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Chair

Mr. Tom Lukiwski

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• (1530)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Welcome, colleagues, to meeting number 13 of the Standing Committee on Government Operations and Estimates.

Today we will have a number of witnesses before us. In the first hour, from 4:30 to 5:30, we'll have with us representatives from Canada Post.

Before we get going, I should say for the benefit of the committee that we do have a fair amount of committee business to get through; however, most of it can wait until next Tuesday. I'm recommending that I deal with one item today. The rest I will defer until next Tuesday.

The reason I say this is that the witnesses in our second group, who are coming in at 4:30, will probably each have 10-minute opening statements. If we cut off 15 minutes of time for committee business, that would allow committee members only 15 minutes to ask questions. When they arrive, I'll discuss that with them, and hopefully they can make their opening statements a little more economical. However, we'll deal with that at the time.

Now I'd like to welcome the representatives from the Canada Post Corporation who are with us.

Welcome, Mr. Chopra, to you and your officials. Could you please identify yourself and the officials who are with you today? Then we'll begin right away with your opening statement.

Mr. Deepak Chopra (President and Chief Executive Officer, Canada Post Corporation): My name is Deepak Chopra. I'm the CEO of Canada Post.

My colleague Jacques Côté is group president and chief commercial officer. My colleague Susan Margles is vice-president of government relations and policy.

The Chair: I believe you have a 10-minute opening statement, sir.

Mr. Deepak Chopra: Yes, thank you, Mr. Chair.

It is a privilege to be representing Canada Post, an institution that has occupied an important role for the people and businesses of our country for 253 years. A postal system that began with a few horses has evolved with the times. It continues to reinvent itself to meet the ever-changing needs and expectations of Canadians, yet it aspires to remain financially self-sustaining.

As the digital era signals another period of great change, we look forward to working with you to keep Canada Post strong, and to keep central its promise to serve all Canadians.

Our appearing before you today is very timely. Last week, Minister Foote announced an independent review of Canada Post. The review will hear from Canadians about their needs and expectations of the postal system, and we welcome that.

Also last week, Canada Post tabled its 2015 annual report, and that is where I would like to start today.

In 2015, Canada Post generated \$6.3 billion in revenues and posted a \$63-million before-tax profit. While positive, this is essentially a break-even result. The profit is modest in comparison to the revenues, and it is worth noting that it is down \$131 million from the year before. The profit itself can be attributed to solid growth in parcels and a strong showing for our direct marketing service. It is also due in part to a one-time pricing adjustment that we implemented in 2014.

However, these factors alone are not enough to compensate for the mounting challenges we are facing today. The evidence for that statement is clear and laid bare in the data.

I don't want to recite a laundry list of stats and data, but I would like to offer some telling highlights. In the digital age, as Canadians choose to communicate and conduct their financial transactions online, our core business has been rapidly eroding. Since peaking in 2006, domestic letter mail volumes have fallen by 32% or 1.6 billion pieces. That has meant \$1.1 billion in lost revenue.

While letter mail volumes are declining, the number of addresses we serve has been going up, by an average of 169,000 delivery points per year over the last nine years. This means we are serving more and more addresses, yet collecting less revenue per address to cover a growing cost.

Another layer is added to the challenge by something unique to Canada. We have a vast geography and one of the lowest population densities in the world. Together with a declining density of mail per address, this makes for a high-cost structure in our postal system.

There is also a major pension issue we must contend with. As of the end of last year, the Canada Post Corporation Registered Pension Plan had a solvency deficit to be funded, estimated at \$6.2 billion.

It is the combination of these multiple, intertwined factors that defines and complicates our challenges, but I can say with optimism that for 253 years Canada Post has overcome difficult challenges, and this time will be no different.

We look forward to the conversation to determine the best path forward. We want to serve Canadians in the way they expect to be served, and at a reasonable cost.

While the data from our latest annual report clarifies our challenges, it also provides a picture of how much residents and businesses continue to use us. Yes, transaction mail volumes are declining, but it is still an important service across the country. People and businesses mailed almost 3.7 billion pieces last year. Small businesses especially continue to rely on us. Canada Post has always had a special relationship with small businesses, as we provide an affordable way for them to send and receive important items such as payments and invoices.

We also understand the importance of connecting rural, remote, and northern communities. Though this has always been the case, it has become even more relevant today, with the arrival of e-commerce. We are able to provide the people and businesses in these communities with access to goods that they did not have before, and we are the only parcel carrier that delivers to some remote communities. For them, we are not just a service; we are a lifeline.

•(1535)

In fact, consumers all over Canada depend on us to receive their packages as we deliver almost two out of every three online orders. In turn, Canadian retailers depend on us to deliver those online orders every day.

In this context, Canada Post has become a significant partner to the nation's emerging digital economy. Businesses are also using our direct marketing services. Why? Because to them, direct mail is not junk mail. It is an affordable and effective way to directly reach their customers. This is especially true for local neighbourhoods and local neighbourhood businesses that rely on these marketing methods. So, yes, we remain important to Canadians as they use our services in both traditional and new ways, and this is why it's imperative to find the solutions that will keep Canada Post strong and financially viable.

As you know, we have been doing our best to try to find solutions. We have been updating our equipment, exploring options, and fixing our pension plan, and we had implemented a plan to address our revenue shortfall. However, given the desire of the new government to independently review the future direction of Canada Post, we ended elements of that plan. Specifically, we terminated the conversion of nationwide community mailbox delivery, and we also suspended the annual price increase for 2016.

Now we look forward to establishing a new relationship. We want to work co-operatively and transparently with the task force and then, with this parliamentary committee, find the path forward. We have a lot of postal experience and expertise to offer, with which we can help create solutions to the serious and complex challenges ahead.

I spoke a bit about e-commerce, but before I conclude I would like to underscore how much online shopping has changed the way people use the postal service.

What is in our plants, our depots, our trucks today might surprise you. Because Canadians are sending fewer letters yet buying more goods online; they are changing us from a mail company that

delivered some parcels to a company that is also delivering some mail.

A whole new generation of Canadians are building a personal relationship with Canada Post, even if they don't know it, and we have become the backbone of the Canadian retail industry. These retailers are also struggling to survive in the digital economy, but we are helping them succeed. We are providing shipping and logistics support; we are opening our data so they can offer upfront delivery information on their checkout to online shoppers.

Since the beginning, parcel delivery has been one of our core strengths. Now the legacy network of the past needs to reflect the new realities of e-commerce and a digital economy that will continue to generate a lot more parcels. But I must caution that overcoming our challenges won't be as simple as switching mail for parcels. Our challenges are more complex than that.

Though both parcels and direct marketing represent opportunity for Canada Post, their growth won't be enough to offset the decline of our core letter-mail business, and pay for the pension plan, to allow us to invest in our network or customer service. Therefore, this growth will not be enough to ensure our long-term financial self-sustainability.

I have talked a lot about the challenges we face, but we are hardly alone in this predicament. Digital communication is threatening other industries, too. Media, television, film, books, these industries are experiencing all kinds of existential challenges borne out of the digital era. Around the world, postal services are each exploring their own much-needed survival solutions that fit the unique needs of their country, their residents, and their businesses.

In other words, I think everyone agrees that there is a problem and what the nature of the problem is. It's finding the solutions that will be the tricky part, but it's a journey we look forward to. We are glad to be here today and to be working toward the same goal. We all want a strong postal service, one that is sustainable, and one that serves the needs and expectations of all Canadians no matter where they live.

Thank you, Mr. Chairman.

•(1540)

The Chair: Thank you, Mr. Chopra.

We'll go now into our first round of questioning, which will be seven minutes, and our first intervenor will be Monsieur Ayoub.

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Thank you, Mr. Chair.

[*Translation*]

I want to thank the three witnesses for joining us today.

This is a very important issue for me. I was supposed to be attending an event in my riding this evening, but I decided not to go because I felt that the issue was too important.

Canada Post clearly provides an important service. I'm happy to see that you have a five-point action plan. When did you start working on that plan? I believe it was presented around 2013.

[English]

Mr. Deepak Chopra: Our five-point plan, as you know, has been suspended. We're focused on the future. It's important for us to make sure that as we go through this independent review process the independent panel understands we are operating in a highly competitive environment.

Mr. Ramez Ayoub: Mr. Chopra, my question was when did you start looking at the plan for November 2013?

Mr. Deepak Chopra: The focus for Canada Post today is to look at solutions for the future. Having suspended that plan all our energies are now—

Mr. Ramez Ayoub: Mr. Chopra, my question is very simple. When did you start looking at that plan?

Mr. Deepak Chopra: This planning is a multi-year and multi-generational process. To plan the networks of the future, the long-term solutions, takes many years. That's a process that's carried on—

Mr. Ramez Ayoub: Mr. Chair, I'm going to interrupt another time.

The Chair: Go ahead.

Mr. Ramez Ayoub: My question is simple. I ask you very gently, very humbly, to answer the question. When did they start planning to release that plan in November 2013?

