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Chair: Mr. Tom Lukiwski



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• (0845)

[*English*]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): It is 8:45 a.m., so I will call this meeting to order.

Minister Murray, thank you for being with us today. My understanding is that you will have an opening statement. If you could do that, Madam—you know the drill, you've been here enough times—we'll follow your opening statement with questions from our committee members.

Perhaps to start, you can introduce those who are sitting with you at the head table and then commence your statement.

Thank you.

Hon. Joyce Murray (Minister of Digital Government): I'd like to thank the committee for inviting me to be here today to discuss the Shared Services Canada 2019-20 supplementary estimates (B). I'm going to be speaking in both languages. There are earpieces for anyone who might need them.

[*Translation*]

I am pleased to be joined today by officials from Shared Services Canada, namely Sarah Paquet, executive vice-president, Denis Bombardier, chief financial officer, and Raj Thuppal, senior assistant deputy minister.

[*English*]

Also joining me today are officials from the Treasury Board Secretariat. We have Karen Cahill, assistant secretary and CFO, and Francis Bilodeau, acting chief information officer of Canada. After my remarks, of course, my officials and I will be happy to answer any questions you may have.

Permit me to start by providing the committee with an overview of my mandate, our challenges and the organizations in the portfolio.

Good government in the 21st century means providing quality digital services that are secure, easy and accurate.

[*Translation*]

Canadians have growing expectations to receive services and interact with government digitally.

[*English*]

Aging IT systems and infrastructure make it hard to implement policy changes, cost taxpayers more every year to maintain and make service to the public an ongoing challenge. The main barriers

to changing this reality are not uniquely technological or financial. They also require us to revisit service models, processes, rules, sunk costs and organizational structures and cultures that were largely established in a previous, slower-moving technological era.

We've seen government IT projects that haven't gone so well because of the old way of working.

[*Translation*]

My challenge will be making the changes to how we work in government. We will need to look at our structures, incentives and culture and to break down silos to ensure we can more easily develop and adopt digital so that we can better serve Canadians.

[*English*]

As members of Parliament, we've seen our constituency staff help constituents navigate government processes that weren't always easy to understand. I know we'd all like to make it easier.

There's much to be done, but much is already under way to update our existing systems. We're modernizing the government's data centres, replacing old systems, and shifting data to the cloud or consolidating into more reliable and secure facilities. We're rolling out more digital tools, so public servants can improve their service to Canadians. We're updating and replacing some of the applications that provide critical services to Canadians, so that we can count on them in the long term.

[*Translation*]

We will soon reach an important milestone, when the new policy on service and digital takes effect. This policy will consolidate policies and directives across government to provide a single playbook that will guide our work.

[English]

Our Prime Minister understands how important it is for government to be open, accessible and provide Canadians with services that are as easy to use as those that the private sector offers. Think about being on your couch with your phone and booking travel to an exotic location—maybe a few months from now—or depositing a cheque. As Canada's first dedicated Minister of Digital Government, I'm honoured to take on this challenge and lead the teams at Shared Services Canada, the office of the CIO and the Canadian Digital Service on our government's digital transformation journey.

I'll now provide the committee with a brief overview of the organizations, Mr. Chair.

First is the CIO. There are over 20,000 employees working in IT and information management across the Government of Canada.

• (0850)

[Translation]

The office of the chief information officer provides them with leadership and direction. By setting policy and priorities, it enables departments to build capacity and helps them with project management and oversight.

[English]

Part of this support includes the digital operations strategic plan, which sets out how the Government of Canada manages technology and technological change within government. This change includes things such as Canada Revenue Agency's "Auto-fill my return", which saves Canadians time by filling in parts of their tax forms for them or automatically enrolling more than half of seniors in old age security pension and guaranteed income supplements so they don't lose out on them just through neglecting to apply.

[Translation]

The strategic plan will also promote a more open government by providing open access to government data so that businesses can innovate and NGOs can address more challenges.

The plan sets out a digital-first and digitally enabled government that is there to serve Canadians anytime, anywhere.

[English]

However, let me emphasize that this means "digital always", but not "digital only", because services will still be provided in person or by phone to those who want them that way.

Second, the Canadian Digital Service provides direct, hands-on help to federal departments. It helps them develop services for the public that are faster, simpler and more secure. For example, CDS has created Notify, a system that lets any federal department more easily send email and text updates to Canadians about their service transactions with government, updates that might previously have been sent by mail or not at all.

[Translation]

I'm pleased to report that 12 departments, including Shared Services Canada and the Canada Revenue Agency, are already using this new service.

[English]

CDS has worked with the RCMP to develop a system that makes it easier for Canadians and businesses to report a cybercrime, and CDS is working with Employment and Social Development Canada to improve the experience for Canadians with disabilities when they apply for Canada pension plan disability benefits. These are just a few of many examples.

More specifically, CDS is introducing proven ways of designing services that put Canadians at the centre of our work. This means meeting directly with individuals and businesses to understand their needs, and continuously testing new or changed services with them.

CDS works very closely with "Digital Academy", part of the Canada School of Public Service, to bring digital literacy and digital culture to federal employees at all levels and across all departments.

Finally, our digital transformation would not be possible without reliable and secure networks, devices and computer applications—in other words, IT infrastructure—provided by Shared Services Canada.

[Translation]

For Shared Services Canada to maintain our IT infrastructure, it needs the proper resources. The delivery of critical programs and services to Canadians relies on SSC's success.

[English]

Like many countries, this country is confronted with aging IT systems and applications. Our number one priority is to build a secure and reliable network, one that connects our computers, mobile phones and digital devices, and provides faster and easier access to any message or data on the Internet or within that network. Our secure network will support these critical services.

Modern networks are secure networks, protecting infrastructure from the vulnerabilities and ensuring the safety and security of Canadians' information. They will connect seamlessly to the cloud and to the new enterprise data centres. To date, over 250 old, outdated data centres have been closed and consolidated into four modern data centres.

[Translation]

We have set up a service to provide departments with access to commercial cloud and computer services. So far we have over 40 accounts available with various providers, and more are planned.

[English]

As I mentioned earlier, we are enabling an agile, connected and high-performing workforce with Microsoft's Office 365 suite of collaboration tools. Already we have six departments adopting email and other digital communication applications. Other departments yet again are preparing to make the most of this cloud-based software.

• (0855)

[Translation]

We know that hundreds of older software applications that deliver vital services to Canadians are the most vulnerable. We are working actively with departments to help them identify those that are most at risk and to determine how to update or replace them.

[English]

Key to achieving this renewal is putting in place standards that support common approaches to IT services that all departments can use.

I'll now turn to the SSC supplementary estimates (B). We are providing funds in the amount of \$0.8 million to the Treasury Board Secretariat for their application modernization program to help speed up old software in the cloud and enterprise data centres. With the approval of supplementary estimates (B), Shared Services Canada's reference levels for 2019-20 will decrease by \$10.7 million to \$2,243.7 million.

In terms of new funding, Shared Services Canada is seeking \$23 million, of which \$10.2 million is to support new full-time equivalents; \$4.7 million is for the Centre for Plant Health in Sidney, British Columbia; \$3 million is for the implementation of the Canada Border Services Agency's assessment and revenue management project; \$2.8 million is to support the enhanced passenger protect program; \$1.7 million is required to support PSPC in stabilizing the Government of Canada's pay system; and \$0.6 million is to support the RCMP in establishing the national cybercrime coordination unit.

That's all been a bit of a mouthful.

Mr. Chair, my officials and I want to thank you again for your invitation and for your interest in these matters.

I'll be pleased now to take questions from the committee.

The Chair: Thank you very much.

We'll start with a six-minute round of interventions with Mr. Aboultaif.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Good morning, Minister. Thanks for appearing today before committee along with your team.

I was interested to hear about your vision. In your speech, you recognized that government IT projects have not gone as well in the

past because of our old way of working and due to the aging government IT systems. You wrote, "A group of very well-meaning people in one department work on an application over several years and then we implement and the system struggles." It's a very strong statement. I think it speaks a lot to what's going on and to the status quo of our system.

In that case, it leads me to ask you, Minister, if you would support a study by this committee to look further into the aging government IT system and accept recommendations on how we can improve services for all Canadians. Would you accept a study?

Hon. Joyce Murray: Yes.

Mr. Ziad Aboultaif: You do...?

Hon. Joyce Murray: I, of course, honour this committee's ability to make its own decisions as to what it wants to study. Anything that is decided by the committee, I will, of course, be very happy to provide the information for and share the data that's needed for the committee to do its work.

Mr. Ziad Aboultaif: Thank you. In that case, would you be willing to appear before this committee to give us your thoughts on the issue and talk further about your vision?

Hon. Joyce Murray: When an invitation is presented to me, historically I have been happy to attend. We will have to, of course, make that decision at the time the invitation is extended.

Mr. Ziad Aboultaif: Mr. Chair, in that case, I have a motion to move. I would be happy to table it, if that's possible.

The Chair: Are you going to be tabling a motion, or are you going to be reading a motion into the record, sir?

Mr. Ziad Aboultaif: I'm going to be tabling a motion.

The Chair: That's fine.

Mr. Ziad Aboultaif: I'll read the motion.

You have a copy of it, I believe.

The Clerk of the Committee (Mr. Paul Cardegna): Did you give notice of this?

Mr. Ziad Aboultaif: Yes, you have notice. It was February 21.

The Chair: Let us check for that first, please.

Mr. Aboultaif, yes, we have the motion in front of us. I would ask that, while we are having it distributed, you read it into the record, please.

• (0900)

Mr. Ziad Aboultaif: The motion reads:

That, pursuant to Standing Order 108(2), the Committee undertake a study of no less than two meetings on the aging technology systems of the Government of Canada including but not limited to systems which deliver programs such as Netflix, employment insurance and old age security and that the committee witness list include the Minister of Public Services and Procurement Canada, the Minister of Employment, Workforce Development and Disability Inclusion, the Minister of National Revenue and the Minister of Digital Government, and that the committee report its findings to the House.

The Chair: Thank you very much.

Colleagues, as you would know, procedurally we're now into debate.

Mr. Aboultaif, you've provided your motion to the committee members. The floor is yours, sir.

Mr. Ziad Aboultaif: Based on the speech of the minister and being the shadow minister for digital government, I had the opportunity to meet with some members of the department, as well as with the stakeholders, learning that we are falling behind on this. This is, of course, not a partisan issue. It will never be because this is about how we modernize and how we digitize our government further. Compared to similar economies in the world, we are really behind. We don't know where we can go in the next 10 to 15 years to be able to fully modernize, not just for now but for the future. Digital is not just now but always.

