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Tuesday, February 15, 2011

—
Chair

The Honourable John McKay

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•(1105)

[English]

The Chair (Hon. John McKay (Scarborough—Guildwood, Lib.)): Colleagues, I call this meeting to order. It's shortly after 11 o'clock and I see a quorum.

Oui, Madame Bourgeois.

[Translation]

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): It's the clerk I want to address.

[English]

The Chair: Okay.

When we last met last Thursday, Mr. Warkentin was in full filibuster mode. We're about to hear about the birth of his recent child, etc., and that would be the first order of business, and it is committee business, so I'll restrict our going to witnesses until such time as the committee decides what it wishes to do.

Mr. Warkentin.

Mr. Chris Warkentin (Peace River, CPC): Mr. Chair, I would suggest that it might be in the best interests of the committee just to move that motion that we deal with other issues regarding upcoming committee business towards the end of the meeting, and then we can hear from the witnesses who are assembled here.

The Chair: Mr. Regan.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Chairman, I suggest we deal with the matter quickly, because I am certainly anxious, as I'm sure my colleagues in all parties are, to hear from the witnesses and to engage with them with questions and answers.

So let's deal with this matter quickly. There's no reason why we can't bring it to a vote.

The Chair: Mr. Warkentin.

Mr. Chris Warkentin: If we are going to speak to it right now, there are a number of points that I think are important for us to reflect on before making a decision with regard to this motion of Ms. Coady.

Is it the will of the committee, Mr. Chair, or is it your determination that we'll proceed and work through this right now?

The Chair: It's properly before the committee. It's your opposition. The motion is in order, and I don't see how we can but proceed, unless the committee directs me otherwise.

Mr. Chris Warkentin: Well, I'll give some assurance to members opposite that I will work to expedite the consideration of this

towards the end of the committee meeting, but I do believe there's an important conversation that needs to happen around this committee table before we vote on it.

The Chair: I would have preferred that this be worked out between the parties. You're obviously not going to support the motion. You also want to say a number of things about the motion. I don't wish to have committee time used that way, but it's not in my hands; it's the decision of the committee.

With the consent of committee, I can reorder the agenda to do that, but in the event that it's reordered, I would expect that opposition members would want to know when they would be able to get to a vote on the motion.

Mr. Chris Warkentin: I would so move and make every effort, if it is moved, to consider and have a vote on that towards the end of the meeting.

The Chair: Towards the end of the meeting.

Mr. Martin.

Mr. Pat Martin (Winnipeg Centre, NDP): The only problem with that is there is a motion on the floor that you were in the middle of debating, I believe, when you adjourned.

I would like to recommend that we not only move this matter to the end of the meeting, but we go in camera to finish it, because I think the debate that's going to take place is going to go beyond the merits of the motion. I believe there are points that Mr. Warkentin wants to make that deal more with the management and administration of the government operations committee. Therefore, it should be an in camera debate after we hear these witnesses. That would be my recommendation.

The Chair: Mr. Regan.

Hon. Geoff Regan: Mr. Chairman, we could agree to that, provided we're guaranteed that we'll vote today on this measure, before the committee rises.

Frankly, I'm not quite clear on why Mr. Martin wants to go in camera, but I'll accept that. From Mr. Warkentin's comments, I don't see why we couldn't do it now in five or ten minutes, if he's satisfied we can do this today at the end of the meeting in five or ten minutes.

At any rate, if there's the assurance, if we're guaranteed we're definitely going to vote on it today, then I accept Mr. Martin's proposal.

The Chair: Well, I interpreted Mr. Warkentin's comments as that it will come to a conclusion by the end of the day. I assume there's some consensus that we should go in camera towards the end of the meeting.

Am I interpreting the sense right and correctly?

Hon. Geoff Regan: Well, let's hear Mr. Warkentin confirm that he will allow it to come to a vote—

The Chair: I thought I saw a nod there.

Hon. Geoff Regan: No, let's hear that we're not going to have a filibuster and he's not going to prevent it from coming to a vote today.

Mr. Chris Warkentin: I'll reconfirm. I am not going to prevent anything from coming to a vote.

An hon. member: Or your colleagues.

Mr. Chris Warkentin: Well—

Mr. Pat Martin: You've brought your friends with you.

Mr. Chris Warkentin: I'm going to make every effort to see a conclusion to this today.

Hon. Geoff Regan: That's not good enough. Every effort is not good enough.

Mr. Chris Warkentin: What do you want me to say?

Hon. Geoff Regan: Let's hear that you're going to allow it.

Mr. Chris Warkentin: That I'm going to bind every member of the committee to—

Hon. Geoff Regan: Let's hear that your side is going to allow it to come to a vote today.

Mr. Chris Warkentin: I'm not getting any opposition to that.

Hon. Geoff Regan: I'd like your assurance, sir, that your side will allow it to come to a vote today. How else could we proceed?

The Chair: Could the committee confirm with the chair that by the end of the day we will come to a vote on this matter?

Mr. Chris Warkentin: Yes, give us some time and we'll do it.

The Chair: Will I allocate ten minutes? Fifteen minutes?

Mr. Chris Warkentin: We have several things on the order paper that I think are important for us to have a conversation about as well. We've got to set our schedule moving forward, so let's give an appropriate length of time.

• (1110)

The Chair: My sense of the direction of the committee is, one, we postpone it until the end of the day; two, we give at least ten minutes; and three, it comes to a vote before the end of the day.

Can I assume that, as we are all honourable ladies and gentlemen?

Some hon. members: Agreed.

The Chair: Agreed. Thank you.

An hon. member: Not.

Voices: Oh, oh!

The Chair: Someone inserted the “not”.

Colleagues, thank you for that guidance to the chair.

On behalf of the committee, I'm pleased to welcome Mr. Shugart and his colleagues, who I'm sure he'll introduce. I know Mr. Shugart is familiar with parliamentary procedures. He has an opening statement.

The floor is yours, Mr. Shugart. I assume, as I say, that you will introduce your colleagues.

Mr. Ian Shugart (Deputy Minister, Department of Human Resources and Skills Development): Thank you very much, Chair.

I am joined today by Ms. Gina Rallis, who is our assistant deputy minister, human resources services; Ms. Carolina Giliberti, who's the senior ADM for service management in Service Canada; and my chief financial officer, Mr. Alfred Tsang.

[*Translation*]

I am very happy to have this opportunity to speak to you about the approach the Department of Human Resources and Skills Development has taken to meet the target of the operational budget freeze set by the government.

[*English*]

We are in a period of financial restraint, and we know in the department that this restraint is going to be a way of life for us for some period of time. Our integrated business plan takes this into account.

The integrated business plan aligns human resources and financial management to ensure that all of our key activities and initiatives support our broad objectives and priorities—for example, our 2010-2013 plan identified judicious technology upgrades and streamlining of processes as key elements that would help the department maintain its service standards in a context of fiscal constraint.

[*Translation*]

My department is now faced with an important challenge: we have to find ways to maintain levels of service and carry out the will of our ministers and of Parliament, while staying within our reference levels. How are we going to do this? In response, allow me to put things into context.

[*English*]

In 2009, in order to cope with the increase in the volume of claims for employment insurance because of the recession, the department had to hire and train temporary personnel, redistribute the workload across the country, recall employees who had recently retired, extend overtime hours, open employment insurance call centres on Saturdays, and speed up the automation of claims processing, among other measures. Because we knew the need would not be permanent, our strategy also included a gradual approach to managing the reduction of human resources as the economy improved. This is already happening, as the number of temporary employees is steadily declining.

Our reference levels, of course, are voted by Parliament, and I have to make sure we hire the necessary people to provide the wide range of programs and benefits and services we're responsible for within that context. Aligning our workforce more closely with our operational needs is only one element of our approach. Moving forward we will need to look at our workforce needs and develop our plans in light of those operating budget restrictions.