The Chair: Mr. Chopra, I will side with Mr. Ayoub on this one; the question should be a quite simple one to answer. When did you start developing your five-point plan?

Mr. Deepak Chopra: Our five-point plan goes back prior to my arrival at Canada Post because most of the transformation that was under way started back in 2008-09. Portions of that are part of our modernization plan, our new equipment, our new vehicles.

So when you are running—

Mr. Ramez Ayoub: When did you arrive at Canada Post?

Mr. Deepak Chopra: I arrived in February 2011.

[Translation]

Mr. Ramez Ayoub: Thank you.

The plan that was developed is quite ambitious. Who approved it? Who authorized the implementation of the plan? Who authorized the implementation of its five points?

[English]

Mr. Deepak Chopra: The normal process for Canada Post to get its plans prepared and approved requires management to prepare its plans, and then review it with the board of directors. The board of directors then reviews the plan as part of its annual exercise. Those plans then get submitted to the Treasury Board as part of the annual corporate plan approval process. And that is an annual, routine process that carries on for every plan.

[Translation]

Mr. Ramez Ayoub: So we can say that the previous government approved the plan's rollout in November 2013.

[English]

Mr. Deepak Chopra: Canada Post regularly prepares its corporate plans and follows the established Treasury Board and the FA process. Like every other crown that's what we follow: the regular process, due process, our annual corporate plan.

[Translation]

Mr. Ramez Ayoub: I remember very well when that new decision was implemented to stop residential mail delivery. I was mayor of the town of Lorraine and witnessed that implementation. We had to deal with that situation in less than 24 hours, once the announcement was made to our constituents that the service had been abolished.

I'm looking at the plan. It is ambitious, it was prepared a long time ago, and it says that you have held discussions with municipalities and constituents. But I can guarantee today that this was not the case at the time. The messages had already been passed. I have said this already. The town of Lorraine was the unwitting guinea pig. We went through the implementation. We are now seeing its repercussions.

I am now an MP, and that may have something to do with it. There is an issue with ice on community mailboxes. The problems related to seniors and individuals with reduced mobility have not been resolved, and there is theft and vandalism. The issues are fairly critical, but the response has been lacking or minimal. Of course, your employees are acting in good faith, but the management has failed. That is why our party is reviewing these issues. We are once again dealing with a problem that has been imposed on us.

What short-term solutions do you propose to resolve these issues until a long-term solution is found? What are your short-term solutions to chronic ice problems and issues with people losing access to their mail? I would like to get an answer, as it has not been easy to get answers from the support group, despite its good will.

● (1545)

[English]

Mr. Deepak Chopra: I'll ask my colleague to address the operational issues.

[Translation]

Mr. Jacques Côté (Group President, Physical Delivery Network, Canada Post Corporation): There are a number of problems on a daily basis. Thefts have been taking place before and after delivery. Sometimes vehicles are targeted and sometimes community mailboxes are. Unfortunately, crime is an issue Canada Post faces daily in its post office warehouses. We have a security group that works with local and national police forces to prevent theft, but thieves are not only targeting community mailboxes.

When it comes to keys, Canada Post has been using community mailboxes with great success for 30 years. There have always been problems with locks freezing. All our community mailboxes display the client service telephone number. When a problem occurs, we are happy to send someone to repair the lock as quickly as possible. When an ice storm occurs, for example, it can take a whole day and regions can be greatly affected, but, generally speaking, the system has proven its effectiveness over the past 30 years.

[English]

The Chair: Thank you very much for both the questions and the answers.

Mr. Blaney, please, for seven minutes.

[Translation]

Hon. Steven Blaney (Bellechasse—Les Etchemins—Lévis, CPC): I want to begin by welcoming you and the members of your team to the committee, Mr. Chopra.

As I told you before we started the formal meeting, we will surely have an opportunity to work closely over the next few months, especially this fall. We will be happy to see you again to contribute to Canada Post's effort to adapt. Your presentation was very enlightening on that issue.

First, I want to offer you the committee's cooperation. Our objective is clear. We want to ensure that we are able to help you fulfill Canada Post's mandate, while taking into account your changing context.

Second, it should be pointed out that Canada Post is an independent corporation. However, when it runs into financial difficulties, taxpayers foot the bill. So we want to encourage you to continue along the path to profitability.

We have also seen the annual report that provides an overview of the situation. You did a good job of illustrating the challenge stemming from the fact that Canada Post is processing less and less mail and letters, but more and more parcels. Could you tell me how you see the coming years in terms of profitability in light of market changes, pressures you face and opportunities available to you?

As you said, you are barely managing to keep afloat. In 2015, Canada Post made a profit of \$169 million. Business was also profitable in 2014, but there were operating losses over the previous three years. Basically, how do you see this year and the upcoming years in terms of profitability?

• (1550)

[English]

Mr. Deepak Chopra: The single largest issue we're facing is the decline of letter mail. In its early days, between 1969 and 1975, letter mail grew by a billion mail pieces. Between 2006 and 2015, letter mail declined by 1.6 billion pieces. So our biggest challenge is to overcome the financial gaps that will be created by the very core business that has been the purpose of the corporation for at least the last 50 years.

We do not see the decline of letter mail; on the contrary, we see the decline of letter mail accelerating. When you open a bank account now, or open a cellphone account, your default option for getting

your monthly bill is electronic. Increasingly the default option for virtually all communications is electronic. So we suspect that this acceleration will gradually increase. We're seeing this in media, we're seeing this in publishing, and we think this will continue to be a significant pressure on the corporation.

On your question about opportunities, we have looked at several areas of opportunity. The one we found where we had the core competencies was to deliver parcels, but parcels is still a quarter of our business. Even if we grow parcels extremely well...which is what we have done over the last two to three years in particular. In fact we are very proud of the work our employees are doing, day in and day out, winning in a highly competitive environment. Canada Post continues to deliver great service to retailers. But we think that opportunity will not be sufficient to overcome the size of the problem.

We also have a pension plan that has over \$6 billion in solvency deficit.

Under the temporary relief, we are not contributing to the solvency deficit. If we were required to contribute, that would, again, be \$6.2 billion over five years, and that type of financial strength is not there. The corporation's challenges will simply continue to mount in the absence of viable solutions that can be implemented and that play to the core strengths of our corporation.

Hon. Steven Blaney: Yes, I think you've summarized many challenges. Would you say that Canada Post is at a crossroads in terms of the declining number of letters it is processing while the increase in parcel post does not compensate? Would you say you need to adjust your business plan radically in the coming years? Is it part of your intention? As Ramez mentioned, you had a five-year plan, your action plan in five points. How do you see the future of Canada Post with this corporate challenge?

[Translation]

The solvency deficit is a sword of Damocles.

[English]

This is actually \$6 billion over your... it's almost a year of net revenues. How do you see this challenge from a corporate perspective?

Mr. Deepak Chopra: Mr. Chair, we are indeed at a crossroads, and we are not alone. Yesterday, the United States Postal Service released its quarterly results and announced a net loss of \$2 billion. The U.S. Postal Service, whose revenue grew marginally, still reported a \$2-billion U.S. net loss. That shows that the issue is not unique to Canada.

The issues of technology, the Internet, and online substitution are real and universal. We're seeing that in other postal administrations where the challenges are similar. But as I mentioned in my opening remarks, the solutions are very much unique to the countries, the people, the environment, the climate, and the geography. Every country has a unique set of circumstances, and is finding solutions that are unique to them.

We are indeed at a crossroads.

• (1555)

The Chair: Thank you very much.

Welcome, Ms. Trudel, to our committee. I understand you will be taking the questions for the NDP today. You have seven minutes.

[Translation]

Ms. Karine Trudel (Jonquière, NDP): Thank you, Mr. Chair.

I want to thank the witnesses for joining us today.

Mr. Chopra, you said earlier that Canada Post had to find new market shares and develop a new strategy. You also mentioned that many people pay their bills online. I would like to hear your thoughts on postal banking.

We often hear that Canada Post could provide a banking system at its postal offices—so in a number of small municipalities that still have a postal office. Could you tell me whether you have looked into that strategy?

[English]

Mr. Deepak Chopra: Given the announcement our minister made last Thursday for the independent panel to look at all options, we are participating in that process and at this stage we are keeping all options open. The right way is to look through the lens of affordability, financial sustainability, opportunity to grow revenues, and opportunity to be able to discharge our liabilities in the pension plan. Earlier it was mentioned that the solvency deficit of our pension plan is larger than the entire revenue of the corporation. As you can see, the challenges we are facing are quite large, quite monumental.

We have also made progress on addressing some of those challenges and we demonstrated that, by using our core competencies, by using our core skills of delivering parcels. Many Canadians may not remember the famous Eaton's catalogue, the mail order. In fact, *The Hockey Sweater*, the famous book that has been read to every child in our country, was based on the mail order business of the 1800s and 1900s. Those core skills have now given us an opportunity to look at a growth area that we embarked on five years ago, and it has so far proven very effective. In fact, it was much easier for our employees to implement and embrace, and it is demonstrated when large customers like Amazon compliment us during peak period deliveries in the Christmas season, in the holiday season.

