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Chair

Mrs. Deborah Schulte

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• (0845)

[English]

The Chair (Mrs. Deborah Schulte (King—Vaughan, Lib.)): Thank you very much. It looks like we have everybody here who needs to be in the room. We apologize for the last minute change of room. The other room had some technical difficulties, so we're now here. It's a little bit smaller and cozier.

Welcome to you all.

I see some new faces around the table.

Bob Bratina, thank you very much for joining us.

Mr. Bob Bratina (Hamilton East—Stoney Creek, Lib.): Thank you.

The Chair: We also have Scott Reid and Pierre Nantel.

[Translation]

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Hello.

[English]

The Chair: Welcome.

I'll introduce our guests today. Some are back again, so we're becoming friends.

From the Department of Public Works and Government Services, we have Kevin Radford, assistant deputy minister of real property. We also have Robert A. Wright, and he's the assistant deputy minister of parliamentary precinct. From the office of the comptroller general of Canada, from the Treasury Board, we have Kathleen Owens, assistant comptroller general. She's with the acquired services and assets sector. We have someone who's been before us a few times, even this week, Parks Canada Agency's Genevieve Charrois, director of cultural heritage policies.

Just so that everybody is clear where we are, because we've bounced a little bit between the private member's motion—Mr. Van Loan's bill—we're back to our heritage study to have an opportunity to talk to the departments about some questions that came up in our minds for other departments that are involved in the heritage study that we might not have touched before. We're very interested in your presentations, and then we'll get into questioning.

Who would like to start?

Ms. Owens, the floor is yours. Thank you.

Ms. Kathleen Owens (Assistant Comptroller General, Acquired Services and Assets Sector, Office of the Comptroller General of Canada): Thank you, Madam Chair.

My name is Kathleen Owens. I'm the assistant comptroller general for assets and acquired services within the Treasury Board Secretariat.

It's an honour to be here today to talk to you about Treasury Board policy as it relates to heritage considerations in the management of federal real property.

As you may be aware, the Treasury Board Secretariat is the administrative arm of the Treasury Board, which is a committee of cabinet that acts as the government's management boards and provides leadership to federal departments through the approval of government-wide administrative policies and directives.

[Translation]

One area of administrative policy deals with the management of assets throughout their lifecycle, from acquisition, to their use, maintenance, and disposal. It's the policy requirements around the management of federal real property that I'm here to talk about today.

First, a bit of background.

Federal real property belongs to Her Majesty, and the management of federal real property, with the exception of office space, is decentralized. Twenty-six departments and agencies have administration of federal real property, ranging in size from small organizations with only a few holdings, to large departments, like National Defence or Parks Canada.

Canadians can find information online on the inventory of the federal government's more than 20,000 owned and leased properties through the Directory of Federal Real Property. I gave you the web address for that directory.

• (0850)

[English]

The Treasury Board policy on the management of federal real property was approved in 2006 and applies to all departments and agencies listed in schedules I, I.1, and II of the Financial Administration Act. Given that not all these entities manage real property, the policy effectively applies to 26 custodial departments. I would note that the policy does not apply to crown corporations, with the exception that crowns are required to do reporting unless precluded by specific legislation.

The principle of sound stewardship underlies the policy's main objective, which is to ensure that federal real property is managed in a sustainable and financially responsible manner throughout its life cycle and to support cost-effective and efficient delivery of government programs.

With respect to heritage, the Treasury Board policy requires deputy heads to do three things.

The first is to ensure that the heritage character of federal buildings is respected and conserved throughout the life cycle. Buildings that are 40 years of age or older, whether crown owned or buildings that a department is planning to purchase, must be evaluated by Parks Canada for their heritage character.

Second, for the heritage buildings they administer, departments must seek conservation advice for recognized heritage buildings and consult with Parks Canada before demolishing, dismantling, or selling a recognized heritage building or before taking any action that could affect the heritage character of a classified building.

Finally, when departments have underutilized or surplus classified and recognized heritage buildings, they must make best efforts to arrange for appropriate alternative uses, first within the federal family and then outside the federal government.

Ultimately, deputy heads of departments are accountable for complying with these and the other requirements of the Treasury Board real property policy. The secretariat monitors departmental performance in the management of real property and can make recommendations to the Treasury Board on needed policy changes or specific departmental transactions.

[*Translation*]

The effectiveness of real property policy requirements is something that the Treasury Board Secretariat is currently examining as we undertake a policy reset exercise to reflect a more modern approach to comptrollership, as indicated in our president's mandate letter.

Over the past months, we have held consultations with departments and have heard how many organizations are challenged with conservation of heritage buildings. Given the significant rust-out issues faced by custodians resulting from under-recapitalization of real property assets, investment in heritage buildings can be expensive and represents an additional cost that falls outside the custodians' core program mandates. Finding appropriate alternative uses of heritage buildings no longer needed for federal programming purposes can also be difficult, particularly for assets in small communities.

[*English*]

As we develop our recommendations to the Treasury Board on the policy changes, the secretariat is looking at how we can incent real property custodians to make prudent management decisions in alignment with both sound stewardship and government priorities. In addition to looking at how we can protect our most valuable federal heritage assets, we are also looking at how real property management rules can leverage real property to improve the availability of affordable housing, meet the government's commitments to the greening of its operations, advance reconciliation with Canada's

indigenous peoples by ensuring the duty to consult is respected, and improve the accessibility of our buildings for all Canadians.

I'd also like to note that a horizontal review is currently under way that may also ultimately influence the management of federal heritage buildings. The horizontal fixed assets review was announced in budget 2017. It's led by the President of the Treasury Board, and it's looking at the management of government federal real property by asset class. Horizontal issues, such as heritage considerations, are expected to be addressed in the final report and recommendations of the review.

I'd like to close by noting that the committee's study and report is very timely. We certainly expect it will inform how we look at our policy and the fixed assets review work, which is under way.

I'm happy to answer any questions. Thank you.

The Chair: Thank you very much.

We'll listen to all the witnesses and then we'll do the questions.

Mr. Radford.

Mr. Kevin Radford (Assistant Deputy Minister, Real Property, Department of Public Works and Government Services): Thank you, Madam Chair.

Thank you for the opportunity to appear and speak about how we at Public Services and Procurement Canada are successfully managing heritage buildings in our portfolio.

I'm happy to share with you the important work we have undertaken and are continuing to undertake at PSPC to preserve, use, and ensure the adaptive reuse of both the classified and recognized heritage buildings for which we are responsible and accountable.

Heritage, an inheritance from the past, is an important component of our culture as a nation. Protecting and preserving our natural and cultural heritage for the benefit of present and future generations is a fundamental component of our contribution to the sustainable development of our society and our country.

Our department acts as steward for various public works such as buildings, bridges, and dams, and national treasures such as the parliamentary precinct and other heritage assets across Canada. Of course, I will give the opportunity to my colleague Rob Wright, assistant deputy minister of the parliamentary precinct branch, to present the valuable work done by his team on Parliament Hill.

First of all, I want to underline that what you may think of when heritage implications kick in is probably much broader than you would have anticipated in relation to the federal context. The reason is that each building over 40 years of age is subject to evaluation for its potential heritage characteristics. Within the Public Service and Procurement Canada portfolio, many of our crown-owned complexes were built over 40 years ago. As a result, a large portion of our portfolio will, in the near future, be subject to evaluation by the federal heritage buildings review office of Parks Canada. This represents a significant amount of property and infrastructure.

• (0855)

[Translation]

PSPC's real estate portfolio is one of the largest in Canada, covering almost 7 million square meters. The federal built heritage includes sites, structures, and monuments that have recognized historical value, such as buildings, houses, battlefields, forts, archaeological sites, cultural landscapes, canals, and historical districts. The federal government's basic inventory of built heritage consists of about 1,300 federal heritage buildings and 206 national historic sites, of which PSPC is the custodian of 148 designated assets.

[English]

For decades, PSPC has provided, and continues to provide, federal departments and agencies with services that support the management and protection of Canada's federally owned heritage buildings, landscapes, and engineering works. We use our unique expertise and knowledge of both traditional and innovative technologies to provide specialized, multidisciplinary, professional, and technical expertise to assist custodians and conserve our nation's heritage.

Based on our mandate, we have accumulated sound experience in managing built heritage, and I believe PSPC has an important role to play in sharing what we have learned around heritage conservation services within the federal government community. Our experience to date has also influenced how we are preparing to manage our heritage activities into the future. We are taking a proactive approach and have already integrated our environmental and heritage services, as these groups must work closely together to ensure the efficiency and effectiveness of the heritage portion of the PSPC portfolio.

We provide three main services in this regard.

First, in terms of heritage conservation advisory services, we provide conservation advice in the fields of architecture, structural engineering, landscape architecture, and material conservation. We define qualifications required for consultants and contractors who undertake conservation work, and assist with pre-qualification processes, managing standing offers, and incorporating conservation considerations into contractual documentation. We also assist with submissions to regulatory bodies such as the federal heritage buildings review office of Parks Canada, or the National Capital Commission, by providing strategic advice and guidance.

