office of the Information Commissioner of Canada has made great strides this year in reducing our inventory of cases. However, we continue to deal with an important caseload and until such time as we reach a manageable caseload, dealing with investigations will be my number one priority. I will continue to monitor and adjust our investigation process to reap further efficiencies so that we can reallocate resources internally.

[English]

However, at this time I do not exclude the possibility of going back to Treasury Board Secretariat as well as the advisory panel on the funding and oversight of officers of Parliament to ask for additional funding.

Thank you, Madam Chair.

We will be pleased to answer your questions.

The Chair: Thank you very much. We have 32 minutes left. Divided by four, that's eight minutes per person. So we have eight minutes for the first round.

Ms. Coady.

Ms. Siobhan Coady: Thanks very much to you, Madame Legault, and to you, Madame Michaud, for being here this afternoon.

These are outstanding reports, I must say. It gives us a real idea of the impact of these budget freezes on your department.

I'd also like to congratulate you for being nominated, finally, as Information Commissioner. I fully support your nomination. I hope that will come to a positive conclusion very, very shortly and the appointment comes very quickly.

I want to compliment you as well on the exemplary work you've done over the last year. I've thought that what you've been able to achieve over the last year has been outstanding, especially with the pressures you've had on your budget. I, for one, would love to see your budget increased; I think it's important, and it should go hand in hand with your appointment, to be quite frank.

I think it also points out, as you've been able to summarize today in your opening remarks, the impacts of this across-the-board budget freeze to you and your department and, through you and your department, to Canadians. If you could close some 400 more cases a year, we'd certainly appreciate that, so I'm fully supportive of you actually receiving an increase in your particular allotment, because I think it's important to Canadians.

Having said that, I note that one of the things you did mention in your report was that historically when cuts are to internal services, one of the pressures that may be found, of course, and for you, acting as an ombudsman, is that the whole of access to information may suffer, and we're already having a lot of challenges. I reflect back, for example, on your recent report, *Out of Time*, which states that "the Treasury Board of Canada Secretariat, in collaboration with relevant institutions and agencies, develop and implement, as a matter of urgency" a plan to address the current shortage.

You went on to talk about how “the risks from inadequate funding are abundant”. I looked down your list of report cards that give Natural Resources Canada an F, Canadian Heritage an F, CIDA an F, and so on, and some even...for example, DFAIT got a red alert. When you talk about that, you must be concerned about the budget freeze and its impacts on these particular departments in these particular cases.

Can you just talk a little bit about that? And how can we work with government departments to prioritize, to assure that funding is allocated to ensure this is done?

• (1630)

Ms. Suzanne Legault: Madam Chair, obviously one way in which we are keeping track of what is happening with those departments is that we are following up this year with the 13 institutions that performed below average. It's not necessarily only a question of resources, while in some instances it is, and we are going to keep a very close monitoring watch on those institutions this year.

At this point in time, we do not know where the cuts are going to occur within the various institutions, but we are certainly concerned because of what we observed in the last two report cards. So from our end, we are going to monitor the situation. I know also that the Treasury Board Secretariat is aware of the situations with those institutions and we're going to continue to collaborate with Treasury Board Secretariat in that respect.

Ms. Siobhan Coady: Thank you very much for your answer.

You talked about 13 institutions and how in some instances it is challenges with resources and in some instances it is not. Would you care to elaborate on when it's not related to resources?

Ms. Suzanne Legault: It depends on the various institutions in regard to what the reasons are for a less than optimal performance. What we do find is what I call the “recipe for success” in the institutions that perform very well.

The best example is the Department of Justice, where you have very strong leadership and commitment to access to information. You have adequate resources, both in terms of money and in terms of persons that are actually doing the job. You have very good quality information management practices. In institutions where that is not a fact, we find that it does create delays in terms of access to information, simply for the retrieval of records.

So information management is the key, as is ongoing training in the institution. Those are essentially the key elements of a recipe for success for access to information in any institution.

Ms. Siobhan Coady: Thank you.

I'm going to share my time with my colleague.

The Chair: You have three and a half minutes.

Ms. Martha Hall Findlay: Thank you very much.