Therefore, a study of such will help all of us. It will help the minister, will help us and will help our colleagues across the borderline to be able to understand what's going on and to have the proper assessments, especially in departments like old age security, employment, CRA and others. I think it's very critical for us to do that, and I think that such a study will do no harm. Rather, it would help a lot to improve, and as I said, make the awareness more public to our House of Commons and to all the stakeholders.

The Chair: We do have a speakers list. Next on the list I have Mr. Drouin.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Mr. Chair, we're not necessarily against this. I'm just wondering how we're going to proceed as a committee. We've already had a subcommittee. We've adopted a report. We would ask Mr. Aboultaif kindly if he can postpone and maybe we can discuss when we want to do this, because my understanding is that we already had a plan up until June, so I'm just wondering what the timeline is on this.

I know that the minister is here, and it's great to present motions, but we've had discussions with your colleagues in the past, specifically about the work plan, so now we come up with this and we're blindsided essentially. We're not necessarily against it, but can we have the chance to discuss this and then vote on this later? I know that it's up to the member, but we would appreciate the collaboration on this.

The Chair: Mr. Drouin, thank you.

As you correctly pointed out, and as the minister has also correctly pointed out, it's a matter of this committee to determine its own agenda. We have a motion in front of us. We have several ways in which we could proceed. One would be off-line conversations. If you're asking Mr. Aboultaif to park this for the moment, that's fine, but that decision would rest with Mr. Aboultaif.

I will turn it back to you, sir.

Mr. Ziad Aboultaif: The motion has been on notice since February 21. I think it is very important at the outset to be able to have this study in front of us and in front of the House of Commons. We want to make sure that we get this motion passed. Then we can talk about timelines because, at the end of the day, we need this. I think it's very important, and I believe that, if we look around, we know that this is critical to do. I hope that we will be able to agree, for the sake of the benefit of it, to decide on it today and to move forward.

• (0905)

The Chair: Mr. Green.

Mr. Matthew Green (Hamilton Centre, NDP): I would tend to agree with the importance of such a study, but I would also suggest that, from a process perspective, given the purported non-partisan nature, this would have come up in an earlier work plan discussion. I'm wondering if it is amenable to the mover to either include in this motion an acknowledgement that this would be dealt with after the prioritized work that we've already agreed on, or consider having it subsequently deferred to a committee, at which time we would prioritize the work plan. What I want to stay away from, Mr. Chair, is getting into the ad hoc moments where we're putting this stuff in and then changing previously agreed-upon work plans.

The Chair: Thank you.

I have Mr. McCauley on the list as well.

Mr. Kelly McCauley (Edmonton West, CPC): Thank you.

Mr. Green kind of stole my commentary. I don't think there's anything in here that says we have to do it immediately. We can vote, approve and then do it much later, after red tape and the mains. The supplementary (A)s will be up after that, so further down the road.

The Chair: Mr. MacKinnon.

[*Translation*]

Mr. Steven MacKinnon (Gatineau, Lib.): If my honourable colleague agrees, could we ask the subcommittee to deal with this motion? Then we would discuss it in committee. As my colleague said, we are not necessarily against it, but we want to do it in an orderly fashion.

Mr. Aboultaif, it would be a good idea to set the motion aside for today and come back to it after we discuss it at the subcommittee.

[English]

The Chair: Colleagues, from a procedural standpoint, we have two options here. Number one, we have a motion in front of us. We can vote on that motion right now. Two, we can adjourn the debate on the motion if it is so moved, which would allow discussions to occur off-line. That's strictly up to this committee. If someone wants to perhaps move a motion for one option or another, we can deal with that.

Mr. Steven MacKinnon: I would therefore move the adjournment of the debate.

(Motion agreed to)

Mr. Ziad Aboultaif: I have another question.

Minister, in your message at the outset, in the departmental re-sults report, the DRR, you mentioned the fact that your department equipped Environment and Climate Change Canada, ECCC, with a new application that provides Canadians with weather information and alerts in real time.

Mr. Matthew Green: As a point of privilege, I'm just curious as to the time now. We've now eaten into the hour that the minister is here.

Does he still now get his time back? That would have been five minutes for sure.

The Chair: That's correct. We stopped the clock, actually, when the motion was made and debate started. From a procedural standpoint, yes, he still has time. I've given him two more minutes, Mr. Green.

You have two minutes, sir.

Mr. Ziad Aboultaif: Minister, sorry about all this.

Can you explain the point of this? In today's age we have smart phones with weather apps built into them. The private sector has already built these applications and tested them. Why is the government wasting taxpayers' money on things that already exist, and then boasting about it as an accomplishment?

Hon. Joyce Murray: Thank you very much for that question.

Open data is a movement by which data collected by government is available to the private sector and citizens in order to be able to create businesses, grow the economy or solve problems in society. The example that you provided is an app by Environment and Climate Change Canada. I mentioned that because we are a leader in the open data and open government movement by which we make data available so it can be used productively by the public and businesses to serve Canadians.

● (0910)

Mr. Ziad Aboultaif: We're trying to solve a problem here, Minister.

We have to stop competing with the private sector in one way or another. We have resources available to us. We can allocate them to be used somewhere else. What we're doing here is doing things the same old-fashioned way, which is basically continuing to do what we shouldn't be doing and what you stated in your speech. I would really like you to look at that. Basically, put resources where they need to be and not just in cases like this.

The Chair: Before we have a response, Madam Minister, we'll move on to another question.

If there are answers you have yet to provide because of limited time, I would ask you to please to supply those answers, through the clerk, at your earliest opportunity.

We'll now go to Monsieur Drouin for six minutes, please.

Mr. Francis Drouin: Thank you, Mr. Chair.

Thank you, Minister, for taking the time to appear before this committee, along with the staff provided to us if we obviously have questions and we want more details.

One issue I noticed over the past 10 years was when Shared Services was created. It was created under PSPC, or reporting under PSPC. Now, this year, or last year technically, we've put the IT branch from Treasury Board and SSC together. How is that relationship? What does this mean in terms of governance for Canadians and for the IT community, which also often has to deal with delivering services for Canadians?

Hon. Joyce Murray: Thanks for that question.

The point of having a stand-alone Minister of Digital Government is to recognize how important it is that we are able to serve Canadians with the means that they expect. Today, that means on a phone as well as other channels and also to be able to do it quickly, securely and effectively. Bringing together different parts of IT and digital is the point of Shared Services Canada, the Canadian Digital Service and the CIO branch working together under a stand-alone ministry.

I'm finding that each group has incredible dedication and competency in their own part of this. The fact that we now meet together and explore how Shared Services Canada, for example, is helping facilitate the delivery of policies and strategies that are put out by the CIO branch and how the Canadian Digital Service is doing some practical, on-the-ground implementation of improvements is strengthening our government's ability to move more quickly in this digital transformation.

I would like to say that Canada is actually not as much of a laggard as the previous member had mentioned. We are actually leading in a number of ways on this kind of transformation. I'm proud of the work that the public servants in Canada have been doing. It's challenging to change a culture where every department had its own authorities, its own silos and its own ability to do its own thing, when what we're trying to do is to work more collaboratively and integrate some of the work that's being done digitally across government as a platform to be able to modernize.

I'm very encouraged by the progress that's being made, but this integration is critical to take a next step for that.

Mr. Francis Drouin: Words that we often hear are “open government”. We hear this in the IT community. We hear this with government. What does that mean and how does it support the mandate of government?

Hon. Joyce Murray: I'm going to have a quick response to that and then turn it over to our CIO, Francis Bilodeau, to add.

Open government is the concept that if government works closely with the public through civil society and individuals in the public, we have a better engagement between government and the public. We have better accountability and transparency. We're utilizing the ideas and the objectives of members of the public. A bit more than that, open data also means that we provide data, as I was mentioning before, that government has collected for its own use. This is data that does not create any vulnerability on a privacy or a security level. The private sector or businesses can then utilize that data and turn it into a business where they can supply services to Canadians and make money from it. Open data is very good for the economy, but it's also good for the trust between citizens and their government to have that sharing.

Francis, can you add to that?

● (0915)

Mr. Francis Bilodeau (Acting Chief Information Officer of Canada, Treasury Board Secretariat): I think the minister said it quite eloquently.

Essentially, open government is about broader collaboration between the government, civil societies and Canadians. It includes elements of open information. Work has been done, for example, under the access to information regime to have more proactive publication. It includes elements of open data. Within my organization, for example, we have the open government portal, which pushes out a lot of information, such as a lot of geospatial information, which can then be reused by either civil society or the private sector for their own needs. It leverages ongoing collaboration with civil society through, for example, the multistakeholder forum that we've established, which brings civil society actors into the government to work with us on specific initiatives.

Some of the key tools we have are the open government portal, which is managed within the office of the CIO. Then, on a regular basis, we develop open government national action plans. We developed the fourth action plan and now are developing the fifth.

The Chair: Thank you very much.

[*Translation*]

We will now go to you, Ms. Vignola. You have six minutes.

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you.

I was looking at the estimates. I'm trying to understand all this. I saw that your goal was to transform and streamline IT services, modernize the 485 data centres by consolidating them into seven centres, to move from 50 networks to a single one and to consolidate the 63 email systems into one, all while providing cost-recovery technology services and so on.

I have a few questions and I would appreciate quick answers.

When were the 485 data centres created?

[*English*]

Hon. Joyce Murray: The data centre program is very important.

[*Translation*]

It is very important that we improve that network. We have already transformed over one-third—

Mrs. Julie Vignola: Yes, but—

[*English*]

Hon. Joyce Murray: I will pass it over to Madam Paquet to answer further.

[*Translation*]

Ms. Sarah Paquet (Executive Vice-President, Shared Services Canada): With respect to the data centres that were transferred to Shared Services Canada when they were created, in 2011, there are now 720 of them. They existed before SSC was created.

Mrs. Julie Vignola: That's it. When were they created?

Ms. Sarah Paquet: They were created by the government over the years, when each department was responsible for its own infrastructure.

Mrs. Julie Vignola: Okay.

Ms. Sarah Paquet: After they were set up, they were consolidated, and part of our job is to close more of them.

Mrs. Julie Vignola: What does this consolidation into seven centres mean in terms of financial and real property investments? I gather that these data centres are somewhere in a building.

Ms. Sarah Paquet: The strategy for the consolidation into seven centres has been revised to focus on the health of applications and their location. Four enterprise data centres were created. The goal is to consolidate these data centres and all the—

Mrs. Julie Vignola: I'm not denying that's important. What I'm asking is how much that will end up costing. Will those investments translate into real savings?