Second, in terms of heritage conservation documentation services, we provide heritage recordings, which are measurable electronic drawings, photographs, and models that help with understanding the condition and construction of an historic place. We create a host of guidance documents to explain the heritage designation of a property, including conservation briefs, conservation guidelines, historic inventories, and master plans. We conduct assessments of the condition of the asset to achieve a detailed technical understanding of its physical and historical integrity.

Third, in terms of heritage conservation compliance support services, we help federal departments and agencies comply with their heritage conservation responsibilities under the Treasury Board policy for the management of real property. We prepare written compliance reviews that analyze a particular intervention to determine its level of compliance with established conservation

policies, standards, and guidelines, including reviews of intervention in support of Parks Canada's regulatory role, heritage conservation reviews of planned proposals for custodians of federal heritage buildings or national historic sites, and technical authority reviews of work proposed on historic assets to ensure compliance with real property contract requirements.

• (0900)

[Translation]

It's important to mention that within PSPC we have taken additional steps to ensure that environmental sustainability and heritage considerations are integrated into our processes and also that they are part of our holistic decision-making approach.

[English]

As well, by creating a sound heritage buildings policy framework, we have clearly identified the roles and responsibilities, and established the implementation processes needed to support PSPC's compliance with the heritage-specific requirements of the Treasury Board's policy instruments.

These requirements, in place to protect the heritage character of federal buildings, are to be met while respecting other federal government objectives, such as accessibility, sustainable development, and life-cycle management. Some of these include the policy on the stewardship of federal heritage buildings and the national project management system policy for managing heritage properties projects.

We are going even further by developing specific benchmarks and performance measures for the condition of our heritage buildings. We will begin reporting to Parliament and to Canadians in 2018 on the condition of heritage buildings and improvements to their condition as a result of management activities. Having this information to inform our investment decision-making will support the continual improvement and effective stewardship of our heritage.

I am proud of all the work we have done to date in finding the right balance between maintaining the heritage aspects of our portfolio and adapting buildings for more modern uses and requirements. However, this process has certainly led us through a series of opportunities and challenges as we navigate the current legislative framework that governs built heritage.

[Translation]

It's important to mention that the mandate "to protect the nationally significant examples of Canada's natural and cultural heritage in national parks, national historic sites, national marine conservation areas, and related heritage areas" belongs to the Parks Canada Agency, as affirmed in the Parks Canada Agency Act of 1998. As a result, PSPC's mandate is to manage and preserve the heritage buildings that are part of the PSPC portfolio.

[English]

Currently, in order to fulfill our mandate responsibilities, we're applying a framework consisting of several layers of policies and a federal act. I'll take some time to enumerate just what this framework consists of, which we are navigating.

In the absence of a federal act specifically regulating heritage buildings, we are governed by the Federal Real Property and Federal Immovables Act. We also follow the Treasury Board policy instruments, including the policy on management of real property, the directive on the sale of transfer or surplus real property, and the guide to the management of real property.

What this means for PSPC is that we are seeking conservation advice from Parks Canada on heritage issues. We are additionally consulting the federal heritage buildings review office of Parks Canada on classified and recognized buildings. Finally, we are using best efforts to arrange for appropriate alternative uses for under-utilized or surplus heritage buildings from our portfolio.

The federal heritage buildings review office's evaluation criteria are based on international conservation principles as well as historical associations, the architecture, and environmental considerations. As a final step, the Minister of the Environment and Climate Change Canada is responsible for approving the heritage designation of federal buildings.

As you can see, there are many factors at play that PSPC as an organization must consider in managing the built heritage under our purview, and in many cases applying all these factors has an impact on the timelines of projects as well increasing their costs.

We can likely all agree that throughout the years, heritage conservation philosophy and practices have evolved to focus more on adaptive reuse of heritage buildings, rather than simply conserving them as they are. This gives me the opportunity to say that the management of the heritage buildings portion of our portfolio is a very sensitive and complex endeavour, and we have some challenges to address while making our best efforts to turn them into opportunities for the benefit of Canadians.

The source of our challenges is often based on heritage preservation requirements that may conflict with contemporary users' needs, such as accessibility, thermal comfort, and security, among others.

[Translation]

Due to time constraints, I will mention briefly two of these challenges.

[English]

The interdisciplinary character of the heritage buildings management requires a clear and strong portfolio management approach, including various technical competencies and expertise from architects and engineers who specialize in heritage buildings, as well as the involvement of social sciences representatives such as historians, sociologists, and cultural ethnologists. We ensure that we have teams in our organizations that employ the brightest specialists to be involved in the protection and the management of our heritage buildings.

In terms of greenhouse gas emissions reductions, environment, and sustainable development, our current challenge is to find the most efficient and effective measures to achieve a carbon-neutral heritage building. However, at the same time, this challenge provides us with a unique opportunity to integrate the synergy of heritage conservation and sustainable development into mutually beneficial goals and results.

● (0905)

[Translation]

Despite this, PSPC has had a number of success stories, and I am pleased to share a few of those with you today.

[English]

The West Memorial Building is a classified federal heritage building and World War II memorial. PSPC experts have been actively planning ahead in view of improving the building's thermal performance while protecting its important heritage value, as part of its upcoming rehabilitation.

The Lester B. Pearson Building was built in 1970-73 to house the national headquarters of the former department of external affairs, currently Global Affairs Canada. Designed in the late-modern architectural style, this building has been designated a classified federal heritage building. The building will be undergoing a major rehabilitation and has been identified as a showcase project to demonstrate innovative solutions and leadership in the field of sustainability.

Finally, there is the St. Andrews lock and dam, which includes the 270-metre long Caméré Curtain Bridge Dam, spanning the Red River at Lockport, Manitoba. Built in 1907-10 by the Department of Public Works, it was designated a national historic site of Canada, and in 1990, a national historic civil engineering site by the Canadian Society for Civil Engineering. The heritage value of this site is carried in the design and materials of the structure itself, in that this engineering work is perhaps the only surviving moveable dam of its type in the world.

[Translation]

It is important to note that these successes are largely based on our interdepartmental collaboration with Parks Canada Agency, the Federal Heritage Buildings Review Office of Parks Canada, the National Research Council, the departments of Environment and Climate Change Canada and Natural Resources Canada, and a large number of other federal organizations.

[English]

In conclusion, despite some objective challenges regarding the use and reuse of heritage buildings within our departmental mandate, PSPC is committed to, first, manage and protect the heritage buildings in our portfolio based on the highest national and international standards. Second, we are committed to serve as a federal example of leadership for the federal family in this area. Third, we are committed to preserve our built cultural heritage for the benefit of present and future generations. Finally, we are committed to integrate an adaptive reuse approach, which will allow heritage buildings to support the government's agenda.

Thank you. I'll be pleased to answer questions after Rob speaks.

The Chair: Thank you very much.

Next is Mr. Wright.

[Translation]

Mr. Robert Wright (Assistant Deputy Minister, Parliamentary Precinct, Department of Public Works and Government Services): Thank you, Madam Chair.

My name is Robert Wright. I am the assistant deputy minister responsible for the parliamentary precinct within Public Services and Procurement Canada.

[English]

Canada's parliamentary precinct is home to one of the largest concentrations of heritage buildings in the entire country. Of the 34 crown-owned buildings in the precinct, 28 hold a federal heritage designation, of which 18 are recognized and 10 are classified. This includes, of course, the buildings on Parliament Hill, which rank among the world's best examples of Gothic revival architecture, as well as several other important heritage buildings along Sparks and Wellington Streets, including, of course, the building we're in today.

Public Services and Procurement Canada has a significant stewardship responsibility in conserving these iconic buildings, which belong to all Canadians. They are important historically and culturally, but they also play a critical role in the day-to-day operations of Parliament. Caring for them is therefore not only a cultural imperative but a business one, too. For Parliament to continue to fulfill its duties, these buildings must be restored and modernized to 21st-century building standards, which include provisions for sustainability, accessibility, and modern technology.

One of the key challenges in doing this type of work is balancing the integration of the new with the old. In meeting this challenge head-on, we put in a great deal of effort to know our buildings inside and out, and to develop a thorough understanding of the construction methods, materials, and craftsmanship that were used to build them in the first instance. With the help of heritage experts in and outside of government, such as the federal heritage building review office of Parks Canada, we perform detailed heritage recordings to identify heritage character defining elements in advance of all major work.

• (0910)

[Translation]

Together with independent building condition assessments and ongoing building screening, we use this information to make sound investment decisions and to plan work accordingly into three general streams.

[English]

The first is repair and maintenance. This is generally for routine work that aims to keep the buildings operating as part of performing regular assessments of building condition and the heritage character defining elements. Examples of repair work include stone repair, interior plaster repairs, sculpture repairs, and repairs to heritage stained glass.

