

Opening Statement

by

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Accessibility**

**Standing Committee on Government Operations and
Estimates**

**Main Estimates 2019-2020
Public Services and Procurement Canada
Shared Services Canada**

June 5, 2019

Mr. Chair and committee members, good afternoon.

I am pleased to appear before you as Minister of Public Services and Procurement and Accessibility, and Minister responsible for Shared Services Canada to discuss our Main Estimates for 2019-2020.

With me today from Public Services and Procurement Canada are Deputy Minister, Bill Matthews; Chief Financial Officer, Marty Muldoon; Associate Deputy Ministers, Michael Vandergrift and Les Linklater; and Assistant Deputy Minister of Defence and Marine Procurement, André Fillion.

From Shared Services Canada, we have President, Paul Glover; Denis Bombardier, Chief Financial Officer; and Luc Gagnon, Chief Technology Officer.

Mr. Chair, these two organizations serve Canadians every single day by providing critical services and support to other departments and agencies.

Main Estimates: PSPC

Allow me to begin with Public Services and Procurement Canada, which is requesting \$4.2 billion in the 2019-2020 Main Estimates. Well over half –\$2.4 billion – will be spent on property and infrastructure such as the parliamentary precinct.

This year's Estimates includes \$1 billion in new spending as outlined in Budget 2019.

Of this, \$373 million will provide long-term, predictable funding for larger capital projects such as the rehabilitation of the Alaska Highway and the Sinclair Centre in Vancouver.

\$275 million will provide maintenance, repair and other real property services for federal office space, which PSPC provides for 99 federal departments and agencies in 1,554 locations across Canada.

We are also making investments in other important programs.

\$4 million will be used to maintain the Controlled Goods Program which provides our industry with valuable access to opportunities in the United States defence market.

PSPC will spend \$8 million to upgrade the current IT systems that underpin that program as well as the Contract Security program.

We are also proposing approximately \$6 million to support the important rehabilitation and maintenance of the three National Capital Region bridges owned by PSPC.

\$3 million is allocated to the Cost and Profit Assurance Program which helps ensure the integrity of pricing and payments of government procurement, especially defence-related contracts.

Finally, Mr. Chair, more than one-third of the new spending or \$352 million will support the Government of Canada's ongoing efforts to stabilize the current pay system and address pay issues.

These funds will help maintain the increased capacity for processing pay transactions.

Phoenix

On this issue, I am pleased to inform the committee that we have now implemented pay pods for all of the 46 departments serviced by the pay centre, and this highly efficient model is showing results.

Since January 2018, the queue has been cut by more than 209,000 transactions – a decrease of 33%. When we look at the departments who were first to move to the Pay Pod model, the results are even more impressive: their queues have been reduced by nearly half.

While this is promising progress, there is still much to do. We are committed to making this right and ensuring our public servants are paid accurately and on time, every time.

National Shipbuilding Strategy

Mr. Chair, I'd now like to provide the committee with an update on one of our other key priorities: the National Shipbuilding Strategy.

We are making significant progress, delivering for the women and men of the Navy and Canadian Coast guard while creating good, middle-class jobs for Canadians, and supporting the development of the marine industry across Canada.

Both the Canadian Coast Guard and the Royal Canadian Navy will take delivery of the first large vessels built under the Strategy this summer—an Offshore Fisheries Science Vessel and an Arctic and Offshore Patrol Ship, respectively.

Earlier this afternoon, the second Offshore Fisheries Science Vessel was launched in Vancouver. More vessels are under construction, and more deliveries are on the way.

Early block construction of the Joint Support Ship is also ongoing. So is the design work for the new Canadian Surface Combatants.

We are making progress on other projects as well. The conversion of the second and third interim icebreakers for the Canadian Coast Guard is advancing well. The first was completed in December and is already in service.

And just last month, we announced our intention to award a contract to build two new ferries for Transport Canada, fulfilling our Budget 2019 commitment to build the ferries which will operate on important routes in eastern Canada.

As well, there is repair, refit and maintenance work being completed across the country. Of note, contracts for maintenance support services for 12 Halifax-class frigates are expected to be awarded soon.

Mr. Chair, much has been accomplished, and we are determined to take the steps to further strengthen the National Shipbuilding Strategy.

Recently, the Prime Minister announced that our Government will provide up to 18 new large ships for the Canadian Coast Guard. This is a major investment in the critically important services provided to protect Canadians and our marine environment, and to ensure the safe and efficient movement of ships that are key to our economy.

The Prime Minister also announced plans to add a third shipyard under the National Shipbuilding Strategy to ensure that the immediate and long-term needs of the Canadian Coast Guard are met. We will be launching a competitive process in the coming months to add the third shipyard.