At this time there are four centres, and we want at most seven. When will all this be completed and where are these centres located?

Ms. Sarah Paquet: The data centres are spread across Canada. The strategy to close them is two-pronged. Some of them are nearing the end of their leases or are simply very old. Instead of modernizing them, we will consolidate the information and migrate it to other data centres. Other data centres are older and more at risk. Those are the ones we will want to migrate.

We do not have a clear plan as to when the seven centres will be completed or how much money this will save us for the simple reason that we are working based on priorities.

I would also like to tell you about the space we will be saving. This is really what will enable us to calculate our actual savings. The new data centres are much more efficient, not only energetically but also in terms of the square feet of space they occupy in buildings.

• (0920)

Mrs. Julie Vignola: Okay.

I also saw that you are using a cost-recovery approach. When agencies or departments use SSC's services, they are billed and must pay SSC, as I understand it.

How effective is cost-recovery, given that the money is coming from the government? That money comes from a big pocket. For example, when Health Canada is billed for the services it uses, the money ultimately goes from the left pocket to the right pocket.

How can the cost-recovery approach save the government money?

Ms. Sarah Paquet: It's a matter of controlling spending. Departments need to plan how they use services and determine what part of the services they will want to use over the year. Some of the key services are exclusive to Shared Services Canada. They are provided. Other services for which there is varying demand across departments are provided partly on a cost-recovery basis.

Mrs. Julie Vignola: Okay.

You have certain critical programs. For me, the definition of "program" involves a planning component, and the term "critical" means it's important. We can't do anything without this critical aspect. You are asking for supplementary funding for the delivery of critical SSC programs. I don't understand that.

If these are critical programs that enable SSC to deliver on its mandate, why aren't they in the Main Estimates?

If I understand correctly what a critical program should be, why is additional funding being requested for programs and services that should have been planned in advance?

[English]

The Chair: If possible, Minister, can you give a very short answer?

Hon. Joyce Murray: From the beginning, Shared Services Canada was not properly funded, because in 2011-12 about a quarter of a billion dollars was cut from its budget. The organization

struggled in the beginning to provide the services. Our government put in substantial money in 2016 and 2018 so that Shared Services could actually deliver services of IT and information management to the whole of the Government of Canada.

The Chair: Thank you very much.

Mr. Green, you have six minutes.

Mr. Matthew Green: Thank you very much.

I appreciate the preceding question. I think I'll pick up on that, because it certainly speaks to a recent article that talked about some of the legacy IT industries. It talked about how the complex array of existing programs and services means that future changes continue to provide Canadians with programs and services they expect, but there are significant pressures on these systems. You're facing some pretty significant challenges. This article cites that part of this problem is that officials didn't look to upgrade these old systems as long as they continued to work.

At another committee, the public accounts committee, I asked the Auditor General about the nature of the legacy technology they had. They stated that they were actually running on some DOS systems.

In your mandate letter, you were asked to identify all core and at-risk IT platforms. How do you define "core and at-risk", and how does this definition vary between federal organizations? Are you running on DOS still?

Hon. Joyce Murray: DOS, Cobalt...yes. The reality is that there is work that we need to do. We, as the Canadian government, are completely committed to putting the Canadian at the centre of what we do. As I was saying earlier, that's not just a technical change we need to make. It's a continuing cultural change to work across government and focus on Canadians.

Yes, there is a deficit in some of these older applications, some of the older software that has accumulated through the lack of investment over 15 to 20 years. The Auditor General pointed that out repeatedly and our government listened. That's why so much money has been dedicated to SSC, to do the foundational infrastructure and to upgrade step by step by step, but it's also why we recognize that it's not enough.

This focus on digital government is about bringing together all of the parties so that we don't have the policy-makers separate from the deliverers and CDS—

• (0925)

Mr. Matthew Green: Thank you.

Hon. Joyce Murray: —and the foundation builders in SSC.

Mr. Matthew Green: I have only six minutes, so I'm going to roll on to the other questions. I appreciate that.

I want to get specific. I want to know how many “core and at-risk” systems and platforms you have identified to date and what the estimated cost is of updating all the identified systems.

Hon. Joyce Murray: I'll pass that, and perhaps also your question on how we define “core and at-risk”, over to Madam Paquet.

Ms. Sarah Paquet: Francis will start.

Mr. Francis Bilodeau: The minister's mandate letter does talk about “core and at-risk”. There is no formal definition in policy, but this could generally be understood as being systems that support significant and important services and systems that are aging, as a result of which we could potentially have outages, or we might have a limited capacity to update them and meet policy objectives because of the aging systems. This is something that's been put in the mandate letter. While there's no formal definition of this, there is within policy a definition around “critical services”. Those are generally defined as the ones that have an impact on the economy and the health and safety of Canadians.

We've now launched an exercise where we're trying to more systematically identify them. We have some information around application health. Recently, the clerk established a DM committee on core services. The minister, as well as this committee, will be working to more systematically identify those larger systems that are aging and at risk. We do need to know the number.

Mr. Matthew Green: My concern is that we have departmental reports and results that have objectives and aims, yet we have no real key performance indicators to be able to measure the progress of the department if we haven't identified already what we're going to define broadly across the services as being at risk. Critical failure in IT is a national security issue. I'm hearing about DOS and I'm hearing about these old legacy systems. I worked at a bank—I won't name it—that ran DOS, and it was a nightmare. That was almost 10 years ago.

Once you've completed this task, when can we expect an update back to this committee, once you have clear definitions, so that when we go to reflect on the progress of your department, we can actually see what has been done in this critical space? Right now, I'm not hearing a very comfortable answer in terms of being clear about just what kind of stage of critical “rusting out”, I think they're calling it in your briefing letter, we're facing here.

Hon. Joyce Murray: Part of what digital government is now about is measurement. We need baseline measures, and we do have the process of having departmental plans and reports. I think you're absolutely right. We need to do this based on the numbers. As we accomplish this inventory, we will certainly have that reflected in it.

Mr. Matthew Green: Is there a time frame?

While I have my 10 seconds, do you have a time frame for when you are going to report back?

Mr. Francis Bilodeau: Right now I would identify that we're in the planning stage.

We have information around application portfolio help. I wouldn't want to give the impression that we don't have a line of

sight at all around some of the systems. System applications fall within departments, so they have the primary line of sight.

The infrastructure at SSC, through its consolidation, has much greater line of sight than we used to have.

We are in the planning phases around that.

The Chair: Thank you.

Colleagues, we have limited time because we have another minister joining us in about 15 minutes. I'm just going to make an arbitrary decision here. I'm going to try to get the entire round of questioning in, which would mean that I'm going to ask that all further questions in this round be three minutes. We'll leave one minute each for both the Green and the NDP parties at the end. That should take us to the time when we suspend while we wait for our next witnesses.

Mr. Aboultaif, you have three minutes, please.

Mr. Ziad Aboultaif: What are cloud services? If you were to define cloud services, what are they?

Hon. Joyce Murray: Cloud services are an improved storage capacity of Canadian data. SSC serves as a broker so that the ministries will have access to contracts to have cloud services provided by the private sector primarily. Forty different organizations are poised to provide that service.

I'll turn it over to Madame Paquet for further detail.

• (0930)

Ms. Sarah Paquet: As the minister just said, cloud services are services offered by hyperscalers. What SSC is doing is taking the opportunity to work with the private sector to offer modern, secure and reliable infrastructure.

Mr. Ziad Aboultaif: How much data has the government already moved to the cloud so far?

Ms. Sarah Paquet: In terms of data, our journey to the cloud started a few years ago in the public cloud, where departments started developing new applications. We are now working with four pathfinder departments to start moving protected B data to the cloud. We are at the beginning of our journey.

Mr. Ziad Aboultaif: How much time do you think we need? In how many years down the road will we be able to be fully implemented with this?

Ms. Sarah Paquet: The cloud first policy is our direction. Right now, every single department is looking at the universe of their applications to see which one will be a good candidate to cloud, and they're working with SSC to migrate those applications to the cloud or to migrate them to an in-state data centre if it's more appropriate for said application.

Mr. Ziad Aboultaif: I have a quick question. In January 2020, the Financial Post reported that the former chief statistician of Canada, Wayne Smith, had concerns about stolen Canadian citizens' sensitive data in data centres owned by U.S. firms, which are subject to the U.S. Foreign Intelligence Surveillance Act, and concerns about Washington's ability to compel an American organization to turn over data under its control regardless of the data location and without notifying Canada.

Isn't that a security concern on a national level? What are we dealing with? We aren't engaging Canadian companies. We are engaging U.S. companies on the security services that we're using right now.

The Chair: Unfortunately, there's only enough time for a very brief answer, Minister.

Hon. Joyce Murray: Mr. Aboultaif, all sensitive information is called protected B. That data will be in cloud services that are held and managed right here in Canada because the protection of Canadians' information is a high priority for our government.

The Chair: Thank you very much.

Mr. Jowhari, you have three minutes.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair.

Given the fact that I only have three minutes, I'm going to limit my question.

Minister, last Friday you made an announcement about the next step of the next generation project. This has been a project that I've been following since the 42nd Parliament. Can you shed some light and explain what this announcement was all about? What are the next steps that you and your department are taking?

Hon. Joyce Murray: It's so important that we, as a Canadian government, can pay public servants accurately and on time. As we all know, there have been some challenges with that, with the Phoenix payroll system that was built in an old model, really, in terms of how we went about it as a government back in the early part of the 2000s.

Therefore, we made a decision as a government, a few years ago, to replace that system with one that was designed and developed in a different way, in a way that's consistent with digital principles, meaning that we would not just spend years putting something together and then launch it, only to find out that it was not fit for the purpose. We would actually do an iterative project where we are involving public servants and the unions, consulting widely and doing a piece at a time to understand which of the suppliers can actually deal with the complexity of federal government pay. That's what NextGen is.

We have reached a stage where we have selected a primary supplier, which is SAP. I also want to quickly make the point that, while Phoenix was narrowed and narrowed in scope to meet a budget and a timeline, and we saw what that did for us, we are not taking that approach. We are not narrowing it. In fact, this will be a hire-to-retain, full HR and pay application for our public servants.

We are now in a phase of putting together a pilot project to see whether SAP's technologies can work with the complexities of our federal government pay, and I'm not going to—

• (0935)

Mr. Majid Jowhari: I have about 30 seconds.

The selection of SAP doesn't necessarily mean we've excluded the other two application providers. Would they be working in parallel?

Hon. Joyce Murray: You are absolutely right. They will be continuing to work with the Government of Canada, because at this point we have not locked ourselves into the overall project with one vendor.