This is why, for example, we have a workforce management strategy of which vacancy management is an important component. In the department as a whole, we foresee that during the 2011-12 fiscal year, some 950 employees appointed for an indeterminate period will retire and some 750 will move to another department or leave for other reasons. Therefore, attrition will be a factor in reducing the size of our workforce and this will give us some flexibility. Decisions to staff the resulting vacant positions will be made according to the needs before us.

• (1115)

[Translation]

In an environment of financial restrictions, it's clear that we must concentrate our efforts on our core business. And this, while modernizing our service delivery, streamlining our operations, improving our skills and functioning more efficiently. Technology is helping us do more with less. It's allowing us to serve more Canadians more quickly and efficiently than ever before. It's one of the keys to maintaining our service standards.

[English]

Automation of simple processes and internal transactions and standardization of business processes and procedures are also helping us get more value for money. I refer to savings we've achieved on travel and hospitality costs by relying more on video conferencing, for example. For our department, the ceiling for travel, hospitality, and conferences is \$59 million. Because of our efficient use of new technology, we foresee spending only \$54 million.

We've developed a systematic approach to performance management to ensure efficient delivery of service to Canadians. We have established a national workload system for employment insurance to ensure quality and consistency of service delivery across the country. We will keep automating and modernizing our service delivery system for other benefits.

However, becoming more efficient will not help us reach our objectives unless we can manage to build and maintain what I've called internally in the department a three-D workforce that is composed of employees who are devoted, dynamic, and deployable. In order to get results for Canadians, we need to attract and retain talented public servants and maximize their potential; we need to establish a healthy, enabling workplace; we need to strengthen and encourage leadership and innovation; and we need to invest in professional development.

[Translation]

Finally, I would like you to bear in mind that we have just completed an overall review of our general and administrative expenditures. We did this to improve efficiencies and service to Canadians; we're thinking of the future.

[English]

We've also developed an internal communication strategy to ensure that we've got the understanding and the support of our employees with regard to the management of our human and financial resources.

I want to assure the committee of our commitment to aim for excellence in everything we do and to respond to the needs of Canadians. Our commitment is to serve Canadians, our obligation to Parliament is to do so within our reference levels, and in that spirit, I welcome your comments and your questions.

Thank you very much, Chair.

The Chair: Thank you, Mr. Shugart.

I'm turning to Mr. Regan for eight minutes, please.

Hon. Geoff Regan: Thank you, Mr. Chair.

Mr. Shugart, thanks to you and your colleagues for coming here today, and thank you for generally addressing in your opening statement the real topics we're discussing here at this committee in this study, because looking at how departments are going to manage the kinds of spending restraints that we put on you at a time when you're facing various challenges is an important question for Parliament to understand and for us to examine as we look at approving expenditures by the government.

I must tell you that I have the utmost respect for our civil service in Canada. In view of this, it seems to me that you've been put in an awful position by this government and the kind of spending spree it's been on since it came into office.

We've seen federal spending under the current government grow from \$175 billion in 2005-06 to \$245 billion in 2009-10. That's a remarkable growth in spending. In fact, in the last two years we've seen record deficits of \$45 billion and \$56 billion respectively, making it obviously challenging for departments like yours.

The IMF and the Parliamentary Budget Officer both say that the country has a structural deficit. This, of course, is in contrast to what the finance minister wants Canadians to believe. We have the Treasury Board president talking about solving their mismanagement of our country's fiscal matters through attrition rates in excess of 11,000 persons a year, but the government's own departmental reports on priorities and planning identify only 1,133 staff reductions.

We're told there's a plan to dig the country out of the massive hole the Conservatives have put us in, but all the Treasury Board president is able to produce is a single sheet—and I have a copy of the lovely sheet he had the other day before the committee. I'm not laying my hands on it quickly, but he was holding up two sheets, saying this is our plan. In fact, it was one single sheet translated into French and the other one that simply tallies up the spiral of deficit the government has in mind over the next five years. In view of that background, all departments find themselves in a very difficult situation.

But let me ask you another question to start. The question is, have you ever had a minister take a document received from you as senior civil servants in your department and change it or doctor it to make it look like you approved something or recommended something when actually you recommended the opposite?

• (1120)

Mr. Ian Shugart: I have signed many memoranda to ministers over the years, Chair, and I've received varied responses—

The Chair: Sorry, Mr. Shugart.

Mr. Calandra has a point of order.

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Perhaps Mr. Regan can help me understand how that's relevant to the topic of budget freezes.

The Chair: As reluctant as I am to agree with Mr. Calandra, if you could bring this down to some relevance to this particular...

Hon. Geoff Regan: Mr. Chairman, we're looking at how the minister of the department performed and how this department handles these sorts of things. The question is, if we're having ministers mislead us on material on how they handle things, it's important for us to know that.

The Chair: Mr. Shugart, continue with your response.

Hon. Geoff Regan: I don't know why they don't want us to hear the answer to the question. I'm sure it won't take very long.

The Chair: For the time being, I'm going to allow this question to go forward.

Mr. Shugart.

Mr. Ian Shugart: All I can say, Chair, is I have always endeavoured to make my advice and recommendations to my ministers clear. I've been blessed with ministers whose responses have been clear in their reaction to my advice.

Hon. Geoff Regan: I guess I'll settle for that as an answer.

Last week officials from Industry Canada told us that the impact of the government's restraint measures would be \$3 million this year and \$4.6 million in 2011-12 for their department.

What are the numbers for your department in this regard?

Mr. Ian Shugart: The impact of the operating freeze, Chair, for Human Resources and Skills Development Canada is \$4.1 million in the next fiscal year, 2011-12, and \$5.2 million in 2012-13. That's the impact of the operating freeze.

Hon. Geoff Regan: A related question is this. Will you see staff reductions as a result of the government's stimulus plan winding down? If so, how many?

Mr. Ian Shugart: Yes. We anticipate that in the order of the 3,000 employees we brought in on a temporary basis to assist with the workload increase relative to employment insurance.... We anticipated from the outset that, following the recovery, those staff resources would not be required, so we took advantage, quite consciously, of the temporary nature of hiring. They will indeed be brought down—

Hon. Geoff Regan: So in the range of 3,000?

Mr. Ian Shugart: Yes.

Hon. Geoff Regan: I'm sorry to interrupt—

Mr. Ian Shugart: No, no. I understand.

Hon. Geoff Regan: —but I only have so long, as you can understand.

How much do you foresee you will save in your budget from that change?

Mr. Ian Shugart: I don't know the actual number that translates into, but I could help, Chair, if I were to add that we do see normal attrition in retirement going on in the department. Those were the numbers that I referred to in my opening comments: in the order of 950 who will retire and then another 750 who will leave the department's rolls for a variety of reasons. I would make the distinction between that and the EAP influx.

• (1125)

Hon. Geoff Regan: I'll get to that. I want to talk about that with regard to which or how many of those positions get replaced.

But in terms of the staff reductions from the stimulus plan winding down, what other reductions beyond those are you planning? What other staffing areas will not be continuing?

Mr. Ian Shugart: Those are the major ones. In any given year we may have reductions associated with the sunset of programs, for example, that are only financed for a finite period. If those programs end, we would potentially reduce our FTE count as a result of that.

Also, through fairly complicated formulae, we attribute to what we call our enabling services, such as finance and human resources and so on—administrative overhead—numbers of FTEs that are associated with major program initiatives. There can be some reduction in those as well, but the major impact is the 3,000 that we've referred to.

Hon. Geoff Regan: Thank you.

You've spoken of the attrition numbers that you expect this year. Does that reflect your average annual attrition rate at the department? Has this rate changed much over the past few years?

Mr. Ian Shugart: It would go up and down somewhat, but it would be fairly typical over the last several years. If anything, I think we would anticipate it growing marginally as the demographic bulge in the public service works its way through.

Frankly, this is one of the concerns that all of us have as managers in the public service: that we balance that with the need to retain and recruit fresh blood into the institution. But we take that into account, and something that we've been doing much better at in recent times, and that now, as we head into this fiscal climate, we'll have to get better and better at, is forecasting what the attrition rate is so that we can plan appropriately at the other end. But it has been relatively stable, as a trend.