The renewal of our fleets is well underway.

We should also recognize that the Strategy is creating significant economic benefits and creating high-quality jobs. Contracts awarded between 2012 and 2018 are expected to contribute about \$10.9 billion to our gross domestic product and create or maintain more than 10,000 jobs annually during the period covering 2012 to 2022.

Clearly the benefits of the National Shipbuilding Strategy are far reaching, and we are committed to providing open and frank assessments of our progress.

The latest information about the Strategy is available in our recently published annual report, which we've provided to members. The Report is an important part of our promise to Canadians to be as open and transparent as possible about the work we're doing.

On that note, I would like to address recent media articles surrounding the public disclosure of information related to procurement.

We strive to communicate as much as we can, while respecting rights and obligations outlined in Access to Information and Privacy legislation. That said, we've found that we have been overly restrictive in some cases in limiting the information potential suppliers can share publicly about procurement processes.

I want to assure this Committee, Canadians and members of the press that we have since addressed the issue.

Department officials have been directed to update standard practices related to military procurement to better reflect our commitment to be as open and transparent as possible, recognizing that restrictions are needed only in certain situations.

We've also recently seen instances where reporters' following our files have had their personal information shared outside of the government. While we sometimes need to verify facts requested by media with external suppliers regarding ongoing projects, we need to do better to respect and support the important role that journalists play.

Mr. Chair, this is why PSPC has reviewed their media protocols to ensure that we provide accurate information regarding ongoing projects with industry partners while respecting reporters' private information.

Integrity Regime

Now before I turn to Shared Services Canada, I'd like to take a moment to discuss PSPC's Integrity Regime, which debars and suspends companies convicted or accused of economic crimes from doing business with the government.

The last time I was here, I noted that we were preparing to announce enhancements to the regime following public consultations.

However, as we all know, recently there has been considerable discussion and many views expressed around corporate wrongdoing and the government's response to such misconduct. As a result, the Government of Canada is taking additional time to assess possible next steps regarding the Integrity Regime.

In the meantime, the current Ineligibility and Suspension Policy remains in effect.

Main Estimates: Shared Services Canada

Chair, let me now address funding for Shared Services Canada.

Through the Main Estimates, Shared Services Canada is seeking \$1.9 billion in funding to continue providing modern, reliable, and secure information technology infrastructure services to its partners and Canadians. It delivers email, data centre, and telecommunications services to federal departments.

This includes \$120 million to replace aging IT infrastructure; \$12 million to support the 2021 Census and \$10.3 million to support cyber security investments.

As part of Budget 2019, the SSC is getting \$1.6 million to support the Government's efforts under the Accessible Canada Act to become a barrier-free employer and hire 5,000 persons with disabilities over the next five years.

The Accessibility, Accommodations and Adaptive Computer Technology program helps integrate and support employees with disabilities, injuries, or ergonomic requirements by providing access to systems, programs, information and other resources. This investment will be used to boost the program's capacity to meet the increased demand for its services from across the government.

Mr. Chair, SSC is making important progress in delivering its mandate.

Cloud service brokering has become a central part of the department's work. It has assessed over 200 Cloud computing requests from over 45 departments.

In addition, the department has closed more than 190 of over 700 legacy data centres, after migrating data and applications to newer and more secure platforms.

Last month, Shared Services Canada concluded an agreement with Microsoft Canada to provide the full Office 365 suite to more than 400,000 public servants across the country. Access to these digital tools is key to creating a modern, collaborative and innovative public service. It also gives public servants a cloud-based platform which will allow them to communicate and collaborate anytime, anywhere.

Closing

Mr. Chair, one final comment before I conclude.

I want to again thank my colleagues for supporting the Accessible Canada Act, which is a strong expression of our shared commitment to creating a barrier-free, truly inclusive Canada for persons with disabilities.

On *National AccessAbility Week*, our government launched the first ever accessibility strategy for the public service, setting the conditions to identify, prevent, and remove barriers in the workplace to persons with disabilities.

Guided by the principles in the Accessible Canada Act and informed by extensive consultations, the strategy aims to prepare the public service to lead by example and become a model of accessibility, in Canada and abroad.

The Strategy, led by Treasury Board of Canada Secretariat, is appropriately named *Nothing Without Us*.

Because we know that the key to success is making sure we continually engage the disability community and learn from their knowledge and experience—not only in helping make workspaces and work tools more accessible, but also in modernizing our procurement policies and contracting practices to always put accessibility upfront.

We are making progress but much more work is needed.

I am inspired by the dedicated employees at Public Services and Procurement Canada and Shared Services Canada who are doing their part in helping make the federal public service a leader and role model in building a more inclusive Canada.

Thank you. We look forward to your questions.