We have committed to doing a significant pilot project in parallel with the pay still being provided by Phoenix so that we're managing any risks of the pilot not being successful. We'll continue engaging with the other two vendors, and this will be a staged forward movement to having a pay system that really works for our public servants.

The Chair: Thank you very much.

Mr. Majid Jowhari: Thank you, Mr. Chair.

The Chair: Mr. Aboultaif, you have three minutes.

Mr. Ziad Aboultaif: You stated that there are 20,000 technical individuals working in the Government of Canada. What does that represent as a percentage of the total number of employees?

Hon. Joyce Murray: It's a significant percentage. I would say it's somewhere in or around 5%.

Mr. Ziad Aboultaif: Okay.

How many people does it take to support the 18,000 applications being run by the federal government?

Hon. Joyce Murray: The number you mentioned, just over 20,000, are people who are identified as computer technology public servants. They are the ones who would be supporting the applications—

Mr. Ziad Aboultaif: How many of these applications are run by the government versus the private sector?

Hon. Joyce Murray: The 20,000 people you mentioned are all public servants. They are within the different departments, as well as the ones represented here.

Mr. Ziad Aboultaif: They are supporting the 18,000-plus applications. How many of these applications does the government run?

Some of them are over 30 years old. Out of the 18,000 applications, how many are we still dealing with at this point in time?

Hon. Joyce Murray: I will ask my officials to add to my comments, but my understanding is that those 18,000 applications are currently employed. Part of why we have a Minister of Digital Government is to move forward in being more effective in how we use information technology.

Mr. Ziad Aboultaif: Thank you.

To add to my question, how many of the applications are 30 years old and older, and how many public-facing applications are more than 10 years old?

Hon. Joyce Murray: I think Mr. Bilodeau could answer that type of question.

Mr. Francis Bilodeau: Sure. I might need to get back to you on exact numbers on this.

The applications are generally run out of departments. These applications are being used for all sorts of different things and tasks. We track overall application health, and we can certainly return with more information on the overall application health.

Mr. Ziad Aboultaif: How many of the Government of Canada applications can Canadians access through their mobile services? Do you have any idea?

Mr. Francis Bilodeau: Not off the top of my head.

Mr. Ziad Aboultaif: I'll go back to my figure of 20,000 public employees. I would rely on the minister to answer the question: What does that represent as a percentage of total employees in the public sector?

Hon. Joyce Murray: There are 270,000 employees in the public sector.

The Chair: Mr. Aboultaif, I'm sorry but we're completely out of time.

I want to give an opportunity for Madame Vignola to speak.

You only have one minute, Madame, but please go ahead.

[*Translation*]

Mrs. Julie Vignola: According to your mandate letter, you are tasked with identifying all core and at-risk IT systems and platforms.

How is that work coming along? When can we see the report on that identification exercise?

Mr. Francis Bilodeau: That's what we talked about regarding core and at-risk services in response to an earlier question.

As we mentioned, we are now conducting an application health review. This involves large systems that are at risk. We have just set up a deputy minister committee and started working on the planning process with the minister.

I hesitate to provide a definite date, since we're in the planning stage.

Mrs. Julie Vignola: That's fine.

Mr. Bilodeau, you said earlier that you had an application health file.

Would that file be readily available for consultation and analysis?

Mr. Francis Bilodeau: We would be able to provide that information. There is an application that departments use to give us information on the health of their applications.

• (0940)

Mrs. Julie Vignola: Would it be possible to transfer it?

[*English*]

The Chair: Thank you very much.

My apologies to the committee.

I inadvertently omitted or forgot to give Mr. Kusmierczyk his three minutes.

Sir, the three minutes are yours.

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): Mr. Chair, thank you very much.

Minister, you mentioned in your remarks that CDS is working closely to improve the experience of Canadians with disabilities. We know how challenging and frustrating even simple surveys on-line can be for people who have disabilities.

How does accessibility play a role within CDS and how do we measure how we're doing to improve accessibility?

Hon. Joyce Murray: It's a huge priority for our government as a whole to have more inclusive services and to encourage people of all abilities to be as productive as possible.

One thing we're doing as a government through SSC is that we have a program called the accessibility, accommodation, and adaptive computer technology program. The objective is that all the tools that public servants use should be able to be used by people with all accessibility challenges. We have public servants making sure the equipment is usable.

Even in your MP office, for example, your equipment could be used by someone who has a visual or hearing impairment. In the recent budget 2019, we've asked for more funding to expand that program so the AAAPT team can do further training of other public servants who have the goal of accessibility improvements.

Mr. Irek Kusmierczyk: That's a perfect segue to my next question.

What funding is available to improve accessibility in our department?

Hon. Joyce Murray: I will turn that over to officials in SSC.

Mr. Irek Kusmierczyk: Also, how much do you need?

Mr. Denis Bombardier (Chief Financial Officer, Shared Services Canada): The funding that was made available to us in budget 2019, as the minister alluded to, was \$2.7 million per year on an ongoing basis.

Mr. Irek Kusmierczyk: How much would you need?

Mr. Denis Bombardier: We're working with the funding that's been allocated to us.

Mr. Irek Kusmierczyk: Okay.

Before an application or program is rolled out, what does the consultation process look like to bring insight and input from Canadians with disabilities into that program?

The Chair: Respond with a very brief answer, if possible.

Hon. Joyce Murray: This would be in the ministry. The different departments have the ownership and leadership over the applications they use to deliver their services. As you are probably aware, we have a very robust consultation program and first accessibility legislation that we will be accessible by default as the Government of Canada. There has been major consultation with people with disabilities. I'm very proud of that part of our government's record.

Mr. Irek Kusmierczyk: Thank you, Minister.

The Chair: Thank you very much.

Mr. Green, you can bring us home. You have one minute, please.

Mr. Matthew Green: Thank you very much.

In your opening statement, you referenced the challenges of our constituency staff in connecting Canadians to the critical services of government, and we see here reference in a fall 2017 report of the Auditor General on the CRA's call centres, finding that the call centre agents answered only one-third of the calls to the call centre, largely due to call volume. In my riding of Hamilton Centre, we will serve hundreds of people a week on filing very simple tax forms to be able to get them back their returns, yet with this COVID-19 epidemic, our very real concern is that, as we get into social distancing, we won't be able to maybe provide the same quality of face-to-face service that we have in the past.

What efforts are you taking to ensure Canadians can access CRA services through call centres and online?

Hon. Joyce Murray: The CRA—

The Chair: Minister, I'm very sorry, but I'm going to have to say this. In the essence of time, that it's a great question, but if you can provide the answer to this committee through the clerk in written form, we'll make sure we distribute that and share that with the rest of the committee.

Hon. Joyce Murray: I'm very happy to do that, Mr. Chair.

The Chair: I appreciate that very much.

Minister, to you and your officials, thank you for being here.

Colleagues, can I have your attention for just a minute? We'll be suspending for just a few moments while we wait for our next group of witnesses to appear. I need about five minutes at the end of the second hour just for some very quick committee business.

Minister, once again, thank you very much. We hope to see you again.

We are suspended.

● (0940) _____ (Pause) _____

● (0950)

The Chair: Colleagues, I'll call this meeting to order.

The normal procedure is that we have opening statements from the ministers appearing before this committee that are normally 10 minutes in length. I have spoken with Minister Anand, and she has agreed to make a somewhat truncated opening statement so that we can get into questions as quickly as possible. I think that's highly appropriate since this is the first time that Minister Anand has appeared before this committee.

Minister, if you care to give your brief opening statement, we'll go into questions immediately upon its completion. The floor is yours.

[Translation]

Hon. Anita Anand (Minister of Public Services and Procurement): Thank you very much.

[English]

Good morning.

[Translation]

Mr. Chair, I would like to congratulate you, along with the vice-chairs and all my colleagues, for your appointment to this important committee.

I feel very honoured to have been invited by the Prime Minister to join his cabinet and serve as Minister of Public Services and Procurement.

[English]

With me today are Bill Matthews, deputy minister; Marty Muldoon, chief financial officer; Michael Vandergrift, associate deputy minister; André Fillion, assistant deputy minister; and Marc Lemieux, assistant deputy minister.

As you know, PSPC is the government's central purchasing agent, linguistic authority and real property manager. It is also the treasurer, accountant, integrity adviser, and pay and pension administrator.

PSPC acts as the engine that runs government. We often play an unseen but central role in enabling the work that our government does here at home and around the world. For example—and especially important in today's world—we are supporting the government in its response to the coronavirus outbreak. Among other things, we handled the chartering of three planes, which brought Canadians home, as well as contracts for nursing services, materials and support for returning Canadians.

I am looking forward to speaking with you today, and I'm looking forward to your questions.

● (0955)

[Translation]

These are just some of the activities currently under way to support the government and deliver results for Canadians.

Honourable colleagues, I thank you for your attention.

[*English*]

I would be pleased to take your questions.

The Chair: Thank you for your economy of words. I do appreciate it. You're going to get more questions from our colleagues as a result of your short statement.

Colleagues, because it has been a truncated statement and you do have copies of her official 10-minute opening statement, I would ask for a quick consensus that the speaking notes of the minister be deemed read and be appended to the evidence of today's meeting. Do I have your agreement on that?

Some hon. members: Agreed.

[*See appendix—Remarks by Hon. Anita Anand*]

The Chair: Thank you very much. That way it will be part of the official record.

We'll now go directly into questions.

Mr. McCauley, you have six minutes.

Mr. Kelly McCauley: Welcome, Minister.

Hon. Anita Anand: Thank you so much.

Mr. Kelly McCauley: Gentlemen, welcome back.

I see that you've brought a near army with you. I congratulate you.

When former minister Scott Brison was here, he brought 40 staffers along once. You're in second place.

Hon. Anita Anand: It's a smaller army, small but mighty.

Mr. Kelly McCauley: On page 14 of the DRR, there's a comment. I'll read it.

...a contract was awarded for a three-year lease of two emergency offshore towing vessels and both vessels entered into service.

This is part of a CITT dispute, so to speak. Can you comment on why we chose these two tugboats—this is for B.C., for the offshore protection plan—that were non-compliant with the original bid?

Hon. Anita Anand: Thank you so much for the question because it gives me an opportunity to stress that our national shipbuilding strategy has contributed \$1.2 billion to our economy.

Mr. Kelly McCauley: Minister, this is not part of the national shipbuilding strategy. This is the OPP, where PSPC ignored its own RFP and granted or awarded a non-compliant bid to Irving over indigenous-led companies or other companies.

I'm wondering why.

Hon. Anita Anand: Thank you for the clarification.