The second stream is recapitalization, which is done to address health and safety issues in advance of major work. These critical

interventions are undertaken on our most important heritage buildings while they remain occupied and operational. They include such things as stabilizing towers, chimneys, doorways, and windows. These are not stopgap measures, but rather permanent investments that help to reduce the cost and complexity of future work while protecting their intrinsic heritage value.

The third and final stream is rehabilitation, which is performed on buildings showing signs of significant and pervasive deterioration. These projects are stem to stern, and bring to the fore the challenging work of balancing heritage conservation, adaptive reuse, and modernization.

Completed and ongoing major rehabilitation projects within the precinct include the Library of Parliament, the Sir John A. Macdonald and Wellington buildings, Postal Station B, Canada's Four Corners Building, the Government Conference Centre, and the West Block.

[Translation]

The completion of the Government Conference Centre and the West Block next year will enable us to initiate what is arguably the most important project to date, the Centre Block.

[English]

In parallel with launching the Centre Block, we'll be working with the department of crown-indigenous relations and northern affairs, along with first nations, Inuit, and Métis Nation leadership, and of course, local stakeholders to develop the vision for a national space for indigenous peoples at 100 Wellington, the former American embassy.

It's a clear and flexible portfolio management plan that helps us to know where we're going over the long haul and what to execute next. Our work in the precinct is guided by the long-term vision and plan, a comprehensive strategy for the entire portfolio that aims to address the health and safety of these 19th-century Parliament Buildings, to modernize the buildings to suit the needs of a 21st-century Parliament, and of course, to preserve our built heritage.

This framework is critical in helping us establish clear priorities based on a thorough body of evidence that is reviewed and validated. This portfolio and priority-setting approach is essential to our work to restore and enhance the original character of these buildings while creating a safe, functional, and modern environment for everyone who uses them.

[Translation]

Also key is working with the right people, collaborating with the users of the buildings, and partnering to develop innovative solutions for upgrading the buildings without impacting their heritage character, and doing so efficiently and effectively.

[English]

We work hand in hand, of course, with our partners in the House of Commons, as well as with the Senate, the Library of Parliament, and the Parliamentary Protective Service to deliver the long-term vision and plan. We also leverage a broad array of experts in heritage, architecture, and engineering, as well as project management, to prepare, challenge, and validate designs, costs, and schedules.

We have also formed valuable partnerships with a number of universities that are helping us to overcome technical challenges and strengthen these 19th-century heritage buildings to meet 21st-century building codes by leveraging unique research capacity and expertise. This includes, for example, using 3-D imaging to improve the design, construction, and operations of Canada's Parliament Buildings.

Together, it's these relationships that are helping us in delivering the program effectively and in finding the right balance between heritage conservation and modernization.

The combination of a clear long-term plan, precise shorter-term priorities, and a broad network of experts are key in enabling us to execute this work successfully and in ensuring that we are conserving these iconic heritage structures while making them safer, more accessible, environmentally sustainable, and equipped with the latest in technology, to help Canadians across Canada connect with their Parliament.

• (0915)

[Translation]

Rehabilitating and modernizing Canada's Parliament Buildings, albeit challenging, is as historic a process as their original construction, and will pave the way for them to serve Canadians for the next 150 years.

[English]

Thank you. I'm happy to take questions.

The Chair: Thank you very much.

Genevieve, are you not presenting? You're just here for answering questions, okay.

Thank you very much for sharing the challenges and the opportunities, and for the great work that you do.

Now we'll open to questioning, and we'll start with Mr. Fisher.

Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.): Thank you very much, Madam Chair, and thanks, folks, for being here. Some of you are really starting to look familiar.

I will go with you, Genevieve, if I may.

I recently had the opportunity to spend half a day on McNabs Island, nestled right in the centre of Halifax harbour. They have an incredible group of volunteers, a society called Friends of McNabs, who work to take care of the site. They spend their entire year fundraising. Every penny goes towards keeping this place in the condition that it's in. The island is taken care of by the society, three private landowners, the province, and Parks Canada, and right in the middle we have Fort McNab, a national historic site.

Connected to this site are several heritage properties that are basically falling apart. Three historic houses are filled with opportunity but are basically being left to rot. It's a major missed opportunity. This is, again, sitting right in the middle of Halifax harbour. It's provincial and it's federal, and I expect most of the problems are caused by the cost of rehabilitating this facility.

There's a former tea house on the property that is a missed opportunity as a revenue generator but also as an interpretive centre. It was great to be there, but it was so sad to see this decrepit national historic site. At this committee we've all talked about partnerships, whether they be municipal with federal, provincial with federal, or societies—like Friends of McNabs—working with our federal government.

Genevieve, how can Parks Canada better work with provinces and independent heritage groups like Friends of McNabs to ensure that Canada's built heritage is taken care of and that we piggyback, so that we take advantage of economic opportunities to ensure the long-term sustainability of these properties?

As great as it was to be there—and it was amazing to feel the history and have an interpreter tell me about what happened on this island and what it once looked like—to see it now was very sad.

Ms. Genevieve Charrois (Director, Cultural Heritage Policies, Parks Canada Agency): I think you're bang on regarding the opportunities that are offered to us and will come in the future. Up to this point, I believe that we were struggling, to a certain degree, with the operation and management of all of our places across Canada. As we're moving on and we're more strategic in our choices, we will be looking at what you called economic opportunities and will be better at doing that. We haven't done much of that as of now, but that's the future. This is where we're heading. For sure, we need partners and we need provinces and territories to work hand in hand with us. Those third parties and not-for-profit organizations are crucial to achieve this huge endeavour and to becoming better at seizing the economic opportunities that are out there.

I know Fort McNab. I've been there. I know what you've experienced. I know that Parks Canada is working, behind the scenes, trying to find opportunities with what's available. With islands, the difficulty is always to bring people to the island, and to do that in an economical way is also part of the challenge. I'm sure we're looking into that question right now.

• (0920)

Mr. Darren Fisher: It's great to hear that you've been there. You would agree with my assessment of what I witnessed that day.

Ms. Genevieve Charrois: There is a large sense of place there. You can feel the story that happened there, though this may be hard to tell, if you're not used to, what I would call, evocative cultural landscapes.

Mr. Darren Fisher: You're saying that it's on your radar.

Ms. Genevieve Charrois: It's on our radar.

Mr. Darren Fisher: Good. Thank you.

As this is the environment committee, we're constantly thinking about energy efficiency. We've heard from other witnesses during this study that the federal government should have a heritage first policy. We've talked about that quite a bit.

Around this table, we're also pretty serious about greening government services. How do we find a balance between a heritage first policy and moving forward in a greener and more sustainable way? Do we need to only look at new construction for greening government or is there a way of...?

I've used this example in this committee numerous times. We want to green our government services, but when you walk into the men's room in Centre Block in the middle of the winter, the window's wide open because the heater's just too hot. It just doesn't make any sense. Are we going to be able to move forward with a heritage first policy, yet also be cognizant of our need to green government services?

I'm not sure who wants to take that.

Mr. Robert Wright: I can respond to the parliamentary precinct aspect.

There are challenges with heritage structures, of course, but I think we can move beyond trade-offs and zero-sum games and align by prioritizing heritage, sustainability, accessibility, and security. Much of that comes down to having a clear plan of where you're trying to get to, and understanding the buildings, and understanding what the character-defining heritage elements are. Then you can make strategic choices about how you can achieve sustainability elements. We've already done some of that, in part, in the precinct.

We're already exceeding our targets for GHG emissions. For example, when it moves into restoration, we are looking at making the Centre Block a flagship project of sustainability. There are significant improvements that have already been made. In this building, for example, there are solar panels on the roof. There is heat recapture. We have energy-efficient building systems, and on and on. The green wall that you would have seen as you came in and green roofs have been installed throughout the precinct.

The Chair: Thank you very much.

Mr. Darren Fisher: Thank you, Chair.

The Chair: You're welcome.

Next up is M. Godin.

[Translation]

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Thank you, Madam Chair.

Thank you, ladies and gentlemen.

Ms. Charrois, we have seen each other regularly in the past few weeks. I am pleased to see you again this morning and to have bumped into you in the lobby.

My first question is for Mr. Wright. It is a very specific question that is of great interest to many MPs who are currently sitting in the Centre Block.

When will we be moved to the West Block?

Oh, oh! I am taking advantage of your presence. A lot of rumours are circulating.

Mr. Robert Wright: Thank you very much for your question.

We are working with the House of Commons. We are looking at the session of Parliament starting next fall, in 2018.

Mr. Joël Godin: It will be before Parliament resumes in September 2018. Is that correct?

Mr. Robert Wright: Exactly.

Mr. Joël Godin: There is a chance, however, that the date could change.

Mr. Robert Wright: I don't think so.