We are looking at opportunities so far that have been part of our core strength, but as we move forward, the independent panel will be looking at ideas and suggestions, and our goal remains to work with them on making sure those ideas are evaluated appropriately with good, sound, fact-based decisions, and we welcome that process.

[Translation]

Ms. Karine Trudel: Thank you for your answer.

However, a study was carried out by Canada Post on postal banks. You said in your presentation that you were offering the committee your cooperation. Does Canada Post plan to submit that study, so that the committee or the task force may benefit from it and make an appropriate decision?

[English]

Mr. Deepak Chopra: Mr. Chair, the corporation looked at banking almost five years ago and at that time we decided it was more appropriate for us to focus our energies on the core strengths of

the corporation that we already had and to build on those. At that time, we felt we should be focused on growing parcels, and, as you will see in our annual report, over the five-year period we have grown that parcel business from approximately \$1.2 billion to approximately \$1.6 billion. That is a significant improvement, but as we move forward we will be working with the committee to work through all options.

With regard to your questions on the release of the report, we have a policy of keeping the commercially sensitive information as commercially confidential.

• (1600)

The Chair: You have two and a half minutes left.

[Translation]

Ms. Karine Trudel: I will be brief, Mr. Chair.

Should the government give you a directive to restore home mail delivery following consultations with Canadians, will you respect its will?

[English]

Mr. Deepak Chopra: Our goal is to participate in the independent review panel process as a corporation that has a lot of knowledge about our business, providing all the facts, all the pros, all the cons, and participate in that process not only on that option but on all the other options that will emerge. As we participate in that process, the guiding principles, as announced by the minister last Thursday, also govern the guiding principle of keeping Canada Post financially self-sustaining. It is extremely important for not only Canada Post employees but for Canadians that this corporation, which has served them for 253 years, remain relevant for the next generation of Canadians. We will be working with the independent panel. We will be looking at all options and will participate in that, and options that will meet the criteria as set out by the minister will be the ones that will be reviewed.

We look forward to the final recommendations. We look forward to the final report and to participating in that process and then building our corporate plans based on the final findings of the independent panel as well as the committee's reviews, which will take place as part of the second part of the process.

The Chair: Thank you, Mr. Chopra, very much.

Madam Ratansi, please, for seven minutes.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you all for being here.

My question goes back to the five-point plan. You arrived in 2011, and the five-point plan was prepared in 2013. What sort of consultation did you do when you decided to eliminate door-to-door delivery?

Mr. Deepak Chopra: Our plan in October of 2015 was suspended. Now our energies are more focused on making sure—

Ms. Yasmin Ratansi: No. Sorry, Chair, I asked what sort of consultation did you do, because we as parliamentarians have to respond to our constituents who were yelling at us when we were at their doorstep because you had, in their opinion, unilaterally decided to eliminate door-to-door delivery. I don't want to know about going forward, because we know why the going forward came. The going forward came because of the issue that your five-point plan did not consult the constituents.

You talk about having to serve Canadians, but Canadians were not served when you unilaterally, according to them, decided to do it. I need to understand what sort of consultation you did at Canada Post, so we understand the history behind your consultation process. Going forward, when the task force gives us its recommendation, then we know what we are doing, because we need to start from phase one.

Mr. Deepak Chopra: As far as Canada Post services to Canadians, as we have been evolving in the postal service, Canada Post has been providing the same services to Canadians all across the country. I think it is important to understand—

Ms. Yasmin Ratansi: Mr. Chair, please. I asked a simple question. My question is, what consultation did you do when you decided... In my riding, which is an urban riding, people suddenly got notices that mail would not be delivered. As we were door knocking, we were asked, “hey, why are you stopping?”

I want to know who was consulted. If you can answer me whether it was the general public, or if it was management's decision, that would help me. That's all.

•(1605)

Mr. Deepak Chopra: I think it is important to understand that, when we are providing any service to any Canadian, from time to time we change service. We change service from one rural post office to another post office. The processes of moving our service to all Canadians—whether they are getting it at the retail store, whether their mail is being delivered to a rural post office, or whether their mail is being delivered to a community mailbox—have been in place for a very long time. Those processes continue to guide us as we deliver nine billion pieces of mail. We deliver over 200 million parcels.

Ms. Yasmin Ratansi: Mr. Chair, I still am not getting a simple answer.

The Chair: Perhaps I can make a quick intervention here.

Mr. Chopra, I know what you're trying to say, but whether the answer will be palatable to Madam Ratansi, I don't know. That's not the question. The question is simply did you or did you not, as a corporation, do any consultation before making the decision to end door-to-door delivery. If you did not, that's your decision. That can be debated—

Ms. Yasmin Ratansi: That's fine.

The Chair: Madam Ratansi just wants to know was there consultation with Canadians, or was this strictly a management decision.

Mr. Deepak Chopra: Mr. Chair, any corporation operating in the 21st century that serves millions of customers has to be sensitive to the customer needs, and sensitive to what Canadians need—

Ms. Yasmin Ratansi: See? No.

Mr. Deepak Chopra: —and the corporation continues to do that. It has a long history. It has a 253-year history of doing that respectfully. It's doing that constantly. Even today, customers are calling us for customer service issues. We do it with the utmost respect, and our call centres are employees delivering mail. In the process of doing that—

Ms. Yasmin Ratansi: It's okay, Mr. Chopra, because section 5 of the service charter says “that you shall consult”, and what you're telling me is you did not consult the public, which is fine. It was an answer that I was looking for on whether there was a wider consultation, because we as parliamentarians...you're a crown corporation, and we do not expect you to be running inefficiently. We expect you to meet your bottom line or make a profit. The bottom line is we end up bearing the burden and the annoyance of our constituents when you do not consult them.

There have been a lot of write-ups and things that talk about the five-point plan being prepared by The Conference Board of Canada. Is that true or false?

Mr. Deepak Chopra: Canada Post is responsible for all of its affairs. We do not have third parties prepare our plans.

Ms. Yasmin Ratansi: So therefore you're saying that the Conference Board, when it wanted to provide you with a restructuring plan, did not provide you with how to streamline Canada Post, as was your mandate?

Mr. Deepak Chopra: Canada Post looks at international best practices, Canada Post looks at expert opinions, Canada Post looks at other postal administrations, looks at other ideas that are coming through, and that's how we have evolved over the years.

Ms. Yasmin Ratansi: In your role as the CEO, when you were doing the five-point preparation—that's a strategic plan, and every organization needs to do a strategic plan and think of all the issues that might come into play, for example the potential trends, etc.—when you were doing your strategic planning, did you in any way think of eliminating the mail delivery as part of your savings?

Mr. Deepak Chopra: Corporate plans are prepared looking at a wide range of factors: interest rates, expenses, inflation, cost—

Ms. Yasmin Ratansi: I'm an accountant. You have to tell me those things in simple terms.

Mr. Deepak Chopra: —so I don't think we can look at just one factor in isolation in planning an \$8-billion corporation's financial plan.

Ms. Yasmin Ratansi: We are familiar because we deal with \$290-billion revenues as this committee, so we're not in a place that we don't understand. My question has been (a) consultation, and (b), you said you had looked at best practices from different jurisdictions so can you name a few that you did for this five-point plan?

Mr. Deepak Chopra: We look at the global best practices. There are reports that are published for the—

Ms. Yasmin Ratansi: For British?

Mr. Deepak Chopra: I explained earlier on in my remarks—

•(1610)

Ms. Yasmin Ratansi: Okay.

Mr. Deepak Chopra: —that the postal solutions, particularly postal solutions, have to be unique to the country and its geography and history. We have had community mailboxes in Canada since the 1980s. Other jurisdictions have other solutions. We have to look at solutions that are best for Canada and best for Canadians.

Ms. Yasmin Ratansi: If there's any research, would it be possible to submit—

The Chair: I'm sorry, Madam Ratansi, I gave you quite a bit of extra time—

Ms. Yasmin Ratansi: Sorry, thank you.

The Chair: —because of my intervention.

For the benefit of the committee, and I say this respectfully, there are rules that each committee must abide by, and I say this to both witnesses and committee members. Witnesses are obliged to try, wherever possible, to give direct answers to direct questions. I also remind committee members that all questions put should be done respectfully. I remind all committee members that we have witnesses here who are guests and they're also public servants. Please, if we could abide on that level, both for the witnesses in answering the questions, and committee members when putting them, your chair would appreciate it very much.

We're now going to a five-minute round, and we'll start with Mr. McCauley.

Mr. Kelly McCauley (Edmonton West, CPC): Thanks for joining us today.

The pension holiday ends 2017. I saw somewhere it'll be approximately \$6.8 billion by the end of the holiday?