The decisions that were taken regarding those vessels, those ships, were as a result of a memo to cabinet. For further elaboration, I will ask my deputy minister to step in.

Mr. Bill Matthews (Deputy Minister, Department of Public Works and Government Services): Thanks, Mr. Chair. I'll be very brief on this one.

This is a procurement process competitively awarded. The department actually feels that it was a fair evaluation. It's gone to CITT—

Mr. Kelly McCauley: How much, actually, is the bollard pull? Do you believe that the two tugs have qualified under the bollard pull for international standards of measuring a bollard pull?

Please put it on record. Is it yes or no?

Mr. Bill Matthews: Yes, Mr. Chair, we do, and we have done evaluation twice now in response to CITT findings. We struck a second evaluation team with brand new people, did it a second time, and it has come out the same.

Mr. Kelly McCauley: How much are we spending in legal costs on the challenge at CITT?

Mr. Bill Matthews: I can't say what the cost for the legal fees of the challenge will be, but we're—

Mr. Kelly McCauley: Could you get back to the committee, please?

Mr. Bill Matthews: I can when it's all wrapped up, but this is a long file.

Mr. Kelly McCauley: Can I ask right now to get back to us on what the costs to date are, because I realize this will be going for a while.

Mr. Bill Matthews: Absolutely.

Mr. Kelly McCauley: All right.

Concerning the delayed AOPS, we heard a story just the other week that they're delayed once again. How much is the delay costing taxpayers?

Hon. Anita Anand: The AOPS, to be clear, is a “first in class” vessel. We're expecting—

Mr. Kelly McCauley: Please, minister, because of time—

Hon. Anita Anand: —increasing efficiency as a result of our AOPS.

Mr. Kelly McCauley: Please, what is the added cost to taxpayers for the delays?

Hon. Anita Anand: The delays are actually not overly impacting our costs, because we have fully costed this out.

Bill, did you want to step on?

Mr. Kelly McCauley: Let me just put it in context. The PBO has stated that for every single month of delays for the CSC, for example, there is going to be a quarter of a billion dollars of added cost to taxpayers.

Would there be an added cost to the taxpayers for the continual delays for the AOPS?

Mr. Bill Matthews: Mr. Chair, I'll start, but I may turn to Mr. Fillion for some additional detail.

The AOPS contract for ship number one is very close to being delivered, this spring. We're not anticipating extra costs because of that delay. These are just delays—

Mr. Kelly McCauley: There will, then, be no extra cost?

Mr. Bill Matthews: The surface combatant reference you made—

Mr. Kelly McCauley: No, I'm not talking about the CSCs. It's regarding the AOPS, please. We're short on time. We just want to stick to the question.

You're saying, then, there is no added cost to the taxpayers.

• (1000)

Mr. Bill Matthews: My understanding is that there are no added costs, but I want to turn to Mr. Fillion to confirm.

Mr. André Fillion (Assistant Deputy Minister, Defence and Marine Procurement, Acquisitions Program, Department of Public Works and Government Services): I think it's hard to answer this question without going back to basics about this contract. It's a cost-reimbursable incentive fee contract with a ceiling. There's a ceiling established for the delivery of the six ships. We are still working within the ceiling that has been established for the six ships, despite some of the challenges that have been encountered in the delivery of AOPS number one.

This is the first ship of a class. It's also the first ship of a yard—a brand new yard that had to make some reinvestments. We're very close to delivery, but again, I think we're tracking in terms of the overall budget ceiling that has been established.

Mr. Kelly McCauley: I'm going to move on.

In the supplementary estimates, we have \$444,000 in transfers to various organizations for innovative approaches to reduce greenhouse gas emissions in government operations. Fine, we studied that in committee.

I'm looking at your DRR, though, and it states on page 36 that the targets are actually getting worse. We've gone from wanting to achieve a target of 40% reduction, I think it was, by 2030, to now having it changed to 2021, but there's no actual target set.

You're asking for money—\$444,000 for something—but your target is not applicable.

Hon. Anita Anand: Thank you for the question.

Mr. Kelly McCauley: How can we be asking for money when we're not actually showing results?

Hon. Anita Anand: I'd like to respond to your question by talking first about the environmental considerations that we are introducing.

Mr. Kelly McCauley: Minister, please, the question is specifically on the supplementary estimate of \$444,000 requested, which is fine; we've done a study on this. PSPC is the only department

that, in the past, has actually set tangible goals for the reduction—we're actually the best—but your DRR shows no target.

How can you expect to be asking for money when the government is not fulfilling its roles under the Treasury Board framework for results and is not putting in a targeted result?

Hon. Anita Anand: Thank you for the question again.

What we're doing is prioritizing the commodities that will have the greatest overall impact in reducing GHGs—

Mr. Kelly McCauley: The question is this. You're coming to committee for cash, but you're not stating a target. Why are we not setting targets for this money?

The Chair: I will intervene, if I may now, in the interests of time.

Madam Minister, you have been asked the question. I know it may be somewhat difficult to do in the allotted time you have before us, but I would ask that you provide to this committee through the clerk some sort of answer to Mr. McCauley's question at your earliest opportunity.

With that, we will move on to Mr. Weiler, for six minutes please.

Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you, Mr. Chair, and thank you to the minister and the army of witnesses who are coming to speak to our committee today.

One thing you mentioned in your statement, which you have provided to us, is work that's ongoing for the greening of government operations. I was hoping you could speak a little bit.... You provided some examples, in Toronto and Vancouver, but you have a plan to have, by 2022, all government buildings powered by clean electricity.

I was hoping you could speak a little more to how the ministry is going to accomplish this.

Hon. Anita Anand: Thank you very much for the question.

As I wanted to say in my opening remarks, it's very important to realize that our government is committed to a sustainable environment and the reduction of greenhouse gas emissions. How that plays out in PSPC is very important.

As you know, we are in charge of a large component of real estate. We're developing a strategy to power federal buildings with 100% clean electricity, where available, by 2022. We're modernizing the energy system that serves government buildings in the national capital region as well, which is outside of the buildings I visited in Toronto that I mentioned in my opening statement.

What else are we doing? We are investing in major retrofits to federal buildings that will contribute to low-carbon operations. As the ministry in charge of the government's fleet, we are working to replace vehicles in that fleet with green alternatives, such as electric and hybrid vehicles. We are putting in place the infrastructure that is needed when you have a fleet that is operating on a hybrid basis.

You can see that in the portfolio, across government, we are taking this very seriously.

● (1005)

Mr. Patrick Weiler: As a follow up to that, you also mentioned in the statement here that where clean electricity is not yet available, we are encouraging that industry.

Could you speak a little about how the government is going to be encouraging that industry?

Hon. Anita Anand: As you know, we come into contact with contractors on a daily basis, essentially, when we are dealing with the federal real property portfolio. It is very much a central component of our negotiations in discussions with our contractors.

I'll ask my deputy minister if he'd like to speak to this point.

Mr. Bill Matthews: Thank you, Minister and Mr. Chair.

I have just a quick addition to this. Obviously, to power federal buildings with clean electricity you have to have a clean grid. The federal government is a large consumer because of the footprint we have from a real property perspective. If the federal government is able to indicate to partners such as provinces that we want to buy clean electricity and talk about incentives from a market perspective, we're a big player in that market. It's an incentive base.

Mr. Patrick Weiler: I'm going to switch gears a little here.

Could you provide an update on the national shipbuilding strategy? In particular, how much has been spent to date and how many jobs have been created so far?

Hon. Anita Anand: Thank you so much.

I was trying to intervene earlier regarding our NSS because it is such an important component of our overall operations relating to our procurements. This strategy contributes \$1.2 billion annually to the economy and over 12,000 jobs per year.

I've had the opportunity to visit both the VSY and the Irving shipyard on each of our coasts and I have spoken with our management teams out there. Through a fully costed and funded plan and the successful management of the NSS, we are delivering for Canadians.

It's an honour, really, to see the importance of that NSS strategy taking shape with the delivery of various ships, especially on the west coast where I know you're from.

Mr. Patrick Weiler: I was hoping you could speak a little more to the work specifically taking place at Seaspan.

Hon. Anita Anand: As you know, Seaspan is central to what's happening out there on the west coast.

We have delivered the first two offshore fishery science vessels to the Canadian Coast Guard with the delivery of the third vessel expected this summer. In addition, four Arctic and offshore patrol

ships are under construction, with the first being delivered to the navy early this year. Build work is under way for the JSS, which is the joint support ship. Design work on the Canadian surface combatant is progressing.

Mr. Patrick Weiler: I know you and your team have been working hard on defence procurement. I was hoping you could give us just a general overview of some of the equipment we're going to be providing to our defence agencies.

Hon. Anita Anand: Thank you so much for asking that question. Our record on defence procurement is extensive.

We have a fully costed defence policy in place. We have the launch of a future fighter jet procurement for 88 modern fighters. We have the delivery of the first interim jets, the first fixed-wing search and rescue aircraft and the first large vessels in the water designed and built under the NSS, as I've mentioned. We have the testing of the first Arctic patrol ship for the navy expected to take delivery this spring.

I have others on my list, but in the interest of time I will let you ask any follow-ups you might have.

The Chair: Unfortunately, we just don't have time for a follow-up, but I appreciate the economy of your words.

Madame Vignola, you have six minutes, please.

[*Translation*]

Mrs. Julie Vignola: Thank you, Mr. Chair.

I would like to thank you all for being here today. We sincerely appreciate it.

I would like to come back to the supplementary estimates.

You are requesting \$8.1 million for accommodation space. This year efforts to resolve Phoenix pay issues were successful in 98% of cases. Last year, around \$8 million was also requested for accommodations, and in that case, it was specified that given the issues with Phoenix and retroactive pension payments, more staff was needed.

Why is this \$8-million amount needed again this year, when it was decided to keep these new employees, who account for the 98% success rate in retroactive pay cases?

Why isn't this \$8 million in the Main Estimates, since this has become ongoing?

● (1010)

Hon. Anita Anand: Thank you very much.

I will answer in English.

[English]

The \$8.1 million is for accommodation costs for employees who provide these pension services. It's funding for accommodation relating to the administration of the pension system, largely due to the increase in personnel capacity that resulted from our desire to eliminate the backlog in the Phoenix pay system.

I'll ask my deputy in case he has something further to add.

[Translation]

Mr. Bill Matthews: I would like to add one more thing. In fact, it was really a way of establishing the real costs of administering the benefits.

[English]

For our accommodation services related to pension, we recover that from the pension fund. This is really just bookkeeping to make sure that the pension fund is properly charged the full cost in terms of what is required to administer it.