Mr. Joël Godin: We will finally put the rumours on the Hill to rest. Thank you.

Mr. Robert Wright: Yes.

Mr. Joël Godin: My first question is for Ms. Owens.

In your presentation, you indicated that you are a watchdog in terms of making sure that departments comply with the law. When departments are unable to respect the law and comply with it, for whatever reason, what powers do you have to compel them to do so?

• (0925)

Ms. Kathleen Owens: Thank you for your question. I will answer in English, if you don't mind.

Mr. Joël Godin: Of course. I have access to interpretation.

[English]

Ms. Kathleen Owens: For departments that don't respect the policy, the lever the Treasury Board has is related to the deputy's delegation. Departments have delegations to do things under their own authority and others for which they require Treasury Board authority.

If we are aware of a department that is flagrantly not respecting Treasury Board policy, there is an opportunity to recommend to the Treasury Board that this deputy's delegated authority be reduced. In other words, projects they could normally do under their own authority would now have to go to the Treasury Board. That's the main lever the Treasury Board has with respect to policy.

[Translation]

Mr. Joël Godin: You said you take action once you have been informed. Is there police at Treasury Board to make sure that departments fulfill their obligations?

[English]

Ms. Kathleen Owens: Deputy heads are responsible for compliance. We have an overall government-wide monitoring role. We're limited by how many lines of sight we have into departments and what they're actually doing and that's one of our challenges.

For example, we know we have some information on the building condition of federal properties, but not necessarily on what they're doing in relation to heritage conservation. That is one area that Kevin mentioned in his remarks that PSPC is going to be a little more proactive about sharing that information.

Other ways we can see if there are problems and have lines of sight into departments is the OAG audit and evaluation. Sometimes when departmental transactions come to the Treasury Board, we can ask lots of questions and get some insight as well. There are some limitations in that government-wide monitoring role, but we do our best to get a handle on what's happening within the real property function government-wide.

[*Translation*]

Mr. Joël Godin: Thank you.

My next question is for you, Mr. Radford. In buildings such as these, failing to respond promptly or neglecting maintenance can result in a need for major renovations. After listening to your presentation, I see that the situation is very positive and that you have it well in hand. That is reassuring for us, as parliamentarians.

Could we do more, however? Ms. Owens said there are measures, but that effectiveness is not maximized—that is the word I will use.

Could anything be improved to ensure you have the necessary tools to take action before the fact?

Mr. Kevin Radford: Thank you for your question.

In my opinion, in every situation, there is a principle we can use to improve the condition of each building, such as those on McNabs Island.

We can adopt a portfolio planning concept. My colleague Mr. Wright says he has a long-term vision and plans for the long term. That applies to his entire portfolio. Portfolios include more than just buildings.

[*English*]

It's also things like, in budget 2016, the government announced money to go towards rehabilitating the heating and cooling plants that serve many of the buildings in the parliamentary precinct and many others. It's having a plan from a portfolio perspective.

[*Translation*]

In one neighbourhood, owing to the energy requirements of the buildings, we have to make provision for that kind of thing. In my opinion, in government it is hard to find planning that is spread out over 10, 20 or 30 years. Major building restoration work is usually done for 100 years—as is the case for the parliamentary precinct—and for many of the buildings in my portfolio, large office buildings, renovations are scheduled every 40 years. That requires a different kind of planning. We can do that.

My colleague Ms. Owens talked about 26 custodians. Every year, we receive nearly \$2 billion for services for other custodians. We usually do one project at a time. There is not really an overview for the portfolio as a whole.

• (0930)

[*English*]

Thirteen of the custodians are science-based departments, so if they have special purpose lab space but they're looking at each lab one at a time, it's more difficult to develop an investment strategy on a larger scale. This is why I think Treasury Board is looking at things like the horizontal fixed asset review. Is there a better investment

strategy where you can incorporate heritage, accessibility, greening, etc.?

That's a long answer, but that's my thinking about doing things a little differently.

The Chair: Okay, thank you very much.

We're out of time. We're well past time, actually, but I let you run quite a bit there. You went two minutes over.

Pierre Nantel.

[*Translation*]

Mr. Pierre Nantel: Thank you, Madam Chair. I would like to thank you first of all for welcoming me to the committee.

These are extremely relevant topics, especially in Canada's sesquicentennial year. I commend you for making park admission free of charge. It is actually Minister Mélanie Joly's initiative, as I understand it, which is quite confusing since it should have been announced by Minister Catherine McKenna, but was instead announced by Ms. Joly. It is hard to figure out. Heritage buildings are the responsibility of Parks Canada, but it was the minister of Canadian Heritage who made the announcement. Oh, well.

I can tell you that I took advantage of it. I visited Banff Park. I went to Île du Havre aux maisons, I saw the new set-up of the picnic grounds on the beach. It is magnificent. I also visited Cape Breton Island, and Alexander Graham Bell's house, in Baddeck, which in my opinion perfectly illustrate your mandate.

I also visited the Louis S. St. Laurent National Heritage Site, in Compton. It was very interesting, but also very old-fashioned, very antiquated and very outdated, compared to the iPad world that our young people live in now. I could see my little nephew snoring.

I will not talk about the atmosphere there should be at Churchill National Park, because it must be very difficult in Churchill. It was a good initiative. I think young people from Kingston would be happy that the Churchill initiative was located in the old train station. The train station in Churchill was a good choice, I think. It was the most important place to rehabilitate. It is difficult right now, but I think the site is very nice and very representative, but it is of course a bit antiquated.

According to the notes in the documents prepared by Mr. Ménard, a number of witnesses mentioned that you—I mean Parks Canada and Environment Canada—are perhaps not best placed to fulfill the federal responsibility for heritage buildings.

Do you think we should consider a new way division of responsibilities? I am asking because places like Kingston are one thing, but in Montreal, for example, the new CHUM was created.

Moreover, I commend you for what you manage with the NCC and Parliament, and for all the work you do. It is spectacular. It is a huge responsibility. In Montreal, there are truly some flagship buildings, such as the Royal Victoria Hospital, the Montreal Children's Hospital, and the Shriners Hospitals for Children. There are many buildings that are suddenly “abandoned”, or some might say “vacant”, whereas others will enthusiastically refer to them as nice prospective condo developments.

So when organizations such as Heritage Montreal, to which Dinu Bumbaru belongs, say to be careful and wonder what can be done with those facilities, to whom should they turn?

Ms. Genevieve Charrois: I will consider that question as being intended for me, since I represent the Parks Canada Agency.

Mr. Pierre Nantel: Yes.

Ms. Genevieve Charrois: It is true that the Parks Canada Agency is responsible for built heritage, under the Minister of the Environment and Climate Change, Ms. McKenna.

I think built heritage is in the right place, and for good reasons, historically speaking. On the other hand, a minister's responsibility is clearly limited to federal lands. She does not have jurisdiction over all the heritage buildings in the provinces, territories and municipalities.

The only way she can take action at the provincial and territorial level is with respect to national designations. A national designation is honorary, however. It does not include any kind of protection or budget, except for a small program that we discussed, the national cost-sharing program for heritage places. This program generally has \$1 million per year to distribute to all federally-designated places.

The greatest limitation is that we take action with respect to federal lands only.

• (0935)

Mr. Pierre Nantel: To my mind, these matters are clearly related to Canadian identity.

You will agree that it was indeed Mélanie Joly who made the announcement. I don't know whether Ms. McKenna also made the announcement, but logically speaking, the Minister of Canadian Heritage would consider Louis S. St-Laurent house as part of her mandate and her environment.

Is there no cooperation in the designation of sites to be preserved which, once they are so designated, are acquired by Public Services and Procurement Canada or potentially by the Canada Lands Company? You obviously have all the necessary expertise to manage what is offered to the public. Does such an oversight body already exist?

I think Mr. Radford has something to say as well.

Ms. Genevieve Charrois: I cannot fully answer your question.

I can tell you, however, that the two departments do cooperate. Ms. Joly plays an active role with respect to museums. Some of those museums are also heritage buildings, so responsibility for buildings can overlap. I would say that cooperation occurs primarily in such situations.

Mr. Pierre Nantel: Thank you.

Mr. Radford, do you have anything to add?

Mr. Kevin Radford: Yes, thank you.

I also have a unit at the Department of Canadian Heritage. My organization's main client now is probably the parliamentary precinct, for which Mr. Wright is responsible, but we also offer services to other custodians, as I said in my presentation.

We have experts. We also rely on partnerships with universities. In the summer, we hire a lot of students to carry out studies for other organizations, which in turn pay for those services. That is included in last year's \$2 billion when we offered services to other custodians. That is one of the services we offered to other departments.

Mr. Pierre Nantel: Thank you very much.

[English]

The Chair: Thank you very much.

Mr. Aldag.

Mr. John Aldag (Cloverdale—Langley City, Lib.): Thank you and good morning to our witnesses.