Thanks to both of you for being here today. I echo my colleague's sentiments on the job you've done so far, under sometimes difficult circumstances, and I appreciate what you do with what we both agree are not enough resources. I support that call.

Who decides when something should be disclosed? When there is an access to information request, who decides what should be released and how much, if any, should be kept back or redacted?

Ms. Suzanne Legault: The decision regarding disclosure or non-disclosure is and should always be based on the legislation itself.

The legislation has a presumption in favour of disclosure. It also provides for exemptions and certain exclusions. Some of those are mandatory exemptions and exclusions, and some of them are discretionary. In the discretionary analysis, basically the head of the institution has to decide, through its delegated authority—depending on who has a delegated authority within the institution—whether or not, in the exercise of their discretion, the information should be disclosed.

Ms. Martha Hall Findlay: When you say “head of the institution”, who do you mean by that?

Ms. Suzanne Legault: Under the legislation, the head of the institution is usually the minister, or in certain agencies it is the head of the institution. For instance, at the Information Commissioner's office, I am the head of the institution. And then each institution delegates authority to various people within it to make decisions.

For instance, in our institution, I have delegated the authority to the assistant commissioner and to the director of information management.

• (1635)

Ms. Martha Hall Findlay: Can I just extrapolate on that, then? If a minister has the authority to make that decision and a member of the minister's political staff intervenes or makes a decision with regard to disclosure or not disclosure, would responsibility for that action then reside with the minister?

Mr. Chris Warkentin: Point of order.

The Chair: Ms. Hall Findlay, I have a point of order.

Yes.

Mr. Chris Warkentin: Thank you, Madam Chair.

First, I would welcome my colleague back to the committee, but I just find it passing strange that in her absence the Liberals have gone to great lengths to say that this issue should be discussed not at this committee but rather at the ethics committee. I would maybe encourage you, Madam Chair, to keep committee members on the item that we are actually responsible for looking into today.

The Chair: The clerk advises me that you don't have a point of order.

Continue, Ms. Hall Findlay.

Ms. Martha Hall Findlay: Thank you, Madam Chair.

I'll just repeat the last piece of the question: If a member of a minister's political staff intervenes in refusing to provide information or in the level of censorship, given that this is a delegated authority, can we then assume that the person ultimately responsible for that action—it could be a denial of information—would actually be the minister himself or herself?

The Chair: Mr. Warkentin.

Mr. Chris Warkentin: Madam Chair, I would just implore you that the chair has a responsibility to keep committee members on topic and on topics that are relevant to what has been brought forward. I do again ask the members to—

The Chair: You see, this is the problem. When you say “point of order”, you think you have the right to talk. You have to tell me what she has violated.

Mr. Chris Warkentin: I'm asking you to rule on relevance as it relates to the question she asked in comparison to the orders of the day.

The Chair: Yes, but it's not a point of order you're arguing. And she has relevance because she is asking a question of the Information Commissioner, who is the authority. She laid the foundation, and that's fine.

I'm sorry, it's not a point of order, Mr. Warkentin. You are going to—

Mr. Chris Warkentin: Point of order, Madam Chair.

The Chair: Yes, and what—

Mr. Chris Warkentin: Today's relevant topic is pursuant to Standing Order 108(3).

The Chair: Mr. Warkentin, that's not a point of order.

Mr. Chris Warkentin: We are on the study of the freeze on departmental budget envelopes and government operations. So I just—

The Chair: Thank you, and I rule it's not a point of order.

Mr. Chris Warkentin: So I will remember that when Paul Szabo comes to our committee, and when Mr. Lee comes to our committee as well.

The Chair: Okay, sure.

It's not a point of order.

Go ahead and continue, Ms. Hall Findlay.

Ms. Martha Hall Findlay: Actually, the commissioner is—

The Chair: I'm sorry, you had asked a question.

Please answer.

Ms. Suzanne Legault: Madam Chair, I am not an expert in terms of ministerial responsibility. I do understand, though, that the way the Access to Information Act is drafted, it does give the responsibility in most departments to the minister as the head of the institution, and under the legislation the minister is the person responsible.