The Chair: Thank you, Mr. Regan.

Thank you, Mr. Shugart.

[Translation]

Ms. Bourgeois, you have eight minutes.

Ms. Diane Bourgeois: Thank you, Mr. Chair. I would simply like to clarify that I am going to share my time with my colleague, Mr. Vincent.

Mr. Shugart, ladies and gentlemen, good morning and welcome.

First, I would like to congratulate you. It doesn't happen very often, but I believe it's important to note that, out of 10 departments, you are the only one to have given the Parliamentary Budget Officer a sort of plan or integrated approach that describes what you are going to do. It's entirely in your favour. It allows us, as parliamentarians, to observe the seriousness with which you are considering the freeze on budget envelopes. As a result, it makes us choose our questions carefully. Now that your plan has been presented, we must understand it. I am no doubt going to ask the same type of questions as my colleague. Please don't get upset with me. We are having a little difficulty finding our way through this management of the freeze on budgets.

Our researcher contrasted the estimates for 2010-2011 with the estimates for 2009-2010. I realize that there has been an increase in net expenditures. In the context of a freeze, how can there be such increases? Can you explain that to me? There are millions of dollars in increases in staff, an increase in transport and communications, professional and special services and transfer payments. I have difficulty understanding it.

Mr. Ian Shugart: First, Mr. Chair, I accept the honourable member's congratulations and thank her for them.

• (1130)

Ms. Diane Bourgeois: It's well deserved. Bravo. You are the only ones we are managing to keep up with.

Mr. Ian Shugart: But I would like to point out that, as a department, we have been a little lucky. While we were preparing, during that period, we were able to spend a lot of time on improving our services. That approach required that we get ready by refining our systems, and our procedures for forecasting, planning and implementing technologies.

Ms. Diane Bourgeois: It was planned. In other words, you have a vision. You have seen what is coming.

Mr. Ian Shugart: Exactly. For us, this specific mission has had very useful results in this context.

I would also like to clarify that the figures we are discussing concern the operating expenses budget. They do not include all the financial resources that we have been allocated, including the transfers, the amounts transferred to individuals and so on. Perhaps Mr. Tsang would like to add something.

Ms. Diane Bourgeois: Please be brief, Mr. Tsang.

[English]

Mr. Alfred Tsang (Chief Financial Officer, Department of Human Resources and Skills Development): I think the biggest reason is the incremental resources the department received as a result of the economic action plan. If you include the grants and contributions, there are increases in the statutory programs because of the rate increases—the payment is a little bit more—and the demographics.

[Translation]

Ms. Diane Bourgeois: It's quite possible. I see that you did not have the same figures as me. We can probably come back to that.

One issue really bothers me. You said that there is natural attrition, that vacant positions are not filled and that this automatically has an impact on the services to citizens. You provide a lot of services, and you deal with a good number of sectors. What is the impact on the services? We already provide services in our own ridings. I am going to let my colleague come back to the matter.

Mr. Ian Shugart: Actually, I said that attrition gives us some flexibility. I didn't say that we would not make up for some of the attrition rate. It's a matter of judgment for us. We need to see what the demands are. That will guide our choices as a department.

Ms. Diane Bourgeois: Very good.

Mr. Robert Vincent (Shefford, BQ): Thank you. I am going to continue along the same lines.

Where we're from, three full-time employees do the work for the departments, whether it's passports, employment insurance or the guaranteed income supplement. Three people in my office are assigned to these duties, which makes no sense. The employees of each MP, in their constituency office, do the work of the departments whose budgets you have decreased and where there have been reductions in staffing.

In that regard, you said 250 employees and 750 others for 2011-2012. At some point, I will no longer be able to pay these people. You said a decrease of \$4.1 million has to be applied. But I saw in your budget that, simply on the side of travel costs, the planned decrease was \$5 million. So I don't see the need to dismiss or lay off employees if you are already recovering \$5 million. I would like it to be possible to keep a few more employees in the employment insurance offices and in a few others. I would like to hear your comments on this.

[English]

The Chair: You have one minute, Mr. Shugart.

[Translation]

Mr. Ian Shugart: I told Mr. Vincent that, in all sectors, there are a lot of expenses and savings. We need to spend and invest in services, whether it's people, technology, the development of systems that measure levels of service, or other things still. We get indications from some of our system parameters.

• (1135)

[English]

How well are we doing in our delivery?

We want to make sure that

[Translation]

the services are really being provided to Canadians. This means that sometimes we have to recruit people. In other cases, it's a matter of developing and investing in technology. We always want to make sure that employees are competent and fully motivated to serve Canadians. There are two sides to expenses: saving money and investing. It's a little complicated, but it's our reality.

The Chair: Thank you, Mr. Vincent.

[English]

Mr. Holder, go ahead for eight minutes, please.

Mr. Ed Holder (London West, CPC): Thank you, Chair.

I'd like to thank our guests for attending this morning.

I listened with great interest to how you are doing what you're doing. I've heard your presentation. You've talked about having things, it seems to me, well in hand in terms of how you're going to deal with the issue of the challenges that, frankly, all Canadians face. What Canadians are asking this government to do, and I believe governments across this land, is to spend more appropriately within its means. We've talked at some length about how this recovery is fragile. I think there is some great news coming forward, but clearly it's still fragile, and I think we have to be sensitive to it. So I admire the approach your department has taken.

What I've heard over the past number of weeks as we've discussed, for a number of meetings, departmental freezes is that there doesn't seem to be a plan. My sense is that you have a plan. It's fairly clear from what you've presented and how you've responded to some of the questions.

I have two questions.

How would you respond to the question that you have a plan in terms of the implementation of the budget freeze? Second, and perhaps the critical question that Canadians would ask and citizens from my city of London would ask, what is the impact on Canadians in terms of the service levels they can expect as a result of some of the decisions your department has had to make, sir?

Mr. Ian Shugart: We do our very best to begin with the service levels. We can only spend what Parliament has voted for us. The statutory programs with respect to the amounts and eligibility drive themselves, in a sense. We're responsible for managing the operating budget and delivering, in as efficient a manner as possible, those statutory programs, together with the other more specific programs, grants and contributions, and so on. Our whole ethos at HRSDC is to serve Canadians as effectively as possible, so in fact we do have service standards. On employment insurance, for example, our standard is that the applicant receives the response within 28 days 80% of the time. We are currently exceeding that service standard. The same applies in other programs. And we have in place the system to measure on a weekly basis. Our senior executive will receive on a weekly basis, and the senior leaders in Service in Canada more frequently than that, notice of how well we are doing.

Now, we make mistakes. It is a huge system. Every Canadian at some point will receive services through our department. We are fallible. From time to time, we make mistakes, but we're proud that we are working to service standards. We can tell when we don't

make that standard. Our workload monitoring systems tell us why we haven't made that service standard, and we can act to correct it.

Our system is based on people, and it's based on an information technology platform. Stripped down, those are essentially the major components of our operating expenses in delivering benefits to Canadians. We have to use the operating budget available to us as best we can to plan the investments in information technology. We indicated in our report on plans and priorities that the maintenance of our information platform, our information technology, is one of the corporate risks we have to manage, and we have an investment plan to keep that platform current.

The part that is the most flexible, because employees make their own decisions, is the employees who go in and out of the system. As an employer, we have an obligation to make our department as good a workplace as we possibly can. But then there are the actual mechanics of how many people we need, at what levels, with what training, and how their effort is deployed so that we can deliver the services.

• (1140)

Mr. Ed Holder: Thank you for those comments.

One of the things I need to agree absolutely with Mr. Regan on is the quality of our public service and the work that your department does. I think it's compelling when you say every Canadian, all 33 million of us, will at some point be affected by your department. That is a huge responsibility.

Sure, you make some mistakes. Well, heck, we all do, frankly. But I think you've maintained your standards, and your commitment going forward to those service standards is very compelling.