Mr. Deepak Chopra: Yes. As of last year, there's a \$6.2-billion pension solvency deficit.

Mr. Kelly McCauley: Okay. Going forward with the five-point action plan, which has just been suspended, what kind of risk are we looking at for added pension deficit by suspending the five-point action plan and continuing down the path? What are we looking at extra, ballpark? I know you can't tell exactly, but ballpark-ish.

Mr. Deepak Chopra: I think the best estimate is the most current estimate, because it fluctuates with the interest rate movements, and there are other actuarial assumptions that drive that. The solvency deficit over the last three years—

Mr. Kelly McCauley: Suspending the five-year action plan, what effect is that going to have on...?

Mr. Deepak Chopra: As we mentioned, the issues and challenges will not go away, so the cash generation ability of the corporation won't work back to financial self-sustainability until we have a set of options that can balance the books.

Mr. Kelly McCauley: Okay. You also suspended or eliminated the price increase on stamps I heard for this year.

Mr. Deepak Chopra: We have suspended that.

Mr. Kelly McCauley: How much is that going to cost us, and by "us" I mean Canada Post, the government, taxpayers eventually? What will that cost us in a 12-month period?

Mr. Deepak Chopra: The annual impact of that is roughly \$30 million.

Mr. Kelly McCauley: And the general suspension of the five-point plan, switching over to community mailboxes, how much will we add to our collective debt from that in a one-year period, assuming there'll be time for review, etc.?

Mr. Deepak Chopra: Canada Post had \$700 million to \$900 million savings from our transformation plan. We reported in our annual report that we had achieved \$390 million of savings from that plan.

Mr. Kelly McCauley: But we're stopping now.

Mr. Deepak Chopra: So the balance of the savings that were projected will be on hold until such time as we have a new plan.

Mr. Kelly McCauley: Ballpark how much, though?

Mr. Deepak Chopra: About \$400 million to \$500 million.

Mr. Kelly McCauley: We've heard different numbers about how many people get door to door. I'm blessed right now, I do, but in the past I've done community. It shows 27% are door to door.

Mr. Deepak Chopra: That is correct; 27% is door to door. The remainder receive their mail....

Mr. Kelly McCauley: Right, then 26% have community, apartment, and so on.

Mr. Deepak Chopra: Yes. No door. It will be some form of centralized delivery, which is a more efficient method of delivery for us.

Mr. Kelly McCauley: About 73% are....

Mr. Deepak Chopra: So 73% is some form of centralized or group mailbox or rural mailbox, and 27% of Canadians receive door to door.

Mr. Kelly McCauley: Is it fiscal year end where the pension holiday ends and you have to start contributing?

Mr. Deepak Chopra: Yes. Canada Post has the calendar year.

Mr. Kelly McCauley: How much are we on the hook for on your bottom line then if you have to start contributing?

Mr. Deepak Chopra: It's difficult to estimate; I mentioned the interest rate variation....

•(1615)

Mr. Kelly McCauley: Just give us a ballpark figure. How much were you contributing per year before the pension holiday started?

Mr. Deepak Chopra: We had contributed and then we used some other instruments. We contributed close to \$1 billion in special payments prior to the holiday close.

Mr. Kelly McCauley: All things being equal, our bottom line next year will show minus.

Mr. Deepak Chopra: I think it's a cash generation issue versus a profit and loss issue. It's more balance sheet and cash generation.

Mr. Kelly McCauley: You mentioned workforce reductions mostly through attrition. I wonder if that's continuing and how many costs you were bearing by not immediately eliminating surplus or redundant positions but rather by going through the attrition practice?

Mr. Deepak Chopra: We have attrition coming up, there is no question. Our plan was to respect the collective agreements and manage the attrition as we could implement productivity and efficiency gains. We managed to do that during the course of the last two and a half years. Now it is on hold.

Mr. Kelly McCauley: Okay.

The Chair: Mr. Whalen, you have five minutes.

Mr. Nick Whalen (St. John's East, Lib.): Thank you very much, Mr. Chair. Thank you all for coming today.

I'm not sure if my questions will relate more to Mr. Côté's work or Mr. Chopra's, but as we're looking forward to the future of Canada Post and its efficiency and its ability to build community in a compassionate way in accordance with its service charter, I've a few questions about the perceived deterioration in labour relations with the corporation, particularly as it relates to route assessment.

How much did the corporation pay in overtime in 2015? It doesn't show in the financial statements. Could we have a ballpark on that as a percentage or a dollar value as compared to the overall labour cost?

Mr. Jacques Côté: If you give me a bit of leeway, about 3% of the hours are overtime.

The way the corporation structures the routes—and they structure according to the process prescribed in the labour agreement where we've got labour observers—it is done on an average. For example, if we have high volume, if we've got absenteeism, when a new employee gets on a route, if there's a snowstorm, after a statutory holiday, there's a period where you go above the average and we pay overtime.

We monitor overtime all the time. It is, first of all, more costly. It is also not good for employee health and safety. It is not something we are striving to do. But if absenteeism is high, some days we may have somebody—either voluntarily or not—deliver the route. From time to time you're going to see overtime in our network, but we make sure this is kept at a reasonable level.

Mr. Nick Whalen: Are there areas in the country where a change has recently been made where you're finding that overtime is larger than expected and health and safety are impacted in those places?

Mr. Jacques Côté: After a change, it's quite typical to see overtime. Employees are unfamiliar with the route. They're unfamiliar with where they need to go. There's a loss of productivity. You'll find that over a period of 10 to 12 weeks after the restructuring, the overtime will go back to what it was.

Again, the way to structure the route is prescribed in the labour agreement.

Mr. Nick Whalen: When a route is restructured, as described in the labour agreement, certain calculations seem to be based on assumptions regarding the percentage of mail that will be delivered on a particular day on a route. When errors are made in those types of calculations, those fundamental calculations, how quickly is the corporation able to react to those types of errors and the impact they might be having on employees? Is it done immediately? Is it done over a couple of months? What's the timeline for correcting errors in route assessment allocations?

Mr. Jacques Côté: We do it as quickly as we can. On record, working with the employee, if a supervisor knows that an employee has a route that is not manageable, I'm expecting them, regardless of whether the route is restructured or not, to take immediate action to fix that.

Our employees work hard. They work in all kinds of conditions. As I think someone said, it's a tough job. We all recognize that, and we want to make sure their job is doable. We want them at work. We don't want them injured and stressed out.

Mr. Nick Whalen: Thank you, Mr. Côté. I'll quote you on that.

As we look at section 11 of the service charter for Canada Post, it reaffirms the moratorium on closure of rural post offices. I'm seeing here, based on a couple of the most recent annual reports, that about 32 rural post offices were closed, or were closed this past year; maybe 34 of them would have been closed in 2014.

Have any of these been reopened?

Ms. Susan Margles (Vice-President, Government Relations and Policy Framework, Canada Post Corporation): Sorry: have any of them been reopened?

Mr. Nick Whalen: Yes. Have you been able to restaff or reopen those post offices, those rural post offices, on which there was a moratorium on closure in the intervening period?

● (1620)

Ms. Susan Margles: In every case where we're facing an unforeseen circumstance—somebody is retiring, or somebody has an unfortunate incident, or sometimes there's damage to a post office that needs to be dealt with in another way—the first thing we look to do is restaff. That is part of our service charter commitment. That's the first thing we do. In many circumstances we go through more than one cycle of looking to restaff.

As you may know, some of these communities are quite small, and there's not always somebody willing to take on that responsibility and that job. If we are not able to find someone in the community, we consult with the local elected representatives at the municipal level, or the member of Parliament, etc., to try to determine the best way forward. Only after going through that process, and providing notification to the community, would we go forward and close.

So yes, we always search to restaff in the first instance. There are many cases, beyond the number you see in the annual report that did eventually close, where we did indeed restaff.

Mr. Nick Whalen: These numbers here are based on a determination of what “rural” means. Can you tell the committee what determination is used for “rural”? Are there other post offices not shown in the section 11 analysis in your annual report that have been closed over the past two years?

Ms. Susan Margles: The question of rural is actually a very interesting question. It's one that I expect will be addressed in the course of the task force review and perhaps in the deliberations of the committee.

In fact, the rural moratorium that's in place today and has been in place for many years did not really define "rural" in terms of distance or in terms of population. It was a list of post offices that at the time were determined to be rural, including communities that were not necessarily rural but perhaps had only one corporate post office in them. So it's not really definition-based. It's based on a point in time, and that's the basis on which we manage that today.

The Chair: Thank you very much.

Monsieur Blaney, five minutes, please.

[*Translation*]

Hon. Steven Blaney: Thank you, Mr. Chair.

First, my colleague from Alberta would like to say something to the Canada Post representatives.

[*English*]

Mr. Kelly McCauley: Oh, yes.

I was remiss in not thanking you and Canada Post for the help you've given in Fort McMurray. As an Albertan, that's important to me, and I appreciate it. I pass on the sincere appreciation of the folks in northern Alberta.