[Translation]

Mrs. Julie Vignola: I understand that there have been more staff increases and that they account for the \$8.1 million. Now that that has stabilized, there will be no further requests for supplementary funds, since we are now able to plan.

Is that correct?

[English]

Hon. Anita Anand: Let me begin, and I'll ask Bill if he wants to clarify what he said.

We have rebuilt the capacity to over 2,000 compensation advisers, and why that is important is that we have to stabilize the Phoenix pay system and eliminate the backlog. It's my top priority, and I wanted to say so in my opening statement. This is part of that process to ensure that we can meet the goal of eliminating the backlog in the Phoenix pay system.

Bill.

[Translation]

Mr. Bill Matthews: That amount is allocated to the administration of the pension plan, not to Phoenix. That's different.

Mrs. Julie Vignola: Thank you.

Mr. Bill Matthews: In fact, we do that every year, in order to outline the real costs associated with the administration of the pension plan, after we do a financial audit of the actual costs.

Mrs. Julie Vignola: Maybe I just have the wrong idea of what a budget should be. Since the cost of administering the pension services should not vary all that much from year to year, I still have the same question. Why can't we plan for these services in advance so that we can include them in the Main Estimates?

[English]

Hon. Anita Anand: I was just elected in October, and I've come to this portfolio as of November 20, so some of these changes in budgetary requirements and adjustments, as Bill suggests, are preceding my time as minister.

I will say that they are, from my understanding, largely adjustments based on our development of the program, based on our desire, and my personal desire, to ensure that we can move forward as quickly as possible in eliminating the backlog.

Bill.

[Translation]

Mr. Bill Matthews: There is a budgeting process for departments. Most budgets are regularly included in the Main Estimates, but other budgets follow a different process that involves adjusting the numbers throughout the year.

That is the case here. Every year we do an audit to outline the actual costs and we use the supplementary estimates to increase the department's resources.

[English]

The Chair: Thank you very much.

Mr. Green, you have six minutes.

Mr. Matthew Green: Thank you very much, Mr. Chair.

How many public servants have experienced data errors caused by the Phoenix pay system in the fiscal year 2018-19, and how does that compare with the previous year, 2016-17, during the time the Phoenix system was implemented.

Hon. Anita Anand: Our system and our process tracks transactions as opposed to the precise number of individuals. When we have an issue relating to a pay problem, it's on a transaction-by-transaction basis. We're aiming to focus on those transactions and reduce the backlog.

• (1015)

Mr. Matthew Green: As of today, how many pay transactions for PSPC employees need to be processed?

Hon. Anita Anand: Bill, do you want to speak to PSPC?

[Translation]

Mr. Bill Matthews: Certainly.

[English]

In terms of PSPC's complement as a department, we are now—like all departments—on the pod system, so a pod is used to process our transactions.

Since last year when we put in the pod, we have achieved a reduction of about 30% in PSPC's statistics. I believe we are now at about 45,000 transactions that are part of the backlog and that's down 33% over the previous year.

Mr. Matthew Green: How many of them are having significant financial impact versus collective agreement renewals? Because I can assure you that for public service workers who have a delayed payment, who still have mortgages and bills to pay, this is creating a significant burden, as I am sure you are well aware.

I am wondering if you are tracking the scale of the significance of the financial impact on the workers.

Hon. Anita Anand: Again, in my opening statement I wanted to stress the importance of the Phoenix pay system to me personally and to my ministry. It is the top priority for me, given the stress and the hardship that families have had to endure as a result of the issues that have arisen.

To answer or address your question, we have reduced the backlog of transactions—

Mr. Matthew Green: Sorry, specifically it's a very important question about the scale and the significant nature of the financial impact.

I understand you're not tracking individuals; you're tracking transactions. What would be the order of magnitude that would make a transaction significant enough for you to note?

Hon. Anita Anand: I'm not sure if this is what you're asking, but we have been able to reduce our backlog of transactions with financial implications by 52%. Various types of issues relate to the Phoenix pay system, all of which in my view would cause stress. Whether it's parental leave, disability leave, student pay, collective agreement implementation, I don't see a threshold that is too small to cross.

Mr. Matthew Green: That is a fair and seemingly honest statement.

Have you settled compensation for all employees affected by Phoenix?

Hon. Anita Anand: We are in the process of—

Mr. Matthew Green: So the answer is no, you have not.

Hon. Anita Anand: We are in the process of working very hard to ensure that all problems associated with Phoenix, regardless of how they arose or what they relate to, are settled.

As I said, it's a very large priority for me, as the minister.

Mr. Matthew Green: What kinds of supports do you offer employees who have these pay issues?

Hon. Anita Anand: Employee wellness is a very important issue for us.

Are you speaking about employees who are operating and working in pay centres, or are you speaking about employees who are, let's say—

Mr. Matthew Green: Those who are impacted by Phoenix, the ones who have significant financial burden. I know you've suggested there is a range of them and that they're all burdens, but I would suggest that some are probably more acute than others.

What supports do you have in place for people who are facing significant financial burdens?

Hon. Anita Anand: What we have done is put a priority on certain types of pay issues. We've ensured that public servants facing problems can request emergency payments. We've put in place a new claims process for current and former employees to request compensation for financial costs and lost income. We've focused on priority files: parental leave, disability leave, student pay, collective agreement implementation.

Mr. Matthew Green: How have you focused on those files?

Hon. Anita Anand: For that in particular I will turn it over to my—

Mr. Matthew Green: Perhaps I can actually add on to that. How are you addressing those acute priority files, because I called it “financially significant” and you called it “priorities”? However, I'm glad to see that there is a designation for it.

Do those get the expedited compensation? Because my concern, is that if you have processes in place for which people can apply, that does not equate to their actual compensation.

Hon. Anita Anand: Just before handing it over to Bill, yes, we actually put a priority on that and, largely, through the pay pod model, which we have seen work very well. This is an innovation that came out of the Miramichi pay centre.

● (1020)

Mr. Matthew Green: What is the turnaround on that? I file a claim. I am in really dire financial need. How long can I expect it will be before I get compensated?

Hon. Anita Anand: Can I turn it over to my deputy for those precise details?

The Chair: You have 10 seconds.

Mr. Bill Matthews: The answer is that it depends. I think we should probably maybe come back to this because Marc, my colleague, can offer you an explanation of the prioritization process.

Just to further support what the minister said—

The Chair: I'm going to ask you if you can take a stab at that answer in a written form, through the clerk, to the members. Thank you very much.

Colleagues, I am going to go now to four-minute rounds so that we have an opportunity to get a complete round in that would allow both Madame Vignola and Mr. Green to have two minutes each at the end of your intervention.

We will start with Mr. McCauley.

Mr. Kelly McCauley: I'll go back to the DRR. On page 1 of the departmental report near the last paragraph, it says, "enhanced guidelines for its building projects now exceed existing minimum accessibility codes and standards for government and industry." This is great, but when I look at the actual DRR for it, it says, percentage of buildings "that provide features to support universal accessibility." There is no target for last year and no actual results for last year.

It's just back to the process of, we're approving money, we're trying to figure out what the results are, but the old plan published by the department is not setting goals.

Hon. Anita Anand: Thanks so much.

Mr. Kelly McCauley: What is the process going to be to improve this? I will just go back to the DRR for your department. In the last year that we had reporting, 53% of goals were met. Therefore, 46.5% of the goals were either not met or the department didn't even bother setting goals. What were you going to do to improve that?

Hon. Anita Anand: It is very important to publish clear metrics to measure government performance on procurements. That's a priority for me

Mr. Kelly McCauley: It's part of the Treasury Board framework for results.

Hon. Anita Anand: I was just going to say that. Some of the metrics that we are commenting on in the DRR are from requests from Treasury Board that we provide metrics on these items. We are taking significant steps in the area, but those metrics have not fully been put in place yet. We are implementing, for example, an electronic procurement strategy that will make it easier and faster for us to be able to collect data on some of the items that we are working on.

Mr. Kelly McCauley: Okay.

I just want to move on to a couple of other parts of the DRR. On page 15, it says, "Average number of qualified bidders on complex competitive procurement processes." It has no targets. I'm just trying to figure out how we're citing that as a goal without a target. Then it also sets no past history. Then the average days to award level one and level two complexity are actually getting worse every single year—with no targets.

Hon. Anita Anand: Thanks again—

Mr. Kelly McCauley: Again, the department comes before us and every time we ask what the money is for, but the department is not even following the government's own guidelines of setting targets. I'm asking why.

Are we going to see your departmental plans reflecting this past practice of coming and asking for money but not actually setting targets as is required, or have they been changed so that they actually present to MPs, so we know what we're actually voting on, but also to taxpayers so they see what they are getting for their money?

Hon. Anita Anand: I appreciate the concern. As I continue to work very hard as minister, I am going to be seeking to publish clear metrics to measure government performance. I understand the importance of targets. I understand the importance of KPIs. That is one of the reasons I am very supportive of our e-procurement strat-

egy, because we can start to track suppliers and precise metrics relating to suppliers such as how many indigenous suppliers and how many women suppliers we have.

Mr. Kelly McCauley: I just have one last quick question on this supplementary (B).

The Chair: You better make it in 10 seconds, Mr. McCauley.

Mr. Kelly McCauley: Reinvestment of revenues for sale of transfer real property....

The Chair: I'll want a written answer to that if you can.

• (1025)

Hon. Anita Anand: Sorry, I'm just waiting for the question.

What was the question on that?

Mr. Kelly McCauley: What is it for?

Maybe you can put it in writing for us.

Hon. Anita Anand: We'll put it in writing, and we'll get it to you.

Mr. Kelly McCauley: I know you have the Treasury Board's applications and all the backups.

The Chair: Thank you very much.

Mr. Drouin, you have four minutes, please.

Mr. Francis Drouin: Thank you, Mr. Chair.

Thank you, Minister, for appearing before this committee. I know it's your first time. I'm sure it won't be the last time. Thank you for bringing the folks we've come to know over the past few years to this committee.

I want to touch on a point that Mr. McCauley brought up in his previous round of questioning. It had to do with the DRR and the lack of greenhouse goals in the DRR. Is it that the department does not have any greenhouse gas reduction goals for their properties, or is it just that it's not included in the DRR?

Hon. Anita Anand: I'm looking at page 36 of the DRR. Our target was 40%, and our actual results were 54.3% on federal infrastructure spending relating to social, economic and environmental policies. I would just like to indicate that there are places in the report, throughout the report, where we are able to provide the targets, and we are exceeding those targets.

Mr. Bill Matthews: Can I just elaborate on that for one moment, please?