You said that for the fiscal year 2011-12, some 950 employees who were hired for an indeterminate period will retire and that there will be another 750 who will quit or move to another department. That's not a net 1,700, to be fair. That's 1,700 people who are out of your department. I also heard you say there will be a 3,000-employee reduction due to the termination of the infrastructure stimulus plan. That's three times more than the Parliamentary Budget Officer had forecast. I find that interesting.

I want to make that point because I think it speaks to the issue of where we are going to find savings in various departments. There's no question that the infrastructure stimulus plan had some upward impact on our budgetary situation. I would suggest that we are in a downward spiral of deficit reduction. In the upcoming budget you're going to see a clear plan to reduce that deficit and achieve a balanced budget by the year 2015-16. I think that's extremely important.

You have some 1,700 employees who will retire, move to other departments, or quit, and you have the 3,000-employee reduction as a result of the infrastructure stimulus plan. Do you have a sense of how you're going to replace them? What number might be replaced?

The Chair: Mr. Shugart, you have less than half a minute.

Mr. Ian Shugart: Chair, as I indicated to the member's colleague, that gives us a certain amount of flexibility. I don't know today how many of those we would replace, but I can tell you the approach. They will be selected to meet very specific, defined operational needs. That's why we have in place vacancy management committees in each of the parts of the organization. It's so they can assess what we do with every vacancy created by departure, by whatever means. When there's a need operationally to fill positions, we will do that.

The Chair: Thank you, Mr. Shugart and Mr. Holder.

Mr. Martin, you have eight minutes, please.

Mr. Pat Martin: Thank you, Mr. Chair.

Thank you, Deputy Minister Shugart.

We undertook this study to try to ferret out some kernels of information about what the government's plan really is to pay down this behemoth deficit. Just to set the frame of what our investigation is, we're frustrated that the government was bragging from the rooftops of every building in the country as they spent their way to get through the recession. The spending was extremely public. But now when we ask what the plan is to pay down the deficit, all of a sudden that's a deep, dark secret. That's a cabinet confidence, if you will.

I have a feeling that you know more than you're telling us in this paper. It's beautifully written, by the way. Who wrote your presentation today?

• (1145)

Mr. Ian Shugart: Well, a few of the words are my own.

Mr. Pat Martin: Did you contract it out?

Mr. Ian Shugart: No, no. That would have been a collaborative effort between our finance and HR staff.

Mr. Pat Martin: It is beautifully written, and it's very carefully written, but it doesn't tell us very much, with all due respect. Your massive, mega portfolio—I remember when it was cobbled together under Lloyd Axworthy and people thought it was perhaps too massive—has been a favourite target for raiding when governments get into trouble.

Marcel Massé, when he needed to try to balance their books, raided the \$30 billion surplus in the public service pension plan, with no negotiation. He pulled it out. This government, when they needed the \$54 billion surplus in the EI fund, just made it so.

You codified it. You made it legal, essentially, by establishing a new fund.

They've always looked at HRSD to balance the books, because you deal with some of the biggest numbers. You're at \$44 billion in the 2010-11 estimates. You have 27,000 staff. You manage billions and billions and billions of dollars. The government is looking to HRSD once again, I suspect, to help them dig their way out of this deep, deep hole.

What is the name of the committee you sit on with other deputy ministers?

Mr. Ian Shugart: Deputy ministers meet in a variety of areas.

Mr. Pat Martin: But what's the name of the plenary meeting? Is it chaired by the Clerk of the Privy Council?

Mr. Ian Shugart: Well, it's a weekly meeting of deputy ministers.

Mr. Pat Martin: What do they talk about? They must have a plan. They won't tell us the plan. Is what goes on at that meeting a cabinet confidence? It can't be; it's not cabinet.

Mr. Ian Shugart: It may refer to matters that are related to cabinet. We would discuss, Chair, everything from how we collectively manage human resources to how we improve our performance at parliamentary committees.

Mr. Pat Martin: But they must have a plan. They have a plan to reduce this deficit. You guys talk amongst yourselves. I mean, surely, if somebody tells you.... You're the biggest and fattest and juiciest plum on the tree. HRSD is the low-hanging fruit. That's the one they always target when they need a big fix of big dough real fast.

Mr. Ian Shugart: Chair, I think I understand what Mr. Martin is asking me, and I can only say two or three things. First, I'm very grateful that I'm not accountable for explaining the entire fiscal framework of the federal government. I can only speak to the Department of Human Resources and Skills Development.

Second, our resources are overwhelmingly for the cost of the statutory programs, over which I and my colleagues exercise no discretion whatsoever, and indeed, over which the cabinet exercises no discretion that doesn't have to come to Parliament and be voted on in terms of the benefit levels.

Mr. Pat Martin: You have made that clear.

Mr. Ian Shugart: We're actually talking about the operating budget and—

Mr. Pat Martin: But do you know more than you're telling us? Do you know more than you're telling us about the plan? Just say yes or no, because this is so heavily sanitized that it's kind of like gobbledygook really. It's the base level of information. I got more information from what our researchers did, really, about how things are....

I think there's no fat to be trimmed in your department, in your operational budget, because frankly, in economic downturns your department should be growing, because there are more basic needs to be met by the basic needs social services you provide under your department. I wouldn't expect you to be able to answer the President of the Treasury Board and say that you can cut fat in your department. That fat was cut back in program review during the 1990s. I think you'd be down to the meat and the bones if you did any more cutting.

In the absence of any evidence of a plan, we have to conclude that there is no plan to balance the books, because deputy minister after deputy minister after deputy minister comes before this committee and all they talk about is attrition—"we're going to save a bit of money if some attrition takes place"—and it's all really tiny numbers, like 750 people out of 27,000.

I don't want you to go slashing the public service, but it seems to be the only idea that's been brought forward. I mean, there's just a paucity of creativity in the federal government. Either it has a master plan and it won't tell the public because it doesn't want to go into a federal election announcing that it's going to have to be ruthless, or it has no idea how to get out of the \$57 billion deficit other than to cross its fingers and wait.

• (1150)

Mr. Chris Warkentin: Have you read the estimates?

Mr. Pat Martin: Yes, but nobody believes your estimates.

The Chair: That intervention was not helpful. Please, we have witnesses, and in the event that you wish to have Mr. Warkentin as a witness, I'm sure the committee could call him.

Mr. Shugart.

Mr. Ian Shugart: On the point of the recession being the time to do more, my point, and the information provided with respect to the ramping up and then the ramping down of employees, was precisely for that purpose of responding.

Mr. Pat Martin: It's just offloaded to MPs' offices, because, as Mr. Vincent says, our offices are busy, busy, busy right now with people being basically—

Mr. Ian Shugart: Yes. We work constantly with members' offices, I think very fruitfully, to manage constituents' concerns with Service Canada. But in fact we—

Mr. Pat Martin: I wouldn't be too quick to downsize.

Mr. Ian Shugart: In fact, we recruited 3,000 temporary employees to manage the increased workload in EI. They were fully occupied. As we have seen the level of claims decline, those folks have been removed from the roles gradually and appropriately in keeping with the workload decline.

The impact of the operating budget, the operating freeze, has been in the order of \$4 million. We have flexibility, including in part the normal attrition from our department, and we will use that flexibility appropriately. We will manage within our overall reference levels to achieve the limits that Parliament has put on us.

Mr. Pat Martin: With all due respect, it really is peanuts, Mr. Deputy Minister, through no fault of your own.

The Chair: Thank you, Mr. Martin.

Colleagues, we started late. I am proposing that we go to 12:05 with these witnesses and then call the next witnesses, and that we end with those witnesses at 12:45. I hope that's acceptable.

Mr. Chris Warkentin: All the witnesses will be at the same time then.

The Chair: We will run through the normal order until we get to five after—

Mr. Chris Warkentin: Could we reduce this round to three minutes so that everybody gets a—

The Chair: Only on the consent of colleagues.

Mr. Chris Warkentin: Is there consent for three minutes for everyone?