Thank you very much.

Mr. Deepak Chopra: I would like to in fact—

Mr. Kelly McCauley: No, don't take up my time.

Voices: Oh, oh!

Hon. Steven Blaney: Come on. It's my time.

Mr. Kelly McCauley: Don't take up his time.

Voices: Oh, oh!

Hon. Steven Blaney: That's okay.

Please go ahead.

Mr. Deepak Chopra: It is a very important emergency for the country, and absolutely we are working very closely with the Red Cross. Making funds available to Fort McMurray residents who are no longer in either Edmonton or Calgary is a difficult task. They're not able to physically collect their debit cards, so we are working on many aspects of our money transfer capabilities. We're working on the essential packages. The packages nowadays include such important things as urgent medication and wedding rings and wedding gowns. We have been working all hands on deck to make sure that the experience is managed carefully.

We have announced a mail-forwarding emergency measures process where anyone can go online and request a change of address. We will take care of their mail that is held up, a lot of it in Edmonton. As well, their future purchases coming through will be redirected to the address of their choice.

It's a very important piece. In fact mail service reminds Canadians that there is a sense of normalcy if they're starting to get their mail. It's a very important aspect, and we take that very seriously.

Mr. Kelly McCauley: Thank you very much.

[*Translation*]

Hon. Steven Blaney: Thank you very much, Mr. Chopra.

I would like to take this opportunity to thank you. As former Minister of Veterans Affairs, I really appreciated the leaflets you had produced to commemorate Remembrance Day that included a photograph of a little boy seeing his father go off to war and John McCrae's poem. I had those leaflets framed and put them on my desk.

On April 9, 2017, I'm sure you are planning a beautiful testimonial for the 100th anniversary of the Battle of Vimy Ridge, which coincides with Canada's 150th anniversary. They say that was basically the birth of our country.

Speaking of the centennial, during the first 100 years of Canada Post's existence, your corporation delivered parcels and was profitable. So there was a business model that has evolved based on the Canadian population. We have seen that you have had to make business decisions that were not always popular, but that stemmed from your market analysis.

In my riding of Bellechasse—Les Etchemins—Lévis, many constituents have rural boxes or access to centralized mail. I do. I live in Lévis, in the Saint-Rédempteur neighbourhood, and my mailbox is fortunately not too far.

In terms of fairness, I would like to point out that three out of four Canadians have no home delivery service. With you running a deficit in terms of your operations, it is as if three Canadians with no home mail service were being asked to fund a door-to-door delivery for the others. The discussions that will take place during consultations will definitely be interesting.

You are giving us an overview of the situation. You are telling us that Canada Post is at a crossroads owing to a dramatic drop in terms of mail. You're saying that the increase in parcels does not cover the losses caused by the drop in home-delivered mail. Ultimately, as I was saying earlier, you have a sword of Damocles hanging over your head—a \$6-billion solvency deficit that is not accounted for. In addition, your momentum is being impeded. The nature of my colleague's questions indicated that the decisions of the current government to suspend your action plan will result in an additional loss of revenue of nearly half a billion dollars.

How do you see the consultation process? What would be your recommendations on the work we, parliamentarians, will have to do to avoid throwing out the baby with the bathwater? We want to keep Canada Post, but we want Canada Post to meet the contemporary needs of a changing market by using, as you said, the Internet, and by using online accounts. We also want to get our parcels and we want to know what your operating principles are. Which of your recommendations on those issues could be taken into account by the committee?

• (1625)

[*English*]

The Chair: Mr. Blaney, I thank you for providing both the question and the answer, but now we are out of time.

We'll go to the last five-minute round, with Mr. Grewal.

Mr. Raj Grewal (Brampton East, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Chopra and your colleagues, for coming here today. We really appreciate it.

Mr. Chopra, my questions are predominantly to you, and they'll be yes-or-no questions. If you could do your best to answer them, I'd really appreciate it.

You are the president and CEO of Canada Post?

Mr. Deepak Chopra: Yes.

Mr. Raj Grewal: So the buck stops with you, sir, on the performance of your corporation?

Mr. Deepak Chopra: That is correct.

Mr. Raj Grewal: You've read the annual report for 2016?

Mr. Deepak Chopra: Yes. We have published that for 2015.

Mr. Raj Grewal: Have you read the report, sir?

Mr. Deepak Chopra: Yes, I have read the report.

Mr. Raj Grewal: Under the accountability section, in number 13, it says, "Where Canada Post plans to change delivery methods, Canada Post will communicate, either in person or in writing, with affected [consumers] and communities at least one month in advance to explain decisions and explore options..."

Was this done before door-to-door delivery was ended?

Mr. Deepak Chopra: That remains a charter, a guiding principle. We live that every single day.

Mr. Raj Grewal: Mr. Chopra, it's a yes-or-no question.

Mr. Deepak Chopra: Yes, we continue to follow the charter that you're referring to in every action, not just in action of a service.

Mr. Raj Grewal: Mr. Chopra, I don't mean to be rude. I'm just going to keep going because I don't have much time and I'm very scared of the chair.

Mr. Chopra, in 2013, the five-point action plan came into place. You suspended it in 2015. For those two years, can you quickly sum up the impacts on the bottom line of implementing the plan?

Mr. Deepak Chopra: The impact on the bottom line is that we are barely breaking even. We are barely breaking even. We still have a \$6-billion solvency deficit, and it continues to be a challenge because we expect the letter mail volumes to continue to decline, which they are doing, on average, by 5.5% to 6%. We expect that trend to continue.

The impact on the bottom line, as mentioned in the annual report as well, is that we are barely breaking even.

Mr. Raj Grewal: Thank you, Mr. Chopra.

My riding of Brampton East is home to many immigrants. It's the second most visible minority riding in the entire country—60% of my riding is South Asian. A lot of my constituents send money overseas.

Has Canada Post done any research into providing a low-cost service to Canadians who send money abroad to families?

Mr. Deepak Chopra: Thank you so much for this question. In fact, we are the number one partner...particularly in Brampton, where

we have several branches of Canada Post that have the lowest-cost money transfer opportunity through our partnership with MoneyGram, and we continue to enhance the capability. In fact, Mr. Grewal, just last year MoneyGram added 100,000 post offices in India alone, let alone the other global reach we have. It's a service that is very well liked, particularly by our diverse communities, and we are very proud to be serving them.

We even try to encourage our employees in communities that they live and serve in to be part of those communities. As you know, that helps our customers feel comfortable, particularly when we are able to speak to them. In addition to serving in our official languages, English and French, we are very proud to be able to serve them in other languages, which our employees speak as well.

• (1630)

Mr. Raj Grewal: Thank you, Mr. Chopra.

This seems to be a classic business problem. You need to increase revenues or decrease expenses in order to start hitting your targets. One of the things that I found really interesting in your annual report is your concept store in 2015 in Richmond Hill.

How is that doing? Can you elaborate a bit on what's going on there?

Mr. Deepak Chopra: This is an example of learning new ideas from customers. What we found is that when many of the customers with young children are ordering online, they're not home during the daytime. In the evenings, when they go to pick up their parcel, which as you know is increasingly more of what we're delivering, they have young children in the car seat, and they have to unbuckle them. Maybe it's snowing. And they have to walk into the local postal outlet and then come back. It is not a very convenient experience. So we introduced North America's first drive-through parcel centre. It has been embraced by the community. It is a concept store. We're learning from that. The adoption during the holiday season was close to 70%. Overall, adoption is picking up.

We have also provided 24-7 self-serve facilities for small businesses. We heard from a lot of small businesses that when work is finished and they have five or six or seven parcels to ship, we are closed. So now they can come in and self-induct, in a secure environment, and get a bar-coded receipt from that 24-7 service. Canadians who forget to buy an Xpresspost package and have to send an important document tomorrow can now go in the middle of the night and pick that up.

Mr. Raj Grewal: How is the revenue in that one store?

The Chair: I'm sorry, Mr. Grewal, we have to cut it down.

Because of my own interventions, we've run a little over time, but I will allow the NDP their last three-minute round, and then we'll quickly pause and bring in our second set of witnesses.

Please, for three minutes, Madam Trudel.

[Translation]

Ms. Karine Trudel: Thank you, Mr. Chair.

We have talked about profits and other aspects. To my mind, Canada Post is a public service that must provide services.

We see the figures. Your action plan makes the corporation seem like it is considered a private company, but the service must be public. It is important to make a profit and find new ways of doing things and new services, but first and foremost, we have to preserve the essence of what Canada Post is—a corporation that provides services to Canadians, including seniors and people with reduced mobility.

I am also thinking about our major cities, including Montreal and Quebec City. Have you thought about the possibility of implementing the home delivery service. This is about mail delivery. Mail carriers do still have to get to neighbourhoods every day to deliver parcels and mail to homes three days a week, to provide Canadians with services.