I'll make two points. When, for instance, I issue what we call a section 37 letter under the legislation—this is something I instituted this year—which is the last step in my investigative function and through which I am looking for a final decision from the institution, I am addressing those letters to the ministers. And I have done so in three cases this year.

The second point I'd like to make on that is that as you probably all know, we have now before the Supreme Court of Canada the case that is often referred to as the “PM's agenda case”. I suspect that this case, which is slated to be heard by the Supreme Court of Canada in October of this year, will also shed some light on the issue of

ministerial responsibility with respect to the administration of the Access to Information Act.

The Chair: We'll now go to Monsieur Nadeau.

[Translation]

Mr. Richard Nadeau: Thank you, Madam Chair.

Good afternoon.

You are in a fragile situation. Indeed, we never know how many complaints there will be in a given year. There may be more and there may be fewer. However, even though there may be fewer complaints, they may represent more work, depending on the scope of the complaint. So you are, to some extent, standing on shifting sand.

Your budget must enable the Office of the Information Commissioner to work effectively, meaning, in line with the requests. We know that additional budgets are allocated during the course of the year. I am referring to the infamous (A) and (B) supplementary estimates budgets.

I do not want to lead you onto a slippery slope, but is Treasury Board aware of the situation, does it know how you operate? If you were able to demonstrate that you required more money to respond to the requests, would this still be possible, would there be any openness? Or would this instead be an extremely time-consuming and difficult endeavour?

● (1640)

Ms. Suzanne Legault: Over the past two years, the process to obtain additional funding has been extremely well managed by all parties, and this work has been made possible thanks to the funding task force and the supervision of Parliament's officers. The process has worked very well.

When we requested additional funding from Treasury Board, we first of all prepared an historical analysis of the percentage of complaints compared to the percentage of requests for access to information throughout the entire system. We based our request for funding on this historical analysis. As you know, in 2006-2007 and 2007-2008, there was a significant increase in the number of complaints filed with the office of the commissioner as a result of the adoption of the Federal Accountability Act. However, this year, we have received approximately 1,600 complaints. This is a significant drop. We will see how things unfold this year.

We really do have a problem at present. We still have an inventory of approximately 2,000 files. That constitutes one of our problems, along with the management of systemic investigations. It is truly the combination of these two factors that make us more vulnerable.

I promised myself, before I turned again to the Treasury Board Secretariat, to really do a detailed analysis of our operations and to see how we could achieve greater efficiencies. I will continue reflecting on this over this summer and I will decide in September if it is necessary to go back to the Treasury Board Secretariat. I need to do this analysis and try to increase our efficiency in order to fulfil our mandate before requesting additional funding. As I said during my presentation, I do understand and have a great deal of respect for the fiscal restraint measures that have been imposed on us. To the extent possible, I will try to undertake a real detailed review of all of the ways to increase our efficiency before requesting additional money.

Mr. Richard Nadeau: You mentioned that you had 116 full-time employees. During a meeting, we talked about the same thing with people from Public Works and Government Services Canada, which is a much bigger and very different institution, but the principle of the elastic band remains the same. If you cannot “deliver the goods”, meaning that you cannot respond to the legitimate requests with 116 full-time employees, we have a major problem.

I have seen that arrangements can be made with other commissioners' offices, but what can you do, share photocopiers, decide who brings the coffee on even days and odd days? Are there examples in other countries that have systems similar to ours? Have you studied this aspect? Are there any countries that have shown that they have been able to make the government more amenable when it comes to the requirements of the information commissioner's office?

Ms. Suzanne Legault: We have neither the research mandate nor the funds inherent in such a research mandate. As a result, I do not have a really detailed knowledge about the way the various international systems operate.

Furthermore, the legislative systems are different. It is therefore at times difficult to draw comparisons internationally. The most interesting comparative data are found nationally. It would be interesting to undertake a study on the differences between those regions where the commissioner is authorized to issue orders and those where the commissioner does not have this power, and determine the impact on the achievement of the mandate. Such a study would tell us a great deal about the effectiveness of the roles of the ombudsman and the commissioner with powers to issue orders in terms of investigation timelines, effectiveness of investigation findings, etc.

In my opinion, such a study has not yet been done, but that would really help us take a look at the effectiveness of the two systems nationally.