The Chair: Three minutes for each part. I have 10 minutes, so it's only going to be the Conservatives, the Liberals, and the Bloc.

Mr. Chris Warkentin: Let's try to work it in. Let's do two and a half, and then Pat can get a final question.

The Chair: I'm running until five after. Please give me a consensus here.

Mr. Chris Warkentin: Let's do two and a half minutes and everyone gets a chance.

The Chair: Do we have consent, *chaque partie pour* two and a half minutes?

[Translation]

Ms. Diane Bourgeois: More witnesses are waiting. So we could give two and a half minutes to each party.

[English]

The Chair: Okay. You have two and a half minutes, and I will be ruthless, Madam Duncan.

Ms. Kirsty Duncan (Etobicoke North, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses.

I'm going to pick up on what some of my colleagues have been talking about. I like numbers. I like stats. If I understand this correctly, the operating freeze is \$4.1 million in 2011-12 and \$5.2 million 2012-13, and the attrition of 3,000 has nothing to do with the operating freeze.

I would ask that you table with this committee the numbers for the 950 retirements and 750 in attrition, what the technology is, and what the savings are going to be with regard to travel and conferences. I'd like to see those numbers and a real breakdown of where those savings are coming from.

The next thing I would ask is that you please table with the committee what the attrition rate has been at HRSDC over the last five years. I would also like to know how many of those positions were actually replaced.

Going forward, I will ask whether you are delaying the replacement of positions that become open through attrition.

• (1155)

Mr. Ian Shugart: Chair, we will endeavour to provide those numbers.

I have to say with respect to the first set of numbers—the 950 and the 750 that you referred to—that is, I believe, a forecast, what we anticipate. I will not be able to provide you with numbers on which of those will be replaced. That's a decision management has yet to make, but those are the numbers we forecast in consideration of attrition. I can give you the attrition rate over the previous years, and we can give you the ins and outs in hard numbers.

Ms. Kirsty Duncan: If that's the forecast, what are the numbers associated with that?

Mr. Ian Shugart: We would only know whether in fact our forecast was absolutely accurate at the end of the fiscal year, but that is our current forecast. So I identified those numbers not as hard numbers but as what we anticipate to be the case, and that will give us some management flexibility.

The Chair: I'm running a hard clock here, unfortunately.

Can those undertakings be fulfilled in a timely sort of way?

Mr. Ian Shugart: Yes, sir.

The Chair: Thank you.

Monsieur Vincent, go ahead for two and half minutes.

[*Translation*]

Mr. Robert Vincent: Thank you, Mr. Chair.

Mr. Shugart, you didn't answer the three questions I asked you earlier. I'll rephrase them so that I can get a response.

We know that, in the ridings—and my colleagues confirmed this for me—when people go to the passport or employment insurance office, which also takes care of passports, they are told to go to the MP's office. Is this a roundabout way of saving money and getting rid of positions? I don't see any other reasons.

Mr. Ian Shugart: Mr. Chair, passing the responsibility of meeting the needs of Canadians off to the offices of MPs is in no way our policy. Canadians have a number of ways—

Mr. Robert Vincent: You answered my question, and that's good, but people are not using the ways you mention. When they come to the employment insurance offices, they're told to go and see their MP. They aren't directed elsewhere. Go see the MP, that's the easiest. Could you talk to these people, so that you take more responsibility for these things and we have more time to spend on other services to the population.

You said that you want to save \$4.1 million, but as I told you earlier, you are going to save \$5 million. An amount totalling \$59 million was spent on travel, hospitality and conference expenses. Don't you find that a huge amount? You want to save \$5 million to get to \$54 million. I don't see how it is relevant to cut positions when you've already managed to reach your goal of \$4.1 million by cutting travel and hospitality expenses.

I would like to know if you are still going to reduce the number of employees or if you are going to keep employees to do the work that is currently being done by the offices of MPs.

[*English*]

The Chair: Thank you, Mr. Vincent.

You've got ten seconds if you wish to respond, Mr. Shugart.

[*Translation*]

Mr. Ian Shugart: I said that \$5.2 million was planned for next year. Actually, it's \$4.1 million for this year and \$5.2 million for next year. I said it once and I'll say it again: the individual amounts, particularly for conferences and travel, are one element of our budget, but it is not an overall amount. There are still funds that need to be allocated to organizational operations. Employee spending is one specific element, but there are a number of others. It is up to us to manage the overall amounts in the context of our operations budget.

• (1200)

[*English*]

The Chair: *Merci*, Mr. Shugart. That was a little bit more than ten seconds.

Mr. Calandra, two and a half minutes.

Mr. Paul Calandra: Thank you, Mr. Chair.

Thank you for coming. It's very interesting. It's shocking to learn today that the Liberals and the NDP don't support the stimulus package that we brought forward. I remember when the coalition was struck, this is what proposed finance minister, Jack Layton, had to say. He said the accord's proposed multi-billion dollar stimulus package for the economy was prompt, prudent, competent, and, most important, effective. That's what he said at the time when the coalition was striking. That was proposed finance minister Layton.

I recall that when the Liberals were in power, HRSDC, unfortunately, had the billion dollar dilemma, and I remember the AG at the time said that some 459 projects were in controversy and that the reporting was done really poorly. I suspect that if we found some of that money it would go a long way to helping you, or perhaps some of the \$40 million that still is outstanding from the sponsorship scandal. That would certainly help us out a bit.

Let me ask you this. Can you meet the requirements the government has asked you to do to find spending efficiencies in your budget that will allow us to bring the entire government's budget back into balance? Can your department do that effectively over the time limits and with the constraints that we've given you?

Mr. Ian Shugart: We can do our part, because that is our obligation as public service managers, to use our reference levels for the benefit of Canadians and no more. We will work within that reference level, and we will do it to the very best of our ability to provide services in a timely fashion to Canadians.

The Chair: You have 30 seconds.

Mr. Ron Cannan (Kelowna—Lake Country, CPC): I just have a quick question.

Thank you very much. Coming from the Okanagan in the interior of British Columbia, I know we've been able to service rural areas more efficiently using technology. Can you just expand on how you're using technology to ensure that the service levels are maintained?

Mr. Ian Shugart: We have, Chair, been on a strategy to provide Canadians with access to Service Canada through what we call Click-Call-Visit, and increasing numbers of Canadians are taking advantage of the Internet for online application management of their claims, particularly employment insurance, and in the longer run, we have strategies to expand that to the income support mechanisms as well.

The Chair: Thank you, Mr. Cannan. Thank you, Mr. Shugart.

Hon. Geoff Regan: I have a point of order—you have Mr. Martin next, but after that.

The Chair: Yes, after that a point of order.

Mr. Martin for the final two and a half minutes, please.

Mr. Pat Martin: Let me simply say then, in summary, we believe the public has a right to know, especially before the next federal election, what the government's plan is to pay down this monster deficit. They refuse to tell us, and you and other deputy ministers from other departments give us pretty much lofty platitudes. It reads like the preface to the total quality management book about excellence in management, etc., but it doesn't give us any clear idea.

I have to ask, were you advised to stonewall this committee in your deputy ministers' meetings? Is there some conspiracy of silence so that you are not allowed to divulge what you know about the government's plans to balance the budget and how they plan to find \$57 billion?

Mr. Ian Shugart: Certainly not, Chair.

Mr. Pat Martin: It just doesn't add up then. It really doesn't. Again, the public's right to know is being compromised.

Our fear is that the government is going to balance the books on purely ideological grounds after the next federal election, cutting and hacking and slashing things like KAIROS and things that they ideologically oppose, instead of through some reason or logic. The public has a right to know if that's their plan before the next federal election. It's like pulling teeth, getting the most basic information out of people.

This is not a plan to reduce any significant amount...we would expect you to use this amount of prudence and probity every year. It's not an especially aggressive savings strategy. This is just good management, where you look for efficiencies and better delivery. We expect that continuous improvement every year from every government department. But we're still trying to find the answer to

our question, "How do they plan to pay down the deficit?" They're determined not to tell us until the public goes to the polls again.