This is the last hearing that we have in our study right now on heritage, and I would say that it's kind of sectioned out into two pieces. One is looking at how the federal government gets its own house in order, and then how we support the larger heritage movement within Canada.

I have just a couple of questions on the larger heritage piece, and then I would like to get into the federal "house in order" piece.

On supporting the larger heritage conservation movement in Canada, we've heard from organizations such as the National Trust for Canada about the need for two things. Darren touched a bit on the idea of a "do no damage" kind of policy.

I don't know if PSPC is able to speak to whether or not we have something like this now. When we're procuring services, if we're losing spaces or even giving money to organizations, is there a way of making sure that the work that is being funded by the federal government is not going to do damage to heritage?

That's one thing we've heard, and I'm wondering if there is a mechanism in place so that it is one of the lenses that's applied. You may not be the right one, but a lot of the contracts and that kind of thing would go through your department. Are there any mechanisms right now that make sure the federal government, through its procurement policies and actions, is not actually leading to the destruction of heritage in Canada?

Ms. Kathleen Owens: I can also speak about Treasury Board contracting policy. There's nothing specific in policy right now, but certainly departments can put those kinds of clauses within their contracts. I think that's something that is certainly possible within contract law.

Mr. John Aldag: Sure, it's possible, but I feel there could be a role for the federal government to be playing in leadership. If nobody actually says to departments, "We feel this is important and we are either encouraging you or requiring you to do it", then we're going to continue in the status quo situation, which is that it's not happening.

• (0940)

Ms. Kathleen Owens: Right.

Mr. John Aldag: Okay. It's not there then.

Ms. Kathleen Owens: There could be some work to do, maybe with PSPC from their perspective, on standardized clauses.

Mr. John Aldag: Okay.

That's the "do no damage" policy. The other is heritage first. I believe that PSPC is the largest holder of office space, as an example, and we've heard that, in many cases, heritage buildings lend themselves to adaptive reuse, maybe things like office spaces. We've heard that, in some jurisdictions in the United States, they will actually require the federal government to go into heritage buildings first before they allow new construction or to undertake construction.

Do we have anything like that or is it up to each department? Does PSPC, in the acquisition of leased offices or things, look at heritage? Is that on the radar at all?

Mr. Kevin Radford: Typically, when we are looking at leased space, office space is looked at as a commodity. We have about 1,500 or so leases across the country. It's actually a larger number than that, but it's over 1,500 leases across the country for office space specifically. However, within our owned portfolio, from a footprint perspective, it's about 50% owned, largely with the majority of the office space here in the Ottawa area. About 50% of that owned environment is here, but the rest is in leases in and around the downtown core and east and west.

An example of an owned office space would be the Carling campus, which is currently under construction. It will be the home for National Defence. The heritage components associated with that Nortel facility would be the age, so we would work closely with FHBRO. If it was something like a West Memorial Building, which is something that maybe you're a little more familiar with, and if we were looking at revitalizing that right now in order to move the Supreme Court into that design-built office space, which was designed as office, and turn it into a temporary courthouse for the Supreme Court, we would put through our contracts all kinds of provisions to maintain the heritage of that facility, but also to look at ways to balance accessibility, security associated with the courts....

Mr. John Aldag: You're talking more on the owned side of things.

Mr. Kevin Radford: Yes, that's on the owned side.

Mr. John Aldag: Frankly, I expect the government to do that.

Mr. Kevin Radford: Right.

Mr. John Aldag: What about on the lease side of things? Do we consider heritage in that equation at all?

Mr. Kevin Radford: I don't believe so, but that would be something I would have to get back to the committee on.

Mr. John Aldag: Okay.

I'm going to move into more of the "federal house in order" piece. I worked in the federal public service for more than three decades and I've seen this idea of demolition by neglect first-hand. I've seen it across departments. In the Treasury Board submission, there were a couple of things here, like the idea of organizations being challenged with conservation of heritage buildings, or this idea of chronic under-recapitalization. The argument that I came up against many times in dealing with departments was the notion that heritage falls outside of the custodians' core program mandates. There were some

that were more chronic offenders or abusers of that and I've used it before.

We had invited National Defence here today, but they weren't able to join us. They had the beautiful, FHBRO-rated buildings. The Work Point Barracks in the Victoria area comes to mind. That was demolished, in part, because it had been neglected and was surplus. It was knocked down much to the outcry of the community. There are examples that I am aware of, over three decades, of the federal government losing property.

It's more for the sake of my colleagues, but you had mentioned, Ms. Owens, about how you can revoke authorities of a department head. Has that ever happened?

Ms. Kathleen Owens: For a department that didn't make best efforts, is that what you're talking about?

Mr. John Aldag: Yes, exactly, or in chronic—

Ms. Kathleen Owens: I've only been in the job for less than year, but as far as I know, for that particular incident it hasn't, but that's something I can check on and get back to you.

Mr. John Aldag: Okay. It would be useful to know how seriously the situation.... It always seemed to me that you might get a slap on the wrist, but Treasury Board will never take away your authority, so you can knock down buildings and you can ignore policy. I think that's one of the issues with policy. It can be ignored.

What sort of enforcement and penalties are there?

The Chair: Sorry, we're running out of time. Maybe you can—

Mr. John Aldag: Okay. We have another round, so maybe someone wants to pick that up.

The Chair: That sounds good. I'll leave that with the next round.

Mr. Fast.

Hon. Ed Fast (Abbotsford, CPC): Thank you.

I'm going to direct my questions first to Mr. Wright.

Many Canadians would be disappointed if someone at this table didn't ask about the costs of the parliamentary rehabilitation that's taking place. I'm talking about the Wellington Building—the one we're in right now—and the Sir John A. Macdonald Building. They are beautiful buildings, and I love the reno that's been done here.

Even though Canadians are worried about the costs, because there are figures in the billions that are being thrown around and no one knows for sure, when I speak to my constituents and ask whether we should be protecting and rehabilitating these buildings, the response is absolutely, yes. These are expensive rehabilitation projects, and it's a cost that we as Canadians, by and large, are willing to pay, but we have a right to know the cost.

Can I ask specifically, how much was the Sir John A. Macdonald Building rehab project worth?

• (0945)

Mr. Robert Wright: Absolutely. I'll unpack all of those costs for you. One thing that's important to preface that with is that we produce an annual report that focuses on all the costs. We put that on our website. We send it to the Treasury Board Secretariat, and it's available for all Canadians.

Hon. Ed Fast: Yes. I'm running out of time, so I specifically want to ask about the buildings. I'm going to ask about estimated costs as well. First is the Sir John A. Macdonald Building.

Mr. Robert Wright: The Sir John A. Macdonald cost \$99.5 million. This building here, 180 Wellington, was \$425 million.

Hon. Ed Fast: All right. That's helpful.

Mr. Robert Wright: We're rehabilitating these for a life cycle of approximately 80 years, and in some cases 100 years. As well as rehabilitating them, we're bringing them up to modern use, so security, sustainability, accessibility—

Hon. Ed Fast: Which we've seen in this building, you're absolutely right.

What is the estimated cost for West Block?

Mr. Robert Wright: West Block is \$863 million, including the addition. There's 50% new space added in that building. One thing I would say across the board is that most of these projects involve adding a lot more usable space: the Government Conference Centre, 30% additional usable space; West Block, 50%—

Hon. Ed Fast: What is the estimated cost for Centre Block?

Mr. Robert Wright: We're not quite there yet for the Centre Block. The key strategy is to make sure we have really robust costing and scheduling so that we can report to Canadians and hold ourselves to account on that.

The key thing there will be emptying the West Block and really starting to do... We know a lot about the building, but we need to do a detailed investigation of the building's conditions, which will include opening up floors, walls, and ceilings to really get at the full scope. That will, of course, then drive a precise scheduling cost.

Hon. Ed Fast: I'm assuming your costs will be in excess of \$1 billion.

Mr. Robert Wright: It's a very large, complex building facing a lot of problems. For example, it's almost four times the size of the West Block, and you would know as well or better than I the type of sculptural ornamentation and so on.

There are the challenges and complexities of doing a full overhaul where you have structural steel that is losing its structural integrity due to rusting. You have masonry issues, mechanical and electrical systems that are way beyond their life cycle and original to the building, plumbing systems that are original to the building and well beyond their life cycle, and the challenges go on and on.

Hon. Ed Fast: East Block will be rehabilitated as well. Are there any estimates on costs?

Mr. Robert Wright: At this point, no.

Hon. Ed Fast: How about the Confederation Building?

Mr. Robert Wright: Yes.

Hon. Ed Fast: All right. These are major rehabilitation projects that are going to restore perhaps the most iconic historic buildings in Canada to a state you said will last for, what, 90 years?