• (1645)

Mr. Richard Nadeau: I hope that people are listening and will read the “blues”, and that they will want to help you with this endeavour.

We have already met with Mr. Marleau in order to discuss similar issues. We discussed multiple complaints made by the same individual, and relevance. I do know that some work is being done on this issue, but, at first glance, are the people who do the in-depth work, once the complaint has been accepted, always the same? We need to clear some obstacles in order to allow you to achieve greater effectiveness. Has anything been done in that regard?

Ms. Suzanne Legault: When I became the interim commissioner, last summer, one of the first things I did was to ask the assistant commissioner, who is not here this afternoon, to develop some in-depth knowledge about our case inventory. The point of this exercise was, in fact, to improve our effectiveness.

We have developed various approaches with respect to our requesters, with certain institutions. In a certain number of institutions, one or two specific individuals deal with specific questions, that keep coming back. So we are trying to link this type of case with certain investigators so that they end up getting to know the individual who makes the request and his or her concerns, and to understand the institution.

[English]

The Chair: *Monsieur Nadeau, c'est fini. Merci.*

[Translation]

Mr. Richard Nadeau: Thank you very much, madam.

[English]

The Chair: Thank you.

We now go to Mr. Holder for eight minutes.

Mr. Ed Holder: Thank you, Madam Chair.

I'd like to thank our guests for coming today.

Madam Legault, if I might say, I appreciate your presentation.

We haven't heard from Ms. Michaud yet. Perhaps we will in the course of these questions.

I sincerely appreciate the job that you've done on behalf of Canadians. I think that really matters. And I think, as my Cape Breton mom used to say, the proof in the pudding is in the eating. Really, what that means is that it's shown. When I look at the history of the cases you have inherited, you've inherited a backlog of some 2,000 cases, if I understand correctly, and your department closed 2,215 cases. That's rather interesting, because when I look at your stats I also see that the good news, and I certainly perceive it as good news, is that new complaints did decrease—and you indicated that earlier—by some 350, give or take, from the prior year.

I was just trying to do some math. Frankly, I don't pretend to know your business. I'm certainly used to complaints, but I'm not used to dealing with them at the level you do. I'm trying to extrapolate this out in relation to budgets, so I want to come back to that first. You indicated that you did receive a budget increase. How much was the budget increase for, may I ask you please, in dollars?

Ms. Suzanne Legault: In the last three years we had two submissions to Treasury Board Secretariat. For the first one, 2006-07, we received an additional \$1.4 million. For last year and this fiscal year, because some of the funding is kicking in as we speak.... This fiscal year was \$2.9 million, or roughly \$3 million, which was an increase in the overall budget of the OIC of 57%. So that was significant.

The increase in budget was a result of the Federal Accountability Act. We became subject to the Access to Information Act ourselves, so we had to fund that function. We also had responsibility in terms of internal audit, so we got funding for that, and we also had an increase in our internal services functions and our investigators.

Mr. Ed Holder: In fact, then, when I hear about a \$1.4 million increase and an additional increase of \$2.9 million, it's not that the government isn't trying to fund. You have a number of issues. You've indicated backlog, among other things. Certainly it seems, from what I've heard, that the government has been responsive, at least to this point.

To your credit, again, I really appreciate the thoughtful way you've approached this. I'll just come back to your comment that you didn't exclude the possibility of going to the Treasury Board should that need arise, and it may well. Again, I think you've handled this with great aplomb. I salute your department for that.

I want to come back to the case count, though, if I can. I'm not an accountant like our esteemed chair, but I would tell you that as I look at the numbers here, I see you inherited 2,000 cases. You closed 2,215. We had a drop in the number of new complaints by some 350. I appreciate that might not be a number you can always control. I mean, how could you ever know the number of new complaints? The good news is that it's dropped somewhat significantly.

By the way, I also acknowledge that in the average time to deal with a complaint, you've reduced the processing time by one-third. I need to tell you that's a credit to the people you've brought into your team and their expeditious way of handling things. Again, I salute you.