In fact, they're advertising a bunch of falsehoods, saying they will be in the black. They say, "Give us one majority government and we'll be in the black." Nobody in the world believes them, including the IMF. We can't even get from our senior bureaucrats what the real plan is. That's the frustration we have here, with all due respect.

We appreciate your presentation, but it doesn't satisfy our problem.

● (1205)

The Chair: Thank you, Mr. Martin. Your time is finished.

I think I have two points of order. May I release the witnesses?

We'll wait for a moment before we deal with the points of order.

I think Mr. Regan is up first.

Hon. Geoff Regan: Mr. Chair, could we request from the officials the operating freeze reductions for the current year? We haven't heard that.

The Chair: Is that—

Hon. Geoff Regan: Not necessarily right now, but we haven't heard them.

The Chair: Is that possible?

Mr. Ian Shugart: The current year operating freeze is 4.1%. We've been living under the operating freeze.

Hon. Geoff Regan: Sorry, the number of reductions of people is what I meant.

The Chair: You heard that, Mr. Shugart? He meant the number of reductions of people.

Hon. Geoff Regan: We saw 2011-12 but not 2010-11.

Mr. Ian Shugart: We'll review what I've said and present that in a summary form, just so there's no confusion about what numbers I've been referring to.

The Chair: Thank you.

Mr. Holder.

Mr. Ed Holder: Thank you, Mr. Chair.

I'm going to avoid debate insofar as my colleague from the New Democratic Party was talking about the lack of a plan, and yet that's what I thought I heard.

What concerns me were the remarks he made at the very end, which seem to me to challenge the integrity of our witnesses. I know this member to be honourable, and it strikes me that he might want to reflect on that kind of commentary.

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

Mr. Ed Holder: It is because I think we may get to the point with our witnesses that they don't want to come because of the fear that their integrity is going to be challenged. I think that shows disrespect, and our committee can do better than that.

The Chair: That would be under the auspices of a point of debate. It's not a point of order.

On behalf of the committee, I want to thank the witnesses for coming. I appreciate your accommodation with respect to our time constraints.

I'll suspend for a minute or two, while we de-panel and re-panel.

• (1205) _____ (Pause) _____

• (1210)

The Chair: Colleagues, can I call this meeting back to order?

I apologize to all for the time restraints that we're under, but our dilemmas are, if you will, somewhat self-created.

If I could call the other witnesses up, please....

[Translation]

Welcome, Mr. Mallette.

[English]

Monsieur Lévesque and Mr. Stewart, welcome.

First of all, on behalf of the committee, may I apologize. We've had some committee business that has occupied some time. Regrettably, we have until one o'clock. We've had to allocate some 10 or 15 minutes for committee business at the end of that time. I apologize for cutting back the time in which you might wish to make a presentation.

Without further ado, may I invite Monsieur Mallette to make his presentation and introduce his colleagues, please.

[Translation]

Mr. Pierre Mallette (National President, Union of Canadian Correctional Officers, Confédération des syndicats nationaux (CSN)): Good afternoon. My name is Pierre Mallette. I am the national president of the Union of Canadian Correctional Officers, which has over 7,000 members across the country.

Our union's role is well-known, but let's keep in mind that it has the safety, training and working conditions of its members at its heart. We thank you for giving us the opportunity to share with you our point of view on the impact that the freeze on budget envelopes has on correctional officers and on the prison system in general.

Frankly, we need to tell you that we have fears and doubts. Can we get away with a freeze under the circumstances? Does the government have enough money to face the challenges that it is imposing on us? The freeze on budget envelopes means that the Correctional Service of Canada will have to make do with the money available to cover salary increases, in particular. The planned salary increase for 2010-2011 is 1.5%. The money available must also be used to provide training and protect the safety of employees, and to handle the renewal of the collective agreement, which expired on May 31, 2010.

Furthermore, Bill C-2 and Bill C-25 impose new challenges because they will mean an additional 4,478 inmates by 2014 and an additional 4,419 positions, most of which will be CX positions, over the next three years. In short, it's a challenge for recruitment, training and the management of inmate programs and, therefore, there are more risks.

What are these risks? First, you have to put yourself in the correctional environment. Every day, we have to face incidents in that environment that are difficult to foresee. We are not safe from inmates who, one day, decide they've had enough and want to break everything.

The new bills that the government wants to adopt, such as Bill C-2 and Bill C-25, will end up increasing the prison population. Those inmates will need to be housed in institutions that will have to make space for them, and we will have a double bunking rate of up to 30%.

Double bunking means increased risks, better control of the prison population and a better assessment of the risks related to the population. On the inside, we have to manage the population. We must find a way to make several types of inmates live together. We have inmates from organized crime, street gangs, motorcycle gangs, Asian gangs and gangs from Russia. When it comes to managing a prison population, the larger the population becomes, the more you need to be equipped for the simple management of the population. Above all, it is important to avoid managing it to the detriment of the inmates, if programs can no longer be provided to help them rehabilitate.

We must never forget that the Correctional Service of Canada has two roles to play. Its primary role is to protect the safety of the public by limiting access and preventing high-risk offenders from escaping from the prisons. The main risk is in managing these populations, but its second mandate is that we must ensure that inmates are returned to the community and see to it that they are no longer a danger to society.

New announcements have been made in the context of Bill C-25. In fact, we hear that there will be new buildings and an increase in the number of correctional officers and employees. We hear that the number of inmates will increase and that we will have more space and more officers. But that doesn't mean that we will have more money for programs to control these populations and to handle uncontrollable day-to-day situations.

We know that Mr. Head came to make a presentation and that he proposed three ways to manage the freeze on envelopes.

• (1215)

The first solution that Mr. Head proposed is this: he believes that better control over work schedules and new deployment standards will help manage the budget allocated for overtime. It's true. We also believe that these two aspects will help to better control the financial aspect of overtime.

But people are being tight-lipped—both in the government announcements about the construction and within the Correctional Service of Canada—about population management and the programs we are going to offer.

It's true that part of the overtime envelope can be managed with schedules and deployment. We can have a better handle on that, but the level of risk is still difficult to calculate.

The warden of a penitentiary receives an overtime envelope that he must distribute over 12 months to ensure that overtime is monitored and that the mandates are fulfilled.

If some inmates decide to stab another inmate and one of them is hospitalized, there aren't necessarily resources set aside for the staffing. This creates a surplus in the budget envelope. If an inmate decides to attack some correctional officers, three correctional officers may be on leave because of an accident on the job. Then there are riots and major incidents. One fine summer evening, the inmates may decide to stay outside for three more hours. This type of incident is difficult to control and difficult to foresee. This is why we believe that the overtime budget envelope must be planned and better invested. It's difficult to say that we will be able to monitor the overtime envelope 100%. We can't claim that.

As you know, there has been a lot of talk about being "tough on crime". We feel that it is important to understand that there are two ways to be "tough on crime".

Of course, you have to be able to manage and strengthen legislation. But all of that does not simply mean catching a criminal, throwing him in prison, closing the door and forgetting about him for four or five years without giving him a chance to take any programs. This is what we're concerned about right now.

Bill C-10, which was passed in 2009, looked at the freeze on salary increases. A salary increase of 1.5% was approved. In addition, during bargaining talks, the government decided not to give money to the Treasury Board for bargaining. Instead, it was the department that would cover the increases.

The union and the correctional officers need to be able to sit down with the employer and say that it is now time to negotiate the salary increases. In its budget, it must find money to cover the salary increases. Is there a risk that the overtime envelope for being "tough on crime" and bargaining might mix? Yes. I would not want to be in the position of having to dump a working condition for a salary increase. It's unacceptable.

The purpose of our presentation today was to share our concerns with you. Also, we recently learned that there is a discrepancy of \$4 billion. We are going to ask questions of the right people and get them to explain to us where this problem came from. Yes, we have concerns about how to monitor and manage our work environment.