Mr. Robert Wright: We're really focusing on trying to push as far as we can to a 100-year life cycle, because of the significant costs associated with this and the significant disruption to Parliament. The costs are related to swing space, moving people out, and we've done some key things to try to make sure it's really a "two birds with one stone" approach. We've brought three new buildings into core operations—the Wellington Building, the Sir John A. Macdonald Building, and the Government Conference Centre—to essentially double the impact of our investment.

These were buildings at the end of their life cycles, either empty or rusting out. They needed significant investment, and we needed to make investments for Parliament, to swing people out, so we combined and aligned those investments to accomplish both objectives with a single investment.

• (0950)

Hon. Ed Fast: As I'm running out of time, I'm going to ask one last question of the four of you.

I'm sure you've all reviewed the testimony to this committee that's taken place on this study. Often we run into recommendations, and because there are no counter-arguments they find their way into our reports. Are there any of the recommendations that former witnesses have made that you feel are inappropriate or unworkable or inadvisable?

The Chair: You have almost no time.

Hon. Ed Fast: Does anybody have something that would stick out?

All right. Thank you.

The Chair: That made that easy. Thank you very much.

Next up we have Mr. Amos.

Mr. William Amos (Pontiac, Lib.): Thanks for the presentations.

[*Translation*]

The constituents in my riding of Pontiac are very interested in the issues related to the restoration of the Parliament Buildings, particularly since they live here and work here. It is their community.

I very much appreciate the direction of my colleague Mr. Fast's questions. From a political point of view, his financial concerns are very interesting. I very much appreciate the way he frames his questions. It is very respectful and demonstrates his understanding of the cost of the work and his financial rigour in serving Canadians.

You demonstrate that this is also a very important issue to you. The work is spread out over not just years, but also many budget or election cycles, and a period time that covers generations. I would ask you to elaborate please on how our small and medium-sized enterprises benefit from these investments.

We all know that it costs money to restore our built heritage, but this also creates jobs for our plumbers, electricians, and stone workers. If possible, I would like an overview of the contracts that have been awarded to companies, for the West Block or the Wellington Building, for example.

More specifically, I would also like to know—this might mean a formal answer in writing later on—the names of the companies selected. I would like to know if any companies from the Pontiac will do some of that work. I am convinced that is the case.

Please go ahead, Mr. Wright.

Mr. Robert Wright: Thank you for your question, because it is important.

[English]

At a high level, most of these investments flow through to small and medium-sized enterprises and to individuals. For example, take the delivery of the construction work. Generally, we do that through a construction management contract to one large firm, but over 90% of the value of that contract is flow-through to subcontractors, which are competed for competitively and to small and medium-sized enterprises. The work happening here in the parliamentary precinct has a national footprint, so there's work happening across the country to support the work here.

Today, in the precinct, for example, there would be approximately 1,400 people working on a daily basis. For a project like the West Block, there's in excess of 5,000 person-years that have been created in employment. These types of rehabilitation projects are very labour-intensive jobs. These investments are creating thousands and thousands of jobs. In fact, we would have created more than 25,000 person-years' worth of employment to date, with 1,000 more coming.

Beyond the multiplier effect for small and medium-sized enterprises, we're also working to build capacity, so we're using apprenticeship programs. In fact, on the West Block, the largest stone masonry apprenticeship program in North America was launched, which included the largest proportion of female stone masons as well. As I indicated in my testimony, we are working with universities, so there's a large network of students who are working and using the Parliament Buildings, I think quite rightly, as a bit of a laboratory. We are harnessing the best research that Canadian universities can offer and students are getting real-life experience in what is quite a rare opportunity. We are continuing to look at mechanisms as to how we can increase the percentage of indigenous participation in the work, etc.

There's a large volume of work that's distributed across Ontario, certainly into Quebec, and then well beyond those borders as well.

• (0955)

Mr. William Amos: How would a member of Parliament discover what local companies have benefited from these major renovation projects?

Mr. Robert Wright: In many respects, it's a national footprint and a local market as well. Many people relocate as well to work on the Parliament Buildings. If you look at something like stone masons.... I've been involved in this for over a decade now. If you go back to some of the initial pilot projects that we were doing on the West

Block and you look at the demographics, and I'm going to speak anecdotally a bit but if you go back about a decade ago, you would have seen people on the sites in their sixties and seventies. Now, it is new graduates and a much broader spectrum, so people in their twenties and thirties, males and females, and we're building capacity that can also be exported across the country and to other countries.

The Chair: Thank you very much.

Go ahead, Mr. Reid.

Mr. Scott Reid (Lanark—Frontenac—Kingston, CPC): Thank you.

I know that I benefited from an earlier version of the construction work on Parliament Hill because when I was 17 years old, my very first job was working at a company called Clemann Large Patterson, consulting engineers, and we were involved in the heating, ventilation, and air conditioning in the East Block back in the 1980s.

I was going to direct a question to Genevieve Charrois to follow up on Mr. Fast's question, but I'll give you a moment to think about that because you might not have anticipated it.

Mr. Wright, if I could just ask a couple of questions of you. First of all, do you remember what the costs were for that renovation of the East Block back in the eighties? At the time, I thought it was very culturally sensitive, so it would be interesting to do a comparison between costs then and costs now.

Mr. Robert Wright: I don't have that at my fingertips, but I would say that escalation is a very important factor in this work. The costs rise over time, so doing work now saves you money later, and that is an important factor.

Mr. Scott Reid: Right. I guess at the time, as well, considerations like earthquake protection were not part of the....

Is the visitor welcome centre part of the \$800-million cost you mentioned for the West Block, or is that a separate additional cost?

Mr. Robert Wright: The visitor welcome centre is a separate project with a separate cost of approximately \$129 million.

Mr. Scott Reid: Right.

Do the plans for the Centre Block involve glassing over any of the courtyards at this stage, as was done for the West Block courtyard?

• (1000)

Mr. Robert Wright: We're quite far away from making those types of decisions at this point. That will involve, of course, working with the parliamentary partners—the House of Commons, the Senate, the Library of Parliament, and Parliamentary Protective Service—to see if that meets the accommodation requirements of Parliament, and if it makes sense from the perspectives of heritage and other key drivers.

Mr. Scott Reid: Sure.

In the West block, was the glassing over of the courtyard—

The Chair: I'm sorry. I don't want to interrupt, because I usually never interrupt, but we have such a short time and this is our last meeting with witnesses. I want to make sure we get to the essence of the questions that we're going to reflect in the report.

Mr. Scott Reid: Fair enough. I'm not familiar with the report. Could I just ask this? It'll just take a second to ask this one question, and then I'll ask Madam Charrois to respond with the remaining time that's available.

Was that one of the major components of the cost? Would that have been a very high proportion? I ask this because it will be relevant to Centre Block.

Mr. Robert Wright: It was quite a small proportion actually. We needed to provide a chamber, and the type of space that would provide that type of functionality is very limited within the geographic boundaries. In totality, I think it was a smart investment, and having a glass roof versus another type of roof was a very small portion of the overall cost.

Mr. Scott Reid: Okay. Thank you very much.

Madam Charrois, could you respond, then, to Mr. Fast's earlier question?

Ms. Genevieve Charrois: Could you repeat the question, please? Sorry about that.

Hon. Ed Fast: Yes. You've followed the testimony at this table, and there's a host of recommendations that have been made. We've been asked to incorporate them into our report. Are there any that stand out as perhaps not being workable, or as being inadvisable?

Ms. Genevieve Charrois: Workable is one thing. The feasibility of the recommendations is a different aspect that may deserve some thinking. There are medium- to short-term and medium- to long-term advantages to some of the proposals that were made. Depending on where this committee wants to go, there are things that could be achieved fairly rapidly and others that would need more thinking and more refinement.

Hon. Ed Fast: Can I follow up on Mr. Aldag's questions? He never actually completed that discussion about leased properties and having a policy that would make any lease procurement focused firstly on heritage buildings in Canada. These are privately, municipally, or provincially owned heritage buildings that would form the first front in securing building space for the federal government.

Can anybody comment on that?

Mr. Kevin Radford: I am not aware—in any of our leasing clauses—that we give a higher order of magnitude of favour, if you will, to a heritage leased property versus a non-heritage leased property.

Hon. Ed Fast: Is that something that is workable and could find its way into this report? My guess is that there's going to be a fair bit of discussion around this table about including that kind of a recommendation, so your views on that are very helpful.

Mr. Kevin Radford: That's a great suggestion, and if I can do something analogous in the area of greening, certainly the federal government and PSPC—given it has roughly 6.1 million metres squared of office space—can influence the leasing environment to be more sustainable and green by putting different clauses into our leasing contracts that encourage or give favour to landowners and lessees who are supporting sustainment and greening. We're definitely looking at that, so I don't understand why we couldn't look at clauses in and around heritage as well.

The Chair: The next one is Mr. Aldag.