I was trying to extrapolate at what point you get to the stage where you could handle things based on the efficiencies you already have. So I'm imagining this. If you closed 2,215 cases, what that means is that from the original 2,000 backlog you've reduced 700, which gives you 1,300 backlogged cases from them. Then I add to that, if I can, the number of cases you will get. You have 1,300 left and 1,650-some-odd you will deal with, so there are 3,000. Now, if you continue to deal with 2,200 the next year, that means instead of 1,300 backlogged from the 2,000, now you have something like 500 or 600 left. In other words, you're doing this exactly the right way. You're reducing it down, plus you have reduced pressure if the complaints go down, which they have.

At some point I'm trying to understand.... Again, forgive me, because I don't understand the average handling time of a case and what your averages are. Could you imagine that you'd get to the point where your backlog is acceptable? I would ask you what an acceptable backlog is, if that's even the right expression, and where you can manage it with resources, knowing that you're one-third more efficient in terms of case-handling time and that you've handled 700, so you've also handled one-third more of the backlogged cases. I mean, you're going to have to be making the complaints soon just so you'll have to have some to deal with, I almost wonder.

I don't mean that to be facetious, because this is serious business, but could you comment on that and help me out a little bit, please?

• (1650)

Ms. Suzanne Legault: Madame Chair, I'll try to be clear in my answer.

I think the honourable member is actually absolutely right in his analysis, in the sense that our goal and our business model is predicated upon the fact that, once we have cleared our large inventory of cases, we'll have a manageable carry-over from year to year of between 300 and 500 cases. We are now at 2,000. That's basically what we've carried over. We started the year at 2,500—it was 2,513. Now we are left with 2,049, having closed 2,125.

We are catching up and we are becoming more efficient. That is the plan. My concern at this point is how long it can take us to actually get to that manageable caseload. That's the concern I have. That's why I'm doing the analysis that I'm doing internally. It may be that, if we decide we need additional funding, it's only temporary funding to get us to that manageable carry-forward. That's part of what I'm looking at.

There are two other aspects, Madam Chair, to this question. The second one is that last year we also got significant funding to renew our information technology platform. Now, for our office this is very significant, because it's our case management platform but also our legal tracking system. This is our IT infrastructure that assists our investigation, that assists our monitoring of our performance, that assists us in identifying what's within our control and what the waiting times are for institutions to respond. This case management renewal that we are embarked on will also, in my view, generate efficiencies. We haven't fully realized those, so we're looking at that.

The third aspect is that because we have grown so significantly in the last year—in fact this year is the first year we have been fully staffed, which was the result of a very aggressive human resources strategy in September—

Mr. Ed Holder: May I ask you if—

The Chair: No, you're out of time. You gave such a long speech to her. I'm sorry, we have to go to Mr. Allen.

Mr. Allen, you have eight minutes.

• (1655)

Mr. Malcolm Allen: Thank you, Madam Chair.

I'm not an accountant either, Mr. Holder, but I know figures dance and dancers can figure, so let me try to be shorter-winded but at least talk about the numbers.

Clearly, if you extrapolate the numbers out and keep everything the same as 2009-10—in other words, a caseload of 1,689 and it doesn't spike back up—it will take you about 4.6 years to reduce the backlog, give or take a month.

That means you're going to have to keep asking for the budget increases you've asked for as additional increases to clear the backlog. Does that seem reasonable and rational to you?

Ms. Suzanne Legault: That's a very astute question by the honourable member, because that's exactly it. Our business model was predicated on a five-year time span. The question I'm asking myself and part of the analysis we're doing this summer is whether that is too long a period for Canadians to have an Office of the Information Commissioner of Canada, which is in a position to deal with the cases. At the end of the day, when we start the year with a caseload of between 300 and 500, we are going to become a lot more efficient at handling our cases, because the number is going to be less.

Obviously, managing 2,000 cases every year is taxing all of our investigative function, because in order to be really efficient, the more we know our cases, the better we are at dealing with them; and the less of them we have, the faster we can get to them.

So it's exactly the right question to ask, and that's the question I'm asking myself. I'm analyzing whether I can do that faster within the complement I have. I can share with this committee that my objective for this year in terms of cases closed, to the breakdown of my employees, is 2,400, which is where I'd like to be, but I'm getting some serious concerns from my staff at this point.