The minister touched on it. The target was actually exceeded. That 40% target the minister referred to for greenhouse gas emissions reduction was by 2030. We've done it 10 years ahead of schedule. That's a great success story for the department. The results are on page 36.

What we're planning next on that front is to continue to reduce our greenhouse gas emissions. Related to these supplementary estimates, there are two things that I would highlight for you. The money we're requesting was referenced earlier. It's for two projects.

One project concerns the fact that this department is responsible for a lot of heritage buildings. The exteriors of heritage buildings are a unique challenge from an energy efficiency perspective. We're doing some studying on that. It's a study where Treasury Board awarded money to the department through a competitive process. It was an internal competition. We were successful on that one.

There's a second one related to CO2 recapture in server rooms that we're testing out in Quebec. The money in these supplementary estimates is related to a mini-competition Treasury Board Secretariat ran to generate new thinking in this area. Those are the two things targeted here.

Mr. Francis Drouin: Great. Thank you.

Since we're speaking of heritage buildings, we're trying to renovate one just neighbouring this building here. As somebody who has renovated his bathroom knows, you have a plan, you want to do something and you start opening walls, and then the surprises come along.

As we are moving forward with the renovations of the parliamentary precinct, have we learned some lessons from renovating West Block? Are we continuing to be on line? How do we make sure that we continue to be on budget and on time?

Hon. Anita Anand: Thank you for the question.

I appeared two weeks ago in front of PROC to talk exactly about the point. I was so pleased to be able to say that we have completed 24 key projects on time and on budget. We're talking about the Wellington Building, West Block and the renovations to the Senate of Canada Building. We are on top of it, and I'm so pleased to be able to speak so positively about the professionals who work in my department every single day.

Mr. Francis Drouin: Thank you.

I know it hires a lot of construction workers in the national capital region. I'm the member of Parliament representing that.

Minister, you may not have time to fully answer that question.

The Chair: You're not even going to have time to ask the question.

Voices: Oh, oh!

Mr. Francis Drouin: We implemented pay pods a few years back. I'm just wondering if you could provide an update to this committee. If you don't have time to answer verbally, perhaps you can give a written statement.

The Chair: If you could do that in a written response, Minister, I would appreciate it greatly.

Thank you so much.

We'll go next to Mr. McCauley for four minutes, please.

Mr. Kelly McCauley: Minister, you'll have to forgive me. I'm wondering if Mr. Muldoon or Mr. Matthews will be answering my question on the reinvestment.

Hon. Anita Anand: The real estate...?

Mr. Bill Matthews: No, the \$440,000 referred to was the previous question about the—

Mr. Kelly McCauley: It's about the reinvestment of revenues.

Mr. Bill Matthews: No, but I'm happy to answer that now, if you like.

Mr. Kelly McCauley: Okay. Yes, please, just briefly.

Mr. Bill Matthews: The department, as you know, maintains a large portfolio of real property. When we are able to sell real property, we are able to reinvest that money in our portfolio. The money referred to in the supplementary estimates, if I recall correctly—the CFO can correct me—relates to a transaction with Canada Lands on Front Street. This is that funding coming through. The department basically is seeking permission to reinvest that through this process into the broader portfolio.

• (1030)

Mr. Kelly McCauley: Right. That's ensconced in the Treasury Board process. I'm asking what that will be reinvested in or what you are seeking to reinvest it in.

Mr. Bill Matthews: It's a broader portfolio issue. It doesn't get tied to one specific project. It's just a source of funds. It's part of the bank account; that's the way I would describe it.

Mr. Kelly McCauley: Right, but again, this is the issue we have. You come before Parliament asking permission or approval to spend the money. We're asking what the money is for, but you don't have an answer. It goes back to the transparency issues we have. Again, parliamentarians are looking for answers on what we're voting to approve. We don't know. I'm asking what this money is going to be used for.

Are you asking just for blanket approval to spend at your discretion, or what is the plan behind it? I know there is a plan behind it, because you have to have it approved by Treasury Board. You've submitted the backup. What is it for?

Hon. Anita Anand: To put this in context, we operate and maintain federal buildings across the entire country—

Mr. Kelly McCauley: I realize that, but before you come for approval—

Hon. Anita Anand: —and provide accommodation to 260,000 public servants.

Mr. Kelly McCauley: I realize that, but there is backup information that you would have made to Treasury Board for this money. You know what it's being used for. What is it being used for? We're just asking. Again, when you ask for approval from Parliament, we have the right to ask what this money is for. You've asked Treasury Board. You've provided the risk analysis. You've provided the financial appendices to go with the application. So please, what is it for?

Mr. Bill Matthews: I would characterize the funding formula a little differently than the member. We put forth a plan to Treasury Board that covers all of our buildings and major investments as well. Treasury Board then looks at the money we can reinvest from other sources, this being one of them, and then we are effectively funded for the balance.

If members have the idea that when we resell it's project by project—

Mr. Kelly McCauley: Is it just going in for general upkeep, or for renovations...?

The Chair: Let's allow Mr. Matthews to try to give a complete answer to this.

Mr. Bill Matthews: It's for significant reinvestment. This is re-capitalization, but it's part of the pot. If members are visualizing a building-by-building, project-by-project model that you attach to reinvestment, that's not the way the model works. It's part of the pot.

Mr. Kelly McCauley: It's part of the pot. That's fair.

We're probably running out of time here, but in the DRR you mentioned a certain amount about electric vehicles. Is that solely for the government-owned cars, or can other people plug in and use it?

Hon. Anita Anand: That's actually a very good question. We are just in the middle of trying to convert the government's fleet—

Mr. Kelly McCauley: I know we're switching over.

Hon. Anita Anand: —and are developing a plan for the infrastructure relating to the plug-ins. I have a plug-in vehicle at home, and we have this problem. I don't think we have taken decisions on the plug-in usability or on who's going to be able to use it.

Bill, perhaps you could answer that.

The Chair: Briefly, please.

Mr. Bill Matthews: The recharging stations are in a variety of locations. Where they're in a public place, where the public has access, the public can recharge. Obviously, if it's in a more—

Mr. Kelly McCauley: Is there a charge? Is it through a credit card, or how is that done?

Mr. Bill Matthews: It's just there for use. I'm not aware of one where there's a charge.

Obviously, if the recharging station is in a secure zone, you wouldn't have public access for that.

Mr. Kelly McCauley: Okay. Thanks.

The Chair: Thank you very much.

We'll go to Mr. Drouin for four minutes, please.

Mr. Francis Drouin: It's Mr. Jowhari, actually.

The Chair: Mr. Jowhari.

Mr. Majid Jowhari: Thank you, Mr. Chair.

Minister, I'd be remiss if I didn't ask a question about Phoenix. I've been interested in and have followed this portfolio since the 42nd Parliament. I had the opportunity to ask Minister Murray about NextGen, so I'll go back to you and ask about the amount of reduction, which you briefly touched on, that mainly has come as a result of what's believed to be the pay pod implementation. Can you share with us how effective the pay pods have been?

In the same vein—I have only four minutes—to follow up on Mr. Green's intervention, could you talk about the supports that are there for the employees? Although we may not know the extent of

the impact on the employees, are there any support mechanisms there for them?

Thank you.

Hon. Anita Anand: The pay pod model, as I mentioned, came through the grassroots of our Phoenix pay system employees, and it was developed in Miramichi. Essentially it's a dashboard, and it allows the employees who are working to see the full set of issues relating to a single employee, and we have heard from both employees affected and employees in the pay centre that this has been a very effective way to address all Phoenix issues relating to one person.

The pay pods have been very effective. There have been concerns in the past relating to how effective they will be overall. Can we transfer the pay pod model outside? We would love to ensure this occurs in terms of greater efficiencies.

Could you clarify your second question?

• (1035)

Mr. Majid Jowhari: Yes, going back to pay pods. Is the pay pod model now part of the NextGen evaluation process as well, or is it being focused right now on Phoenix?

Hon. Anita Anand: NextGen is a separate system altogether from what we are currently using. I'm sure Minister Murray told you that we need to move forward on NextGen but from our perspective we are running a parallel system and it is this system, the Phoenix pay system, that we are working on to reduce and eliminate the backlog.

I'll ask my deputy if he has anything to add.

Mr. Bill Matthews: Certainly, and I'll be very quick. The pay pod is a vehicle used to reorganize our work to deal with the backlog. NextGen is a new procurement. They're going through a pilot phase but they're going to be testing live, fresh pay transactions as part of the test case. Pay pods are very much about the existing backlog and how we work through that, so they're not related at this stage.

Mr. Majid Jowhari: Great.

The second question was around the support that's being offered to some of our employees in dealing with their Phoenix pay issues.

Hon. Anita Anand: Again, employee wellness is very important. We need these employees to be able to function in an environment that allows us to stabilize the system and eliminate the backlog, so what we've done in our pay centre in collaboration with the local union is to introduce successful initiatives to promote exactly what you're asking about: employee well-being. We have an initiative called the organizational wellness initiative and it allows management in the pay centre to assess and track wellness of staff through an annual survey and address areas where change is needed.

I have been in contact with the employees at the Miramichi pay centre and they are very enthusiastic about their work and I want them to keep being enthusiastic about their work, so this issue of employee wellness is very central to what I'm doing on the Phoenix file.

The Chair: Thank you very much.

I appreciate that. Our final two interventions will be two minutes each.

Madame Vignola, you have two minutes.

[*Translation*]

Mrs. Julie Vignola: Thank you, Mr. Chair.

According to your mandate letter, you are required to implement a new vision for Canada Post.

I, for one, have lived in many places. I now live in the city, but I've also lived in what could be called a rural area, meaning towns of 3,000 to 5,000 people. Right now ATMs are being removed, even in rural areas. We're no longer even talking about having a bank or credit union branch; there's absolutely nothing.

Canada Post is proposing not only to create its own MoneyGram services, but also to offer banking services to the public, which is already being done in several countries around the world.

What do you think of this proposal?

[*English*]

Hon. Anita Anand: It raises two issues relating to Canada Post: one, rural areas and servicing rural areas; and two, postal banking.

You're right. My mandate letter refers to working with the Minister of Women and Gender Equality and Rural Economic Development to improve services in rural and remote areas. I come from Nova Scotia, from a rural town, and it's exactly the type of thing that I'm sure you're thinking about.

Canada Post has a new vision and it is to remove the rural surcharge for remittance services, which would ensure equivalent pricing between rural and urban markets, and Canada Post has already taken this step. We know more work is to be done. I'm sure that's why it's in my mandate letter. I'm eager to deliver on the commitment.

In terms of Canada Post and postal banking, we've heard loudly and clearly from Canada Post that it should focus its efforts on excellence in service and its core functions, and we agree with that.