Thank you.

• (1220)

[English]

The Chair: *Merci, monsieur Mallette.*

Colleagues, we have 25 minutes and four parties. My suggestion would be to have five-minute rounds. I have had so much experience with this committee that I know five minutes seem to go to six and a half minutes.

Mr. Regan, for five minutes, please.

[Translation]

Hon. Geoff Regan: Thank you, Mr. Chair.

Mr. Mallette, thank you very much for being here with your colleagues.

Last week, in response to a question from my colleague, Siobhan Coady, Commissioner Head said that he had asked that all the bills be considered. You mentioned two of them, but there are a number of others. Mr. Head at least acknowledged that he had concerns about the challenge it all represents.

What are your comments on that?

Mr. Pierre Mallette: We have eight labour-management meetings a year where we can share our doubts and fears with Mr. Head.

I believe that the challenge for us, as a union and as correctional officers, is that we need to be able to be heard when we talk about our working conditions. It's a difficult environment where incidents are not always foreseeable. It is important to always keep in mind that all the legislation that's adopted, all the regulations that are changed to improve the situation and be more "tough on crime" will also have an impact on the inmates.

The programs that existed previously gave inmates a purpose for going through the program. They could see a glimmer of hope when they finished it. Where will the inmate find that hope now? Is the inmate going to tell us that, whether he takes part in the program or not, we will make him do 10 years? Will pressure mount on us, the correctional officers? This is what the freeze on budget envelopes does not predict.

Money is being planned for new buildings, new staff, but where is the money to plan for the impact of new legislation on our clientele, who are inmates?

Hon. Geoff Regan: It's worrying that the government refuses to give us estimates on the costs and on the increase in the number of prisoners for each bill.

I want to go back to the issue of double bunking.

What will the real impact on the ground be for your people?

Mr. Pierre Mallette: First, we must always remember that somewhere a correctional officer is opening a cell door. In other words, when the officer does the rounds in the range, there are two inmates in the cell. There are inmates under maximum, medium and minimum security. So the risk can be higher.

Furthermore, there is also a risk for the inmate. Double bunking means that there are two inmates in a cell. That means that we need to determine whether the two inmates can live together. Last year, there were fairly appalling situations where the two inmates in the same cell assaulted each other. One morning, for example, one of the inmates got up and said, as if it were nothing, that he had stabbed the other inmate. The officers discovered it all when they did their rounds. It doesn't make sense.

Population management assessment is important. The decision about sharing the same cell has an effect on us. It's rampant in some institutions that have to manage eight different populations, eight categories of inmates who cannot be in contact with each other. For example, if an inmate from one end of the penitentiary needs to go to the infirmary, he must not have contact with the other inmates. All the other inmates are isolated in the cellblocks so that the inmate concerned can go to the hospital.

All these challenges related to population management and double bunking have an impact on the staff. They also have an effect on our working conditions. You have a range with 60 to 70 inmates to manage, but only three on the floor to do it.

So there's an impact on us and an impact on the quality of what the inmate can get. I'm not talking about the inmate's quality of life because it's fairly difficult in prison. The impact is felt on the quality of the programs and on reintegration.

• (1225)

Hon. Geoff Regan: Since there will be 5,000 new employees, or 4,000 additional positions, but also 1,000 employees to replace those who are leaving, what training problems do you see? Do you think that there could be a problem related to the training process?

Mr. Pierre Mallette: We are working with the Correctional Service of Canada on recruitment. We have had a major recruitment problem in recent years because it was poorly defined.

There is an aspect that needs to be protected. When we open the staffing process for correctional officers to the public, we need to make sure that we will not aid in the infiltration of gangs or people without sufficient security clearance or reliability to be in an institution. In a meeting with CSC, we said that there still needs to be criteria.

Personally, when I was hired 25 years ago, my fingerprints were taken. My file and my past were checked, but that costs a lot. But what is the cost when we have hired someone and need to let them go right away? We often tell the employer that the people they hire subsequently become our members.

[English]

The Chair: Thank you, Mr. Regan.

[Translation]

Ms. Bourgeois, you have five minutes.

Ms. Diane Bourgeois: Thank you, Mr. Chair.

Thank you, Mr. Mallette, for being here with your colleagues. I was very much looking forward to having you here. In my opinion, it's people like you who can give us the best examples of the impact of the freeze on these budget envelopes.

Earlier, you mentioned the role of the Union of Canadian Correctional Officers and the role of CSC, but I forgot to take note of it. Can you tell me about them? You said that the Correctional Service of Canada has one or two roles to play.

Mr. Pierre Mallette: Under the Corrections and Conditional Release Act, which governs CSC, it has two mandates. I'll explain them simply without reading the text of the act. The first mandate is to protect the safety of the public and ensure that the inmate does not

escape. I would say that the mandate relates to security once the inmates are incarcerated.

The second mandate, which is as important, is that, one day, the inmate will be returned to the community. Let's take an inmate from organized crime, for example. He is incarcerated and serves his five-year sentence. Under the new legislation, he has served it fully and completely. Before he is returned to the community, we must be able to equip him to try to give him the opportunity to rehabilitate, as much as possible.

If we arrest an offender, incarcerate him and then return him to the community without trying to give him his chance at rehabilitation, are we fulfilling the mandate of protecting the safety of the public? No.

Ms. Diane Bourgeois: I imagine this happens through services, psychological counselling and programs.

Mr. Pierre Mallette: Basically. There are a number of services. It depends on the type of inmate. If the inmate has problems with drugs or alcohol, for example, there are specific programs to help him. There are programs for inmates who have problems with spousal violence or external violence. All these programs are one step to help him return to the community.

Ms. Diane Bourgeois: You told us earlier that the prison population has changed. Can you take 30 seconds to tell us more about this?

Which new population is the most difficult?

Mr. Pierre Mallette: That's a good question, madam. I will answer you by saying that, for example, tomorrow and Thursday I will attend a meeting on gangs.

Ms. Diane Bourgeois: Street gangs?

Mr. Pierre Mallette: Street gangs, criminalized gangs and gangs that try to take control of institutions with other inmates.

This reality creates problems for managing the population. How can we have street gangs we call the reds, the blues, the Hell's Angels, the Rock Machine, the mafia and make them live together in the same institution? How will we be able to manage these gangs?

It's a significant challenge that we need to look into. I'll go even further. Right now, because of the gang problem, it is becoming more and more difficult at CSC to switch institutions.

In the 1980s, if there were two inmates with behavioural problems at Donnacona, I could transfer them to Archambault. Now, with the management of populations, it's not as easy.

• (1230)

Ms. Diane Bourgeois: There is a correctional institution in my riding. It's in Sainte-Anne-des-Plaines. There is a minimum-security unit, a maximum-security unit and a regional mental health unit.

I'd like to hear your opinion on the mental health unit. According to the correctional investigator, we are seeing more and more mental health problems. Tell me about the consequences of having two inmates with mental health problems in the same cell. Can you also tell me about the impact of the lack of services and programs inside the facility and the impact on the correctional officer who must then return to his family environment? I'd also like you to talk about the bargaining talks that are now under way. I think that you are currently in court against the government.

I would like you to tell me about these three aspects very quickly.

Mr. Pierre Mallette: First, the data on mental health from recent years show us that the number of mental health-related problems has increased.

The Correctional Service of Canada has five centres across Canada: one in British Columbia, one in the Prairies, one in Quebec, one in Kingston and one in Dorchester, in the Maritimes. I'll tell you that the five centres are operating almost at full capacity.

Actually, we can't put two inmates in the same cell in a mental health unit. Putting people with mental health problems in the same cell would run a huge risk of a serious incident. Something could happen.

Mental health is an area where we, the correctional officers, are faced with serious debates. Is the institution a penitentiary or a hospital? Is the person an inmate or a patient?

There's an energy—

The Chair: Mr. Mallette, Ms. Bourgeois' time is up. Ms. Bourgeois is a very intelligent person. She asks three questions in a few seconds. Unfortunately, that doesn't give you enough time to answer.