Mr. Malcolm Allen: It also begs the question—and I agree with you about the numbers, by the way—assuming 1,689, give or take one or two, call it 1,690, the dilemma is that you have about 400 new cases initiated this year versus last. In the year before, in 2008-09, you had 2,019. These are new cases, new complaints. In 2009-10 you had 1,689, so give or take almost 400.

Your actual increase in closing the cases was 400. If you go back to where you were in 2008-09, and it's not an unrealistic expectation, you're actually back to where you were for unclosed cases of 2008-09. You've actually regressed two years, notwithstanding all the things that you're doing. I give you a great deal of credit for all those decisions you're making and trying to do that with what I think, for all intents and purposes, is basically a shoestring budget. But that's just me. I used to be corporate chair in a municipality, and I perhaps don't know my numbers all that well, but anyway....

The other thing I found interesting that you said, when I talk about shoestring budgets and the fact that we may be spinning our wheels here, is that you don't know how many cases you'll get in a year. You can't tell me absolutely what you'll get next year, because none of us knows. There's no crystal ball.

Part of your statement was, "We have observed in the last two report cards that under-resourced institutions use time extensions as a coping mechanism, thereby creating unnecessary delays."

My fear is—and I don't know whether you share this fear—that indeed if we don't have the resources there and our numbers do go back to what is a general level, which isn't necessarily 1,689, but higher, we will indeed get back to what I think the Canadian public sees when it comes to ATIP, which is a sense that you put it in and forget about it, and somebody will knock on your door sometime in the future and you'll say, "Oh, I did ask that question; there's my response finally." It's somewhat akin to getting the magic prize in

your mailbox from that famous magazine group that obviously I will not name.

I wonder if you have any comment on that.

Ms. Suzanne Legault: Madam Chair, there is a lot again in that question. The way I understand the honourable member's question....

Again, you're absolutely right. The risk is that if we do have an increase in complaints this year, we are going to be creating an additional backlog, even with the increased number of cases that we close. That is the huge concern I have in dealing with the 2,000 cases we're carrying over, as opposed to a manageable carry-over. That's why I have a clear sense of urgency in dealing with that large inventory of cases we carry forward from year to year. So that's one aspect.

In terms of the second aspect, it's true that if there are insufficient resources within institutions to actually process access to information requests, it creates delays in terms of responding to those requests. It increases the number of complaints to my office as well, which again leads to additional delays. That's why the report cards have focused on delays in order to deal with those cases.

Frankly, Madam Chair, I've said this many times before. Where I really think we should be spending our time, not only within institutions in matters of access to information requests, but also at the Office of the Information Commissioner of Canada, is on substantive decisions to release information to Canadians based on exemptions and exclusions. That is really the delicate balance that needs to be struck. In my view, that is where my role is the most important and the most efficient: to act as the arbiter in that function. We do not want to be spending our time on extensions and delays, because that is really not going to the core of what Canadians want as part of their access to information system.

I hope I answered in part the member's question.

● (1700)

The Chair: You've got a minute more.

Mr. Malcolm Allen: I couldn't agree more about how you summed that up.

It seems to me that when we get into a budgetary crunch, if you will, there's a sense that everyone bears or should bear the same pain. My sense is that when it comes to a service to Canadians, when they're actually asking about the fundamental pieces of their democracy to get information, it's one area we shouldn't necessarily freeze or cut with all the others. I'm not sure whether you share that view or not, but I'm simply putting it on the record. You're free to respond, obviously, if you want, or not.

Ms. Suzanne Legault: As heads of institutions that are using public money, I think we all have a responsibility to engage in fiscal restraint to the extent that it's responsible and that we're still able to carry out our mandate. I think the analysis we're going through is the responsible thing to do. It would be the responsible thing to do for any head of institution providing any service. What we want to do is to make sure that we use taxpayers' money in the most efficient way possible.

The Chair: Thank you very much.

So you're looking for an increase in your budget of about another \$8 million.

I'll suspend the meeting for 30 seconds and then we can go in camera.

A voice: [*Inaudible—Editor*].

The Chair: Thank you very much for being here.

[*Proceedings continue in camera*]

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