• (1040)

The Chair: Minister, we will leave it at that, because we have Mr. Green up for two minutes and then we must suspend to go into committee business.

Mr. Green.

Mr. Matthew Green: Thank you very much.

I'm going to put on my old city councillor hat. Any time I look at a department, I look at the variations for FTE complements in terms of staffing, and I see what appear to be material variations, notwith-

standing the fact that you probably had to supplement for the Phoenix debacle.

What are the trend lines in terms of your contracting out? How many jobs have you had to contract out over the last year?

Hon. Anita Anand: Given that the issue is quite technical, I will ask my deputy to step in.

Mr. Bill Matthews: The only thing I would add is that the department has been in growth mode for two reasons during the last couple of years. The member already mentioned Phoenix. There has been significant growth there.

The other issue that's causing growth is the parliamentary precinct long-term vision and plan, massive projects staffing up there as well.

Contractors are absolutely a crucial part of our delivery force, but the FTEs of the department are growing.

Mr. Matthew Green: It looks as though, based on your own plan, in 2020-21, your FTE complements go from 16,000 this year to 13,587 next year. I assume that if you have the same amount of work and you're losing 2,400 FTE complements, that can only come from contracting, unless you're reducing the amount of work being provided through the service.

Hon. Anita Anand: We have a full slate of work at PSPC. Much of it relates to projects that start and then stop again.

For example, in the parliamentary precinct over the past number of years we have employed 25,000 people. It is the fluctuating nature of the work we do that gives rise to some of the differences you're seeing.

Mr. Matthew Green: Is the variation coming from the construction of the precinct?

Hon. Anita Anand: To some extent.

The Chair: Thank you very much.

Mr. Matthew Green: Mr. Chair, can I ask that an answer be provided in writing through the clerk?

The Chair: Absolutely, Mr. Green.

As I do as a normal course of practice at the end of each meeting, there are usually very many questions on which, unfortunately, we couldn't get an answer provided because of time constraints, so I would ask in this particular case, where any further questions have been posed by individual members, that you respond in writing to all of those through the clerk so that we can distribute that to the committee members.

Mr. Matthews, I believe you had a question.

Mr. Bill Matthews: Mr. Chair, I want to make one clarification. Thank you.

Page 58 of the departmental results report actually answers the member's last question, so I would just leave it at that.

The Chair: Thank you so much.

Colleagues, we have another group coming in here at 11 a.m., so rather than suspend and go into committee business, I'm going to keep the witnesses at the table and deal with this in public, if I can, very quickly.

A revised calendar has been distributed. All of you have seen that. Just to clarify, notwithstanding what was decided at an earlier meeting, when the PBO appears before this committee on March 24 he will be speaking only to his reports on supplementary estimates. He can be invited at a later date to speak on the main estimates and report on them.

Can we agree with that? Thank you very much.

Finally, in response to an outstanding question from the last meeting, we have filled March 26 with a red tape reduction study

because the minister has responded to us as not being available on that date. Therefore, to the advice of this committee, we're going ahead with another hour, or two hours, on red tape reduction.

Mr. Steven MacKinnon: You're a great chair.

The Chair: Thank you so much. I appreciate that. Can we get that on the record?

Minister, thank you once again. This is your first appearance before the committee.

Hon. Anita Anand: I look forward to seeing you again.

The Chair: We do appreciate it, and we look forward to seeing you again.

Colleagues, the meeting is adjourned.

Opening Statement

by

Honourable Anita Anand

Minister of Public Services and Procurement

**Standing Committee on Government Operations
and Estimates**

Supplementary Estimates (B) 2019-2020

March 12, 2020

Opening

Thank you and good morning.

Mr. Chair, I would like to congratulate you, the Vice Chairs and all my colleagues on your nomination to this important committee.

I feel very privileged to have been invited by the Prime Minister to join his Cabinet and to serve as Minister of Public Services and Procurement.

With me today are:

- Bill Matthews, Deputy Minister
- Marty Muldoon, Chief Financial Officer
- Michael Vandergrift, Associate Deputy Minister
- André Fillion, Assistant Deputy Minister of Defence and Marine Procurement, and
- Marc Lemieux, Assistant Deputy Minister of the HR to Pay Program Office.

PSPC is the Government's central purchasing agent, linguistic authority and real property manager. We are also the treasurer, accountant, integrity adviser, and pay and pension administrator. The department is also home to the Receiver General, which manages a cash flow of more than \$2.2 trillion a year and prepares the annual public accounts of Canada.

PSPC acts as the engine that runs the Government. We play an often unseen, but central role in enabling the work that our Government does here at home and around the world.

As an example, we are supporting the Government of Canada's response to the coronavirus outbreak. Among other things, they handled the chartering of the two planes which brought Canadians home, as well as contracts for nursing services, materials and support for returning Canadians.

I will share more examples as we discuss PSPC's Supplementary Estimates (B) for 2019-2020.

Supplementary Estimates (B) 2019-2020

Through these Estimates, we are seeking net appropriations of \$9.6 million, bringing our approved funding up to \$4.58 billion.

Let me highlight the key items.

We are seeking \$8.1 million to cover the cost of office accommodations for our pension service employees.

There are \$6.6 million in revenues from the sale of real property that PSPC will reinvest to preserve and maintain our real property portfolio.

We are also seeking \$2.1 million in additional funding to address non-discretionary increases in expenses related to operating our buildings.

These Supplementary Estimates also include a number of transfers of various funds between the PSPC and other departments to advance our government's priorities.

Mr. Chair, I will also speak to some of my priorities as Minister.

Priority Files

Phoenix

For me, there is nothing more important than ensuring that our dedicated public servants are paid accurately and on time.

The department has taken important steps towards stabilizing the pay system by increasing compensation capacity four-fold and implementing the Pay Pod approach, which has helped address the backlog of transactions.

Over the last two years in particular, we have made significant progress and have seen the backlog of cases reduce consistently.

The backlog of transactions with financial implications has been cut by more than half and at the same time we've been able to provide employees more than \$2.2 billion in collective agreement retroactive payments. We have also recently introduced a new web application called MyGCPay that allows public servants to see more detailed information about their pay and identify potential issues earlier. This was an idea from a public servant and was fully implemented recently.

While we are making progress, we understand that public servants are frustrated by ongoing issues with their pay.

I have been mandated by the Prime Minister to eliminate the backlog. To support this, my officials will be implementing a plan to further increase our pay transaction processing rate through more efficient processes and technological enhancements.

Mr. Chair, we still have much work ahead of us, but my message to employees is that we will not rest until the backlog is eliminated.

Greening

Greening our operations is another area of focus. My department intends to integrate sustainable development and energy and greenhouse gas reduction into all of its real property projects.

The rehabilitation of the Arthur Meighen Building in Toronto and the Sinclair Centre in Vancouver are two examples. Just last month, I visited the Arthur Meighen Building to see firsthand how greenhouse gas emissions there will be reduced by up to 80%, which will make it one of the first federal carbon-neutral buildings.

We are also working on a plan to power other federal buildings with 100 per cent clean electricity, where available, by 2022. Where clean electricity is not yet available, we are encouraging that industry. In particular, we are with the province of Nova Scotia to add cleaner, renewable energy to the grid in order to meet our goal of using 100 per cent clean electricity in all federally owned facilities by 2025.

Real Property – Health and Safety

Mr. Chair, we also manage one of the largest and most diverse portfolios of real estate in the country, and we have implemented a broad investment strategy to rehabilitate our aging assets and dispose of those we no longer require.

Our responsibility in this area comes with its share of day-to-day operational challenges, and when issues arise, we act swiftly.

Health and safety in our buildings is of the utmost importance and we will continue to be vigilant.

Parliamentary Precinct/ Bridges

Mr. Chair, the restoration of Canada's parliamentary and other heritage buildings is another key priority.

Building on the successful completion of this building and Senate of Canada Building, PSPC will advance important work on the rehabilitation of the Centre Block. I recently appeared at PROC to discuss the challenges ahead and how we can best come together, as one Parliament, to make sound enduring decisions. My goal is to have Parliamentarians fully engaged, and we will soon share details and costing on the various options before us.

We are making other significant investments in the National Capital Region, including plans to maintain and enhance our interprovincial bridges.

Fighter Jets

Mr. Chair, supporting the work of the Canadian Armed Forces and the Canadian Coast Guard remains front and centre in our work.

The competitive process to acquire new fighter jets is moving forward.

I will note that the deadline for preliminary proposals was recently extended at the request of industry participants. This extension allows eligible suppliers to address recent feedback on their security offers, ensuring that Canada receives competitive proposals that meet our technical, cost and economic benefits requirements.

I would like to reiterate that PSPC does not expect that the extension will impact the timeline for the selection of a successful bidder. We remain on track to award a contract by 2022, with the first replacement aircraft to be delivered as early as 2025.

National Shipbuilding Strategy

When it comes to supporting our Navy and Coast Guard, I have had the opportunity to visit our impressive shipyards in Vancouver and Halifax.

In Vancouver, the first two Offshore Fisheries Science Vessels have been delivered to the Canadian Coast Guard. The third and final vessel is under construction and expected to be delivered this summer. Construction of early blocks for the first Joint Support Ship is also underway.

At Irving Shipbuilding, four Arctic and Offshore Patrol Ships are under construction, with the first to be delivered to the Royal Canadian Navy later this year. Design work on the Canadian Surface Combatant is underway.

We are also adding a third shipyard, and Chantier Davie in Quebec has pre-qualified to become our new strategic partner. They will now move to the next stage in the selection process, the Request for Proposals and evaluation stage.

Mr. Chair, only weeks ago, we issued a Request for Information, open to all Canadian shipyards, seeking information on domestic shipyard capability to build a Polar-class icebreaker.

Given the importance and complexity of this ship, we are looking at all options to ensure efficient and timely construction.

Through the National Shipbuilding Strategy, shipyards of all sizes are benefiting right across the country.

In 2019 alone, the Government of Canada awarded approximately \$3.3 billion in new contracts to Canadian companies under the strategy. Of that amount, more than \$314 million went to small businesses with fewer than 250 employees.

Overall, the National Shipbuilding Strategy is now contributing over \$1.5 billion annually to Canada's GDP and supporting more than 15,000 jobs per year, through to 2022.

Closing

Mr. Chair, these are just a few of the activities underway to support government and deliver for Canadians.

I am looking forward to collaborating with parliamentarians, our client departments, Canadian suppliers and the dedicated team at PSPC as we continue our important work.

Honourable colleagues, thank you for your attention.

I would be pleased to take your questions.

Thank you.

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