Canada Post may be running a deficit in mail delivery, but it turns a profits in parcel delivery and other services. We have to consider all of that. The very essence of Canada Post is to provide Canadians with services.

[English]

Mr. Deepak Chopra: The independent review panel provides an opportunity to look at innovative options. I think it is wonderful to be able to evaluate ideas from your constituents and other parts of the country. It is still important for the corporation—we are barely a break-even organization—to pay for itself. The Canada Post Corporation Act asks Canada Post to be self-sufficient.

The goal is to generate enough profit so that we can reinvest in new services. The member from Brampton East talked about our concept store. That is an investment in helping busy young mothers. Canadians are leading busy lives. Those funds allow us to reinvest in business, new technology, new vehicles, and new ideas. That remains the main objective, to be financially self-sufficient. Profits get reinvested in the business. For other options that may be even more interesting to Canadians, we look forward to working with the independent review panel. We look forward to working with the committee as you look at the final report from the independent review panel. We need a package that will allow us to remain financially self-sufficient and yet serve the changing needs of Canadians. Canadians have changed, and we are committed to making sure that we serve both their past and emerging needs.

•(1635)

The Chair: Thank you, Mr. Chopra, and my thanks to all committee members.

Because of the tight timelines, I'll keep my thanks to a minimum. We appreciate your being here today.

We are going to adjourn for about two minutes while we get ready for our next set of witnesses.

Thank you all.

•(1635)

(Pause)

•(1635)

The Chair: Colleagues and witnesses, we're not quite finished with some distribution of statements we have for you. Before us today we have three agencies: the Public Service Commission, the Canada School of Public Service, and the Office of the Public Sector Integrity Commissioner of Canada.

Witnesses, given the time constraints we're facing, I would like you to try to keep your comments as succinct as possible. Any comments that you don't have time to get to verbally will be appended to the minutes of this meeting. They will be a part of the official record. I'm going to try to allow as many of our colleagues to ask questions as possible. Please try to keep your comments to a minimum and allow the questions to elicit the information you might have normally given in your opening statements.

We will start with the Public Service Commission.

Madam Donoghue, please identify any other officials you may have with you, and give us a brief opening statement, if you have one.

•(1640)

Ms. Christine Donoghue (Acting President, Public Service Commission): Thank you, Mr. Chair.

I'm happy to be here with Raman Srivastava, who is our acting VP of audit and data. Raman has the knowledge to be able to answer a lot of the data questions that the committee may have.

Thank you for having us. The commission is really pleased to be here. We were here not too long ago to talk to this committee about the mandate of the commission, so I will not expand on that, but as you know, we're an organization that has been up and running for over 100 years. The purpose of the commission is definitely to ensure the integrity of the staffing system and the non-partisanship of the public service.

We deposited our annual report with Parliament on February 24. You will notice in our annual report that the staffing system is very healthy and doing well.

For 10 years, we have been operating under the new legislation, which is the Public Service Employment Act, which is what changed in 2005. After 10 years of practice under this act, and verification with our audit powers on entity audits of organizations, we are pleased to say that the system in staffing is doing very well and is pretty mature.

On that basis, we have started a modernization of our policies to ensure that we are more nimble in order to allow departments to reflect their operational realities.

On April 1, we launched "New Direction in Staffing", which is a modernization of 12 pieces of legislation that we've put forward into one piece of legislation, but we've also strengthened the delegation to deputy heads, so that as delegated authorities under the act they have more flexibility to be able to attract and draw the talent they need in order to meet their operational needs. What we do is ensure that merit is met in these processes and that they're done on a non-partisan basis.

This modernization is critical for the commission in order to build the public service of tomorrow. We start building it today. That's the vision we've given ourselves at the commission, in order to be a strong employer and assist departments in ensuring that we have the right talent and the skill sets to meet the needs of government and service in the context of the future and where programs and priorities are taking government.

Deputy heads are now responsible for monitoring their staffing action, which is also allowing them to detect and correct the issues as they arise. We have simplified that delegation instrument, and they're held accountable in that instrument so that they can exercise discretion but also better serve Canadians.

• (1645)

[Translation]

We are committed to working with all stakeholders to support them in implementing these changes.

Since we are here to talk to you about our report on plans and priorities, the commission's priority is to work in close collaboration with deputy heads to promote and safeguard the non-partisan nature of the federal public service. For instance, we will continue to promote public servants' awareness, not only of their responsibilities, but also of their rights with respect to political activities.

A second very important priority for us is to ensure the integrity of the staffing system through clear policy direction and support, as well as ongoing oversight. We have created a team of staffing support advisors who will work closely with organizations to ensure that integrity.

[English]

We are also adapting our oversight capacity, with the objective of supporting continuous improvement and in-time corrections across the public service. Audit is but one tool that we use, and working more collaboratively and more directly with departments allows for this in-time correction.

Over the past 10 years we have audited over 90% of every organization in the system. As I said earlier, we saw that the system is in fact mature, so we are now shifting to an audit or a verification system, an oversight system, that will allow us to examine system-wide issues, and to be able to pay attention on the greater focus of system integrity—

The Chair: I do apologize sincerely for the interruption, but it is only because of the time constraints we find ourselves in. All committee members do have hard copies of your opening statement. I would ask perhaps if we could cut it off there and allow members to ask questions, when it is their turn, on the totality of your submission.

We will then go to our next witness, if I may.

Madam Vreeswijk.

Ms. Wilma Vreeswijk (Deputy Minister and President, Canada School of Public Service): Thank you, Mr. Chair.

I'd like first to introduce my colleagues, Jean-François Fleury, vice-president of learning programs; and Elizabeth Tromp, vice-president of corporate services and chief financial officer.

[Translation]

The school was created in 2004 as part of the Treasury Board portfolio, and it is the central learning and training institution for the public service.

[English]

The school has been in a major transformation since 2014 to respond to public service needs and deliver a better service at a lower cost. We are revitalizing our curriculum and modernizing how we deliver our learning services to provide public servants with equal access to the learning they need anywhere, any time,

[Translation]

in both official languages. We are moving from primarily classroom-based learning to a broadened learning ecosystem in various formats and through different means.

[English]

A new common curriculum supports public servants at every stage of their careers and includes foundational and transformational learning, talent management and leadership development programs, and specialized learning for functional communities. For Canadians, this new model fosters a culture of high performance, innovation, and continuous learning that results in a stronger, more effective, and more efficient public service, achieving better value for money.

[Translation]

To support the new approach, the school has been moving from a blended funding model based on parliamentary appropriations and cost recovery to one that is primarily funded through appropriations.

[English]

This new approach is funded from reallocations from client departments based on employee numbers, allowing the school to offer more enterprise-focused, value-added training to the roughly 240,000 public servants who make up the core public service.

• (1650)

[Translation]

This new funding model will come into effect for the first time in 2016-2017.

[English]

In the 2016-17 report on plans and priorities, the school reported forecasted spending of \$93 million for 2015-16, decreasing to \$92 million in 2016-17. Through the transition period of the transformation, spending increased to invest in updates to the school's learning platform. This transformation was entirely self-funded by the Canada School of Public Service drawing on its own reference levels.

[Translation]

Beginning in 2017-2018, the main estimates will reflect steady state funding of approximately \$79 million, post-transformation.

In closing, I believe this is a great time for learning in the federal public service. We are already starting to see the positive results of our transition toward the new model. More and more public servants from all regions of the country are using the learning tools.

[English]

The school is proud to be leading the new public service-wide approach to learning, already contributing to a more engaged, up-to-date, agile, and responsive public service. This year we will be focusing on strengthening our partnerships both inside and outside the public service to deliver a robust learning platform.

We are committed to equipping public servants with the knowledge and skills needed to perform to the highest standards and to serve Canadians with excellence.

Thank you.

The Chair: Thank you very much. I appreciate your economy of words greatly.

Now we have Mr. Joe Friday, and I'll resist making any commentary. You and I, sir, are perhaps from the same era, and we'll let it go at that.

Could you make some brief comments?

Mr. Joe Friday (Commissioner, Office of the Public Sector Integrity Commissioner of Canada): If there are going to be comments about any names, Mr. Chair, I'm sure that I would be the winner of the competition among my colleagues here, but I'm open to jokes.

The Chair: All right, all right, just the facts.

Voices: Oh, oh!

Mr. Joe Friday: If I told you, Mr. Chair, that was not the first time I've heard that comment today, would you be surprised?

The Chair: No, I wouldn't be surprised whatsoever.

Sir, please go ahead.

Mr. Joe Friday: Thank you very much for invitation.

I'd like to introduce my colleagues France Duquette, deputy commissioner, and Éric Trottier, our chief financial officer.

Our office, Mr. Chair, was created in 2007 under the Public Servants Disclosure Protection Act, as part of the federal government's accountability initiative. Our office provides a safe and confidential mechanism for public servants and members of the public to disclose wrongdoing committed in the public sector. We also work to protect from reprisal people who have disclosed—whistleblowers, that is—or people who have co-operated in investigations.