[English]

Mr. Warkentin.

Mr. Chris Warkentin: I appreciate your attendance today, and we appreciate that we've given you a limited time to answer our questions. We are looking for short answers.

You speak of the need for additional or expanded facilities. I would ask if you and your membership are supportive of the investments that are going to update and expand facilities.

[Translation]

Mr. Pierre Mallette: Yes, we are in favour of the expansion. We are happy to see that there are more spaces, but I don't know how we are going to manage them. It's a question I don't have an answer to.

[English]

Mr. Chris Warkentin: There has been an announcement of over 4,000 new officers, so that is going to address some of those concerns. You're going to see, quite possibly, over 4,000 new members. That would be of interest to you.

You talked about the changing nature of prisoners. You talked about gang involvement and a whole host of other threats that you and your membership are facing. We have heard from other people that the vast majority of prisoners today are non-violent, pose no risk to the general population, and would pose no risk to the guards in the

prison system. Do you agree with the statement that the vast majority are non-violent?

[Translation]

Mr. Pierre Mallette: There are two statements to address. First, when you say that we will have 4,000 more correctional officers, that's not entirely true. We will not have 4,000 more correctional officers; we'll have 4,000 more employees. It won't be just correctional officers.

[English]

Mr. Chris Warkentin: I appreciate that some of those people will be involved in rehabilitation and other aspects—

[Translation]

Mr. Pierre Mallette: Your question on the inmate profile is very good and touches a little on what I just said.

I have been an employee with the Correctional Service for 25 years. We have grown by offering programs, giving inmates a chance to take charge of their lives. Now, we are helping with the adoption of stricter sentences. There is new legislation. Are we going to bring inmates back to a situation where they won't have anything left to lose? Are we going to go back to 1982 or 1986, when CSC said that revolving door syndrome happens when inmates stay in their cell all day and do nothing.

• (1235)

[English]

Mr. Chris Warkentin: You talked about the biker gangs, the Asian gangs, the Russian gangs, and a whole host of other folks who pose a threat to your officers and to your membership.

Do you believe that the vast majority in the prison system today are non-violent and pose no risk to your membership?

[Translation]

Mr. Pierre Mallette: You know, there is a minority that causes problems. I want to be clear. You are trying to make me say that the inmates are less violent than they used to be. My answer to that question is no. They are better monitored. But the structures without rehabilitation plans or programs that we are currently seeing concern us.

[English]

Mr. Chris Warkentin: I appreciate that. I know there are significant rehabilitation plans to support those people who need rehabilitation within the prison systems. But I believe that people are going to prison because they do pose a risk to Canadians, to the general population, and that they therefore pose a risk to the prison guards as they go through the rehabilitation process. I appreciate your enlightening this committee that the people who are being sent to prison are threats to your membership and would be threats to Canadians outside the prison system if they were released.

The testimony we heard at our last meeting was that the vast majority of inmates today are non-violent. I think you and your membership would be best positioned to assess the risk that people incarcerated in Canada pose today.

You talk about your desire for pay increases and how this is unfolding.

You question the opportunity for reducing overtime hours. It is important to note that the department and Mr. Head explained that the efforts being undertaken today have yielded significant and real savings. It is not hypothetical. There's an opportunity for savings. In fact, he unveiled for this committee significant savings. Millions and millions of dollars have already been saved as a result of the better management of people's schedules. It is important that your membership is aware of that, and that Canadians are aware that there is an effort being made to better manage the resources. I know your membership will be supportive of that as it affects their lives on a daily basis. When we talk about the savings that would result from overtime savings, it is not hypothetical. It has actually been undertaken, and there is real evidence for it.

The Chair: Thank you, Mr. Warkentin. Unfortunately, there's no time for the response.

Mr. Martin, five minutes, please.

Mr. Pat Martin: Thank you, Chair. I'll try to be brief.

In many senses you have one of the most dangerous jobs in the civil service, but in another sense, you have the safest and most secure job in the civil service. Your organization has become the darling, the sweethearts, of the Conservative regime.

You're the manifestation of the glory that is Harper's Rome. You're the only department they see fit to spend any money on at all, in fact billions and billions. Everywhere else they're cutting and hacking and slashing and destroying. But with you, they're building and building.

Are you in collective bargaining now?

Mr. Pierre Mallette: Yes.

Mr. Pat Martin: Well, you should stick it to them now. You should stick it to them and make them pay, I'm telling you.

Do you have the right to strike, or are you a central service?

Mr. Pierre Mallette: No.

Mr. Pat Martin: You do not have the right to strike?

Mr. Pierre Mallette: No.

Mr. Pat Martin: Do you have the right to refuse unsafe work?

Mr. Pierre Mallette: Yes.

Mr. Pat Martin: Then you should walk off the job tomorrow. Every day they double-bunk these guys in your jail, you should tell your members "Down tools, we're going home." Stick it to them.

Stick it to them, because you've got them right here. You've got them right by the knackers, right now.

They need you. They need you more than you need them. They need you desperately because they've bankrolled everything. Everything they stand for now is embodied by a prison.

The prisons are nothing without the prison guards. You're their saving grace. You're their hope. Their dream to a majority government is to build more prisons and have them staffed by you.

But you, as a representative of the worker, should not tolerate this unsafe work. I was our union rep, and I would have told my guys to get out of there now: "Down tools. We'll come back when it's safe."

What do you think?

• (1240)

Mr. Pierre Mallette: I'm taking notes.

Mr. Pat Martin: Stick it to them. They deserve it too. A lot of them deserve it.

[*Translation*]

Mr. Pierre Mallette: I am taking note of it, but yes, we are at the bargaining table. I think that there was a question about that at the start. We are currently bargaining, and have been since May 31, 2010. It's going to be difficult because two things are not working in our favour. The first is that the government adopted wage freeze legislation in 2009. We are now dealing with a maximum increase of 1.5% for 2011. We don't know if it will be zero or more for 2012 and 2013. The only thing we do know is that, if we bargain with the Treasury Board, it's the department that has to provide the money.

[*English*]

Mr. Pat Martin: But they have an unlimited ability to pay. They've told us that. There's no ceiling on the money they will spend on prisons. If you started pulling a right to unsafe work every day for the next 30 days, you could write your own cheque. You would just say "sign here" because they'd give it to you. They have to.

They need the prisons. They need the prisons because that's all they're offering the Canadian public. Everything else is cutting, hacking, slashing. Prisons are building, building, building. That's their empire. That's the glory that is Harper's Rome: his one big prison.

[*Translation*]

Mr. Pierre Mallette: I want only to finish what I started to say. We have major bargaining issues: training, safety, hiring new staff and, of course, the pension plan. At the time, the Conservatives told us that they would be willing to talk. We are still waiting for a call from the government to see how we are going to bargain.

[*English*]

Mr. Pat Martin: But they think substance abuse is a crime, not a sickness. They're not concerned with addictions and substance abuse; they view that as a crime to be punished with prison time.

Believe me, there will be bricks and mortar and there will be more prison guards, but there will be fewer and fewer programs because that's the only place they can cut.

We know the experience of letting people serve their time without programs so they are well when they get back on the street. I predict you'll get the bricks and mortar and you'll get your staff, but you won't get extra programs out of them. I bet you a dollar right today.

The Chair: Is that the end of your questioning, Mr. Martin?

Mr. Pat Martin: Yes, it is.

The Chair: Thank you.

Hon. Geoff Regan: Mr. Chair, I suggest that we ought to ask these excellent witnesses back, because there's much we should hear from them.

The Chair: Thank you. We can take that up at another time.

Mr. Mallette and your colleague Mr. Stewart, I want to thank you on behalf of the committee.

I don't think you should be overly worried about Mr. Martin taking your job, Mr. Mallette. Nevertheless, I thank you for your willingness to come before the committee. As you can see, already there's some interest in having you return.

Again, thank you.

We'll suspend while we go in camera.

[Proceedings continue in camera]

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