Mr. John Aldag: In the Treasury Board brief, there's a statement that the "Treasury Board Policy on Management of Federal Real Property does not apply to Crown corporations". Could we actually extend that reach, or is there something within the relationship of the government to crown corps that would prevent that?

●(1005)

Ms. Kathleen Owens: It would have to be based in legislation because, as you know, crown corporations operate at arm's length from the government, so the current legislative framework is that the Treasury Board administrative policy does not apply to them. There are different ways you could do that. You could alter legislation, obviously. You can use an order in council and direct the crown corps for a specific thing that you want them to do.

There are also less formal ways. You could use a ministerial letter: the President of the Treasury Board could write to all his ministerial colleagues for something specific and say, "I encourage you, as ministers responsible for crown corporations, to enact or ask your crown corporations to follow the spirit and intent of this particular policy initiative." We have some levers with crowns, and there are different ways you can do that.

Mr. John Aldag: Okay, great. Thank you. I believe it was the PSPC brief that noted the number of federal properties. Is there one consolidated report that captures asset conditions specifically for heritage properties in the country, or would each custodial department have their own inventory, and you would have to go searching between the 28, or...?

Ms. Kathleen Owens: In terms of a central directory of federal real property, it's only for building conditions. It doesn't have anything specific to heritage. Custodial departments would have to gather that information themselves and proactively add it, but it is something we possibly could consider for future addition to the reporting requirements for the centralized real property inventory.

Mr. John Aldag: But as of today, we wouldn't be able to ask for a submission on the state of the federal built heritage in the federal government's—

Ms. Kathleen Owens: No. Not that I am aware.

Mr. Kevin Radford: Again, that doesn't mean it isn't possible. I'll use the example of asbestos. Under former minister Judy Foote, we posted all of the buildings that contain asbestos, and then we reached out to the leasing environment. We made sure of whether or not they had an asbestos management plan associated with them, and we posted this publicly. Treasury Board then asked us to work with the other custodians, not to do a registry but to tell us whether they have asbestos in those buildings, etc. I guess you could use the same kind of thinking and criteria in and around heritage as well.

Mr. John Aldag: I personally didn't have a lot of involvement with the Federal Real Property and Federal Immovables Act when I was in the public service. I dealt with many other pieces of legislation.

What kind of guidance or protection is given under that act, specific to heritage? Is it silent on it?

Ms. Kathleen Owens: It's silent.

Mr. John Aldag: When you talk about there being—

Ms. Kathleen Owens: It's a legal instrument, mostly, about ministerial administration of real property and conveyance. Justice could probably speak more accurately than I can, but it's silent on heritage as far as I know.

Mr. Kevin Radford: As an example, just to your point, when we sold 1 Front Street, I believe there were provisions in that sale to maintain some of the heritage characteristics, so we would work closely with the organizations that we talked about in our presentation.

Mr. John Aldag: Would that be in the form of a covenant on the land or property?

Mr. Kevin Radford: Yes.

Mr. John Aldag: Okay. I want to go back to where I was, on the idea of talking a bit about enforcement and penalties. You may have finished answering that, but we obviously ran out of time when our ruthless chair cut off the conversation.

The Chair: It was a bad day.

Mr. John Aldag: Was there anything else related to the idea of enforcement penalties, other than this idea—the notion of revoking a deputy's authority?

Ms. Kathleen Owens: There are other things. The Treasury Board can impose certain conditions on particular transactions, or on a department. I can only talk in generalities. We have done that in other areas—financial management for example. I just don't have the background.

Mr. John Aldag: Not as far as heritage...?

Ms. Kathleen Owens: As far as heritage goes, I don't have that background. I don't know if Kevin is aware of any from his firm.

Mr. Kevin Radford: No, and I'm not sure from a timing perspective, but when we go back to some of the comments we made about a long-term vision and plan, and a portfolio plan, and when we think about about how money is devolved in a Westminster model with 26 custodians, we tend to get into a project-by-project review as money becomes available and we look at what's in the worst shape.

If we were to be able to look at assets from a portfolio perspective—particularly heritage assets as a separate asset class—and if we were to have a long-term vision and plan for the national heritage class, etc., then we could look at funding models that would support looking after them differently.

What's interesting in the science example I used earlier is that science departments manage their own special-purpose laboratory space. As soon as they start working together and thinking from a portfolio perspective, they start recognizing that they have like assets, and maybe there are opportunities for people who work in the assets to do things together and collaborate together. So there are business opportunities as well.

• (1010)

Mr. John Aldag: It seems though that, in the absence of any sort of federal inventory that captures things like condition, we're not actually able to make any directions on financial investment. I think that maybe there's a message here for our committee to look at that. Once again—

The Chair: You're running out of time.

Mr. John Aldag: Thanks so much.

The Chair: We're down to the end.

Before I move to the next questioner, who normally would have only three minutes, I'm looking at the clock and I'm thinking that, if I give you an extra three, so you have six minutes, this is an excellent opportunity for us to ask those detailed questions that will help guide our report.

Are you up for one round and then one more? Is that what you'd like? We'll give you another three, to give you six, and then we'll do six and six.

[*Translation*]

Mr. Pierre Nantel: Thank you.

Mr. Wright, you mentioned the glass ceiling that will be installed in the West Block. You also referred to the former U.S. embassy, which will be devoted to the first nations.

I want to ask you something. Do the renovations of the Centre Block include plans for architectural additions? Are spaces being renovated to reproduce them as they are, or are other architectural aspects being added? If so, has there been a bidding process or a call for concept proposals?

In the second case, does that include a tribute to the first nations, or will the decor of the former U.S. embassy simply be conserved?

Mr. Robert Wright: Thank you for your questions.

The Centre Block is one of the most valued buildings in Canada. It will therefore be a conservation exercise first and foremost. We are not planning many changes to the building other than a new visitors' centre.

[*English*]

Phase one of the visitor welcome centre is being completed with the West Block. With the Centre Block, that will be extended across the front of the Centre Block to connect to the East Block, so that we have one large complex to provide additional security, as well as visitor services for Canadians and international visitors who are coming to visit Parliament Hill.

We're far from making any decisions about the Centre Block, but what I would say is, first and foremost, it's probably one of the most important buildings in Canada and we plan to really respect it as the building that it is, as well as modernizing it for your use.

Mr. Pierre Nantel: That clearly hasn't been the case for the West Block to which you are adding a glass ceiling. To answer my colleague's question, we will sit there temporarily while the work is done on Centre Block.

[Translation]

Can you give me an idea of the timelines and the scope of work to be done on the former U.S. embassy? How will the theme of tribute to the first nations be developed?

Mr. Robert Wright: That is hard to say right now. The consultations with aboriginal organizations and communities have not started yet. So we do not really have a specific vision as of yet.

[English]

Those consultations will inform the vision, which will drive decision-making around that building. Of course, the heritage fabric will be respected and it will be updated and modernized as a building. However, as far as the architectural elements that would be added to that building, in principle, if you think of something like the Sir John A. Macdonald Building, which is a heritage building that was restored and then had an addition added to it, so an adaptive reuse, it would begin to take you along the lines of thinking that will be required for a building such as the American embassy.

•(1015)

Mr. Pierre Nantel: I have to thank you for the big hall at the Macdonald building. Having attended many events there, the key miracle is the acoustics. In such a huge box, it's a miracle that we don't have an echo all the time, like we had in the previous convention centre, where it was simply inaudible. There was no way to listen to anyone there, so thank you very much.

I am done. Thank you.

The Chair: Excellent.

Go ahead, Mr. Fast.

Hon. Ed Fast: Thank you.

I'd like to talk a little bit about funding and resources for the broad array of heritage buildings that we have in Canada. We've talked a lot about the parliamentary precinct.

Since the Treasury Board is here, can you paint a picture for me of the different funding sources for the different streams of projects that we have to be responsible for? There were three streams mentioned. There's the repair and maintenance, the recapitalization portion, and the rehabilitation. We have the parliamentary precinct and we have other federal government-owned heritage buildings across the country.

Where does the funding come from and what are those funding levels? We know that there was \$19 million extra injected in the last budget to address repair and maintenance of heritage buildings across Canada. That's going back to \$1 million. I'd be interested to know from you exactly where the different sources of funds are to actually address all of these very necessary streams of activity.

Ms. Kathleen Owens: I can give you a global number for how much the federal government spends on real property. That's not specific to heritage but just property generally. You can find that in the public accounts document. We spent about \$10 billion, based on 2015-16 public accounts on real property.

Hon. Ed Fast: Is that per year?

Ms. Kathleen Owens: It was in that year, but it would probably be about the same. It depends. Sometimes when we have big capital projects, we'll have an influx of funding.

Basically, custodians managed within their appropriations, so they're given funding on an annual basis based on the estimates—

Hon. Ed Fast: When you say custodians, you're talking about all the—

Ms. Kathleen Owens: Those 26 custodial departments.

They're managing within their budgets and they're making their choices based on that, as Kevin can speak to being with a custodian department.