What I would like to underscore is that we are the external whistleblowing agency and that my position is that of an agent of Parliament, which ensures independence and neutrality in our work at all times.

Under the legislation, public servants are given the option to report wrongdoing internally or externally; that is, to their manager or to someone called a senior officer, which is an internal position required to be created in every department and agency. As well, they

can use the external option, which is to come directly to my office. The choice is theirs.

The Treasury Board is responsible for the administration of the internal regime.

[Translation]

The Office of the Public Sector Integrity Commissioner of Canada is often asked to speak of our ongoing investigations. Given the strict confidentiality provisions of the act, there to provide protections for all involved—the discloser, those participating as witnesses during an investigation, and the alleged wrongdoer or wrongdoers—we cannot confirm or deny the status of any file. We can and will only speak to those following the tabling in Parliament of a case report on a finding of wrongdoing.

[English]

Although we don't have jurisdiction over elected officials, we do examine any and all allegations and look at the actions and roles of public servants in the matter brought before us. Based on all the facts in a particular context, we then determine whether wrongdoing, as defined, was committed.

You invited me here today to speak about our priorities in delivering on the mandate I've just described. In order for us to do so, we generally maintain the same priorities from year to year.

[Translation]

They are to, first and foremost, ensure a sound management of our disclosure and reprisal regime that is timely, rigorous, independent and accessible.

Second, to foster a growing awareness and understanding of the whistleblowing regime.

And third, to ensure that the human resources capacity is in place to support those first two priorities.

• (1655)

[English]

In the past year, which was my first as the Public Sector Integrity Commissioner, we completed what we called a lean organization and all-organization initiative and we looked at every step in our operational process and the role of every person in those processes to ensure effectiveness, and by that I mean decisions that are timely, clear, consistent, accurate, complete, and fair.

In the coming year our goal is not only to continue to look at our own operational processes and implement process solutions but to guide our internal process internally and also to provide clarity and transparency to potential whistleblowers and reprisal complainants. We believe that people who come to our office should have as clear an understanding as possible of how their files will be handled and what to expect when they come to us for assistance and support. It will be an open process.

[Translation]

I am proud of our team, who have demonstrated resilience and professionalism, recognizing opportunities to improve and address file management issues as needed.

[English]

In terms of our second priority, our outreach efforts are increasingly targeting middle and non-management federal public servants. We see an opportunity to expand there.

While whistleblowing is gradually becoming more accepted, the fear of reprisal remains a major obstacle. We found this with the second focus group initiative that we recently completed, the results of which we are sharing with our key stakeholders, including the Treasury Board and the office of the chief human resources officer. We are commissioning a research paper in this regard to contribute to our own understanding and to the whistleblowing literature in Canada and the world.

With respect to our operations, we're projecting total expenditures of \$5.4 million in 2016-17. In future years we plan to fill all our positions, which is up to 30 FTEs, and to continue to support initiatives that support our priorities. To give you an idea of where we are at this current moment in terms of operations, we started 2016-17 with 73 active files, and as of this morning, we have 28 active investigations.

[Translation]

I am confident that we will continue to be able to manage within our budget in the present circumstances.

Mr. Chair, I look forward to answering any questions members may have.

[English]

The Chair: Well done.

Before we begin our questioning, I have one question for Mr. Friday. In your hard copy, you state that the office started 2016-17 with 73 active files, and there are currently 26 investigations under way. You mentioned verbally that there are 28. Which one would be correct?

Mr. Joe Friday: We launched one this morning, and Ms. Duquette, my deputy commissioner, launched one last night after the speaking notes were finalized. That would be a correction, 28.

The Chair: Our first round is for seven minutes. We will start with Mr. Drouin.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you, Mr. Chair.

Thank you to the witnesses for being here, and for the just-in-time information.

For Ms. Donoghue, with regard to the reports on plans and priorities, I am just curious to understand why your number one priority is to ensure the non-partisan nature of the public. Was this in response to what happened with a certain candidate in the past, last year in the federal election? Is there no trust? What is happening there? Why is this your number one priority?

Ms. Christine Donoghue: That is the number one priority because that is the number one reason for the existence of the commission. It has nothing to do with the existing cases that are before the courts or the activities. It is just that, fundamentally, when we have a public service that is meant to be non-partisan, that is basically the core of what we do.

We monitor any activities that public servants may want to do. We offer them outreach tools so that they can assess.... They have to be able to participate in political activities, should they want to, as serving in the context of an election, while understanding the impacts on their job. If they want to be candidates, there is a legal obligation that they seek permission from the commission.

Those are the monitoring activities we do.

Mr. Francis Drouin: I have looked at previous RPPs, and it was there, but it wasn't the number one priority. Then this year, boom, it is the number one priority. I was just wondering.

Ms. Christine Donoghue: I think our priorities are not necessarily in order of magnitude. They are equally important. It is just different as it relates to our mandate.

We have four priorities. One is just as important as another.

Mr. Francis Drouin: Speaking of other priorities, you are talking about hiring quality candidates. How are you modernizing staffing requirements? I speak as a millennial. How are you planning to attract new millennials into the system? We talk about this big gap that is coming as baby boomers retire. How are you modernizing this?

• (1700)

Ms. Christine Donoghue: We have basically allowed a lot more flexibility in the policies that we have. We had a very strong rule-based policy, which was actually not in alignment with the legislation. Part of the modernization is going back to what the principles of the act are. The principles of the act require that we allow for representation of all factions of Canadians.

We do a lot more outreach. We have done over 200 campaign visits to universities, where we basically do a lot of promotion of the public service. We do them in conjunction with departments, based on the needs of departments. We are also modernizing our tools so that we can better attract millennials.

I think part of it is that there is a lot more awareness within the public service of the importance of ensuring that recruitment and retention are important to be able to maintain strong service within the public service and grow the talent.

Mr. Francis Drouin: As I mentioned previously, some of the baby boomers will be retiring. How are we ensuring that this information or corporate memory remains in the public service? Are you working with deputy heads to ensure that they have plans to do this? How are you measuring that?

Ms. Christine Donoghue: That is not within the scope of the mandate of the public service. I know that deputies definitely have that at hand. As a deputy in my organization.... We do ensure that we have corporate memory repositories or overlap in a position to ensure we have knowledge transfer. That is within the scope of deputy heads and how they manage their staffing systems.

Mr. Francis Drouin: It is left up to each department to ensure that transfer of knowledge exists.

Ms. Christine Donoghue: That's right. I think it is known across the system as best practices for deputies to do so. We also ensure knowledge transfer through our records.

Mr. Francis Drouin: Okay, great.

My next question is for Ms. Vreeswijk.

One of the risks I have identified in your RPPs is information management. It mentions that you may not have the network capacity in order to fulfill your strategic priorities. It mentions that you are working with SSC on a plan to enable this. Are you satisfied with Shared Services Canada's plan to meet your objectives?

Ms. Wilma Vreeswijk: Increasingly we are a technology-enabled school. Our learning platform is technology-enabled and we have recently released a more modern platform called GCcampus, and we're using that to do a large amount of the learning.

We had 270,000 public servants register for our online learning. When you have such a large technology-enabled dependency and you're trying to reach a large population—we do webcasts that reach thousands of public servants—it's really important that the bandwidth be there.

We are also trying to ensure that we're using the technology to reach into remote areas of the country, because that's where public servants work. The nature of that effort is that it's one that requires continuous renewal, and we work very closely with Shared Services Canada to have that. They have been an extraordinary partner for us and we really couldn't have done this transformation without their support. We meet with them about once every two weeks to make sure everything's working well, because the technology component is mission-critical for us.

Mr. Francis Drouin: I notice that, through the Canada School of Public Service, you teach leadership courses. What about inciting a culture of entrepreneurship in the way we often talk about a culture of “intrapreneurship” within the public service? Is there anything you're aligning with that? In other organizations they will create hackathons to solve specific problems. Are you inciting this with your school?

The Chair: Could we have a brief answer, please, Madam?

Ms. Wilma Vreeswijk: Yes, a component of our curriculum is focused on transformation, and it includes change management, risk management, and transformation. For some of that, we have tapped into the private sector in terms of their learning, advice, and knowledge.

We also hold events to engage in conversation and discussions in and around innovation. Just last week we held a policy innovation session, which was webcast across the country and allowed for participation of public servants from across the country in a discussion of innovation and the prerequisites for innovation. It is definitely a core priority for us to support innovation and smart risk-taking among public servants.

• (1705)

The Chair: Thank you very much.

Monsieur Blaney, go ahead for seven minutes, please.

[*Translation*]

Hon. Steven Blaney: Thank you, Mr. Chair.

I want to welcome the witnesses appearing before the committee today.

Thank you for articulating your priorities and reminding us of your core mandate.