Hon. Ed Fast: Do you have any idea how much the heritage component of that would be?

Ms. Kathleen Owens: No. I don't have that information.

Hon. Ed Fast: Could you get that for us?

Ms. Kathleen Owens: I will see if I can.

Hon. Ed Fast: Could you and then report it back? That would be helpful.

Ms. Kathleen Owens: I'll see what I can do.

Mr. Kevin Radford: I was just going to add to that if it's helpful.

I would say that there's a large component of the \$10 billion that was mentioned by my colleague from the Treasury Board, that goes into the running costs associated with the building, like paying the utilities, paying the rent, paying for security in the buildings, etc., because they're occupied. There's money associated with that, within the \$10 billion, and that's a significant component.

If you look at all the various custodians, some have very small budgets. Some have operating money, so they pay the rent, the lease, etc. However, when they make decisions about whether to maintain the facility, like fix the roof or put some pails around in the corners, it's choices that they're making between putting money towards the programs they're accountable for or the buildings that they're accountable for as well. You can see that, even in the long-term vision and plan. Sometimes it takes a long while. The building sits empty for a while as decisions are made, capital funding for the larger rehabilitation is received, and decisions are made on what those buildings will be used for.

Within our own budgets, we receive money to do small capital projects for other departments. In budgets 2016 and 2015, there was federal infrastructure programming money that was meant to go in, as a catalyst for the economy, if you will. A large component of the money that was disbursed to the various custodians, like Parks Canada, gave them and afforded them an opportunity to fix up some of the heritage assets that they simply hadn't been able to afford under their current operating levels to maintain or to rehabilitate. In this past year, 2016-17, on behalf of other departments, we spent about \$600 million to \$700 million supporting projects in the other custodial spaces to rehabilitate them.

I don't think you'll get a number of how much went into heritage, but by building classification, it might be easy to look at what monies went into a specific building type and whether it's classified or other.

• (1020)

Hon. Ed Fast: I'll leave it to you to do that for us.

Mr. Kevin Radford: Thanks.

Hon. Ed Fast: I have one last question that has to do again with greening our suite of buildings across the country. Just to follow up on an earlier question, when we take heritage buildings and preserve them, and we allow them to be used for another 10, 20, 50, or 90 years, that in itself is environmentally responsible and would fulfill some of our sustainability goals because there's the inherent carbon storage in those buildings, correct? Is it presently policy that, as you procure additional space, the environmental element is taken into account as you issue RFPs and other kinds of contractual documents?

Mr. Kevin Radford: There are two aspects to your question. When we procure, say, leased space, we are currently working with industry on adapting our clauses, such that they will be more favourable or give preference to greener facilities, that's for sure. An interesting point is that the clients who are in the buildings, from a productivity standpoint, seem to have an affinity towards having and working in a sustainable environment as well.

With respect to the second part of the question, which is how you get funding for a major rehabilitation, the standard in the past for a major rehabilitation has been LEED silver, and for a new build it is LEED gold. We are taking the Arthur Meighen Building, which is 25 St. Clair in Toronto, and we're affiliating our rehabilitation with the Canada Green Building Council. It's one of 16 prototype buildings where we're going beyond LEED silver rehabilitation and looking at GHG reduction, energy reduction, etc., to get that building to a net-zero carbon emitter status. That's an example.

The Chair: Thanks a lot.

John.

Mr. John Aldag: I'd like to continue a bit with what Mr. Fast is talking about on the budgetary piece. I'm having to go back a few years, but it seems to me that Treasury Board had a guideline, if I remember correctly, of 2% of asset value as the suggested reinvestment piece. Within Parks Canada, I don't think it ever hit 1%, given their budgets. Has that analysis been done on what the overall value is, what the 2% would actually equate to, whether we actually have the funds, or whether there is a shortfall or a surplus of funds for reinvestment in assets?

Ms. Kathleen Owens: You're right. It is in policy as the recommended investment. We take the top 10 custodians, and we ask them every year how much they reinvested. You're right in that very few departments actually meet that level, but we don't have the analysis on the global level of what that means.

Mr. John Aldag: Would you be able to provide that? Would it be available to send in as a report, to give us a sense of...? Is it 2%, the Treasury Board guideline?

Ms. Kathleen Owens: Yes, it is 2%.

Mr. John Aldag: Okay. I think the industry recommendation is always 5%, so Treasury Board was perhaps a bit modest, but it would be interesting to see where we are with the top 10 departments on investment.

Ms. Kathleen Owens: I'll see what we can provide.

Mr. John Aldag: But there wouldn't be any sort of heritage consideration within that, so no premium based on how many heritage assets you have.

Ms. Kathleen Owens: There wouldn't, no.

Mr. John Aldag: Okay.

Another question, and another study we did, was on the Federal Sustainable Development Act. We had this discussion about where the authority is best positioned for certain things. On this question of heritage, a lot of the leadership falls with Parks Canada, which is a special operating agency. Do you have any thoughts on whether a central agency actually has more ability, as opposed to a line department, to influence the implementation of policies, or to show federal leadership?

Really, what I'm asking is about having things like the guidance for heritage fall within Parks Canada. Is that the appropriate place?

• (1025)

Ms. Kathleen Owens: From our perspective, Parks Canada has a mandate in that area, and although it's embedded in Treasury Board policy, we advise custodians that they're talking to Parks Canada when they need that concrete advice. That makes the most sense, because certainly the heritage expertise is not at Treasury Board—that's all in general administration.

[Translation]

Did you want to add anything, Ms. Charrois?

[English]

Mr. John Aldag: Do the departments listen when they're directed to Parks Canada?

[Translation]

Ms. Genevieve Charrois: The people we work with are listening.

[English]

The ones that come to us are working...and I hope they're all coming.

Mr. John Aldag: Okay, but we don't know—

Ms. Genevieve Charrois: We don't have statistics, but we've seen all the main projects, for sure.

Mr. John Aldag: This is my final question and then Mr. Fisher has one.

On the Treasury Board submission, there's a discussion about this three-year review regarding the funding that was announced in budget 2017 that will include horizontal issues, including heritage considerations. I'm just wondering if you have any thoughts. Is it too early to share with us what the outcomes will be? Would there be anything of use that we would want to consider from this study?

Ms. Kathleen Owens: I don't think that timing will align with your study, unfortunately. It was just recently launched.

It wasn't funding announced, but it was a review that was launched.

Mr. John Aldag: With that, I will turn it over to Mr. Fisher.

Mr. Darren Fisher: Thank you, John. Thank you, Madam Chair.

Ms. Charrois, Parks Canada has a combined mandate of balancing Canada's natural environment with built heritage. Does one aspect of this mandate take precedence over the other and are these roles at odds with each other?

Ms. Genevieve Charrois: I wouldn't say they are at odds. They're both considered when we're making decisions. In terms of reporting, we're asked to report on anything that we're doing on the ecological front, whereas with the commemorative integrity is something that we do because we want to do it. There's no mandate, with the exception of the act of the agency, that's asking us to report on this. It's something we do. I think we're getting better in the management of both as well.

Also, with the indigenous components, there's a lot we can do on the heritage cultural aspect in our national parks. It's much more than we thought we could do. It's also a new avenue that we're looking at.

Mr. Darren Fisher: There are some blurred lines though. Do you have any comment on whether built heritage would be better off at a different ministry?

Ms. Genevieve Charrois: I cannot answer this question. I really don't have an answer.

Mr. Darren Fisher: What about with its own legislation? I know it's not very fair to handcuff you like that.

Ms. Genevieve Charrois: Thank you.

Legislation is stronger than policy. That's just a fact.

Mr. Darren Fisher: That's a good point.

The Chair: I think we had some witness statements that went down that path.

Just for the last few seconds, is there anything else you'd like to add? Do you see where we're going with this?

We're trying desperately to get a good balance and get further ahead on heritage than we are today. Is there anything you'd like to share with us that hasn't already come out that could assist us in writing our report?

Ms. Kathleen Owens: I think that the government has lots of levers. We have sticks and carrots, so you want to make sure that you've examined the full range. We talked about how legislation trumps policy, for example, so it has to work together as a whole system.

That would be my only advice. Make sure you look at the whole package, including the non-mandatory things we do, like sharing best practices and working with the real property and heritage communities to make sure that they're aware of some of the great successes we have and learn that they can adopt some of those practices themselves. A lot can be done outside the mandatory legislative realm.

The Chair: I want to thank each of you for taking the time to come and share with us your wisdom and thoughts. As you can see, we're drilling down to try and get the actual figures. What are the numbers? What are the percentages? We're still struggling with that.

I have given a second or third round of questioning and now, I have a very short time to get to the business that we need to do for the end of the meeting, so I'm going to ask if everybody could clear the room quite quickly.

I'll suspend for a very short time and we'll get back to business. Thank you.

[Proceedings continue in camera]

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