We are carrying out a study on the major challenge of migrating to computer services at Shared Services Canada. I would like each of you to answer this question. How has Shared Services Canada helped you achieve your objective and fulfill your mandate? You may not have been prepared to answer this question, but I'm sure you will have something to say on the matter.

Shared Services Canada is a new implementation partner. Can you also tell me whether the migration has been challenging? We want to help Shared Services Canada fulfill its mandate. I'm happy to have you here, as you are clients, in a way.

Ms. Donoghue, you can answer first if you like.

Ms. Christine Donoghue: In our case, as well, technology is key to the fulfilment of our mandate. To be effective, we are conducting more and more tests and audits online. That online access gives all Canadians better access to audits by the public service.

Shared Services Canada has worked with us. We did a lot of work to modify our main server. Of course, the major challenge we are dealing with is not only attributable to Shared Services Canada. The systems used by departments are often outdated. We have to find the best tools and work in collaboration with Shared Services Canada to see what services it provides. The collaboration is excellent. There are clearly challenges, but there are just as many on our side as on the Shared Services Canada side. We are managing to come up with common solutions. Despite some delays that are due to the fact that we want to find good systems, we are successfully finding solutions that have served us well so far.

Hon. Steven Blaney: Do you work horizontally with all departments? Is it easier to work with some departments than with others? Are there disparities among the various federal agencies?

Ms. Christine Donoghue: I would not say that we have encountered difficulties or access problems with departments. In fact, the majority of departments use our systems at testing time. Everything is done over the Internet, which facilitates the transition to a common testing system. We do not have any problems as such.

Hon. Steven Blaney: If I understand correctly, you still have your own server.

Ms. Christine Donoghue: We have a shared server since one of our objectives is to modernize and protect our servers. The server we use has been moved to Borden. Before the move, our server was used by Privy Council, the PMO and us.

Hon. Steven Blaney: Ms. Vreeswijk, would you like to add anything?

Ms. Wilma Vreeswijk: Our partnership with Shared Services Canada is very important because we depend on technology to deliver our learning products. The challenge for Shared Services Canada is that the demand for its products is growing. The more we produce, the more the demand increases because public servants are interested in learning. It is a challenge for them. We create a challenge for them.

Thus far, Shared Services Canada has responded very well to all our requests. We have a strong partnership. We were able to get WiFi to ensure that all our products are available in all regions of Canada. This was a major challenge because it is not always available to everyone in all parts of Canada. The partnership has gone very smoothly so far, though, and we are very pleased with it.

• (1710)

Hon. Steven Blaney: Thank you.

Since you work with a number of departments and agencies, you can certainly see an interest in some kind of integration. Do you think things will improve over time, facilitating the dissemination of your learning products?

Mr. Friday, what are your thoughts?

Mr. Joe Friday: It is a bit different being an independent commissioner. In my opinion, information security is essential in light of current and potential disclosures. We purchase our computer services from the Human Rights Commission. It is however absolutely essential for us to remain independent and to be able to protect all of our information.

Hon. Steven Blaney: I have one minute left and I would like to ask you a question about another study by the committee.

The are three pillars: the budget, which operates by accrual accounting, the public accounts report, and the main estimates, which operate on a cash basis.

We are considering a shift to a cash-based system. Do you have an opinion on this? Would this pose a challenge?

Are you in favour of this, Ms. Vreeswijk?

Ms. Wilma Vreeswijk: That doesn't affect us very much because our budget is essentially for salaries. So it would not affect our agency as much as others.

[English]

The Chair: That's a good question but we're going to have to move on.

Madam Ashton, thank you for being here. Welcome to our committee.

Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP): Thank you, and my thanks to who are here today.

I want to pick up on a theme raised by one of my colleagues across. I'm curious to know about any work you're doing to attract millennials to the public service. We heard a strong directive from the Treasury Board president that he wants, and the government wants, millennials to come and work in the public service. We know that the average age of a federal public servant is now about 45, and the average age of new hires is 37. This is a problem. I'm wondering

what you might be doing in your respective organizations to tackle this issue.

Perhaps we could start with you, Ms. Donoghue.

Ms. Christine Donoghue: The issue of the decrease in below 35 is being addressed through a lot of the discussions on recruitment across government. Part of that was brought forward by the commission raising a bit of a red flag to the concerns we had. The commission was the holder of the statistics to indicate that we were concerned that that age group was dropping within public service.

Because we hold a lot of statistics, we're now happy to say that it is slowly increasing as hiring is picking up. Maybe not increasing at the pace we would hope it should, except that what's happening is there is further discussion and more awareness is being drawn. I think what we've done is basically continue to develop the creation of pools of students, of people who are ready for hire and who are below 35. We do have, and make accessible, pools of prequalified people to have access to public service.

We do external outreach. We also do internal outreach to make people cognizant of this. We're working very closely with our colleagues in the chief human resource office to basically start determining what kind of internship programs we could be putting forward to attract millennials, attract talent.

The attraction itself is not necessarily difficult. We can recruit. It's the retention aspect. Are we offering them the right jobs? Can we retain them? That is also being reviewed as to how to do the proper on-boarding to ensure retention, so these people can see that there are amazing careers you can have in public service.

In universities we've changed our approach. We do a lot more promotion of the types of careers you can have, such as science, veterinary science, policy, so there's a lot more of that outreach aspect. We are attracting that talent. We need to be better at it, though. Part of it is to make ourselves a more attractive employer.

• (1715)

Ms. Niki Ashton: Perfect.

Perhaps before I go to you, Ms. Vreeswijk, and because you mentioned it as well, Ms. Donoghue, in discussions around attracting millennials, obviously some of the recurring themes are the need to clamp down on outsourcing of federal government jobs, the need to deal with the two-tier workplaces that have developed in certain sectors in the public service and, obviously, an increased reliance on temp agencies in hiring public servants, hiring young people for jobs that rarely turn into permanent employment, leading to the revolving door of contract work.

While I appreciate work is being done in terms of outreach and recruitment, is your organization and, perhaps, the school as well, hearing those concerns? It's certainly what we're hearing in the media, and those of us who have peers who are struggling to find gainful employment with the federal government. I'm wondering if you see those areas as something that need to be tackled.

Again, the outsourcing, the two-tier jobs, and also the emergence of the industry of unpaid internships, which is very prevalent in the private sector but unfortunately creeps in everywhere, I'm wondering if you could speak to those areas.

Ms. Christine Donoghue: Student hires have increased quite a bit. We've actually increased them by 7.3% since the numbers of 2013-14. It is indicating that an increase is happening in student hiring, which is basically giving us that pool toward permanent hires.

When we talk about temporary hires, temporary help, or casual hires, those are actually decreasing. There are more indeterminate appointments happening in the system proportional to casual or term employment. Basically, part of these indeterminate hires are millennials, so we are not compensating, basically, indeterminate positions by terms of casuals. It means that we're going back to the permanent hire.

Terms and casuals are there for a reason, which are temporary opportunities, in order to assess. A lot of terms and casuals in the past were used because we were in a bit of a flux situation. Now that there's a little bit more of a sustained approach, departments are feeling more and more comfortable to move forward to do the indeterminate hire, and we're seeing an increase of younger people being hired.

Ms. Niki Ashton: Okay, that is encouraging. If there are any numbers, we'd certainly welcome those. I appreciate the positive trend.

I'm wondering, Ms. Vreeswijk, if you have anything to add on this front.

Ms. Wilma Vreeswijk: First of all, I think the clerk has identified this as a priority for all deputies. There is a concerted effort happening across government.

We house the Federal Youth Network at the school, so we draw on young people, and we try to integrate it right into our curriculum. This year we will be offering orientation for students, because it's really important that they understand both the values of the public service and the opportunities presented by the public service. We will be offering that to all the students who are coming, in all regions of the country.

We also know that a robust learning platform is a key factor in recruitment. The more we are able to provide a modern school environment and demonstrate to young people that they can continue to learn and develop, and make it very clear that the institution of the public service is committed to their development...then that is important also to attract and retain students.

The Chair: Thank you so much.

Our final seven-minute intervention goes to Madam Shanahan.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you, Mr. Chair.

Thank you to all of our witnesses for being here today. It's certainly very illuminating and insightful to see how the public service works, especially for those of us who are new MPs.

I'd like to know how we are doing in terms of the participation of women in the public service at all levels. Of course, it's the senior levels that are of interest.

● (1720)

Ms. Christine Donoghue: When we look at the participation of women, do you mean at the hiring level? We at the commission look at every employment equity group across the hiring. Women are doing well, but we realize we may need to pay a little bit more attention to it. What we monitor is not only whether we are hiring, but whether they have the same opportunity when it comes to career progression.

From some of the studies that we're doing—and the numbers are going to be coming out very soon in 2016—the indication is that we are doing extremely well. Basically, there's a bit of a decrease, and we probably need to pay a little bit more attention to it.

Mrs. Brenda Shanahan: Are there numbers to the “doing well”?

Ms. Christine Donoghue: I will attach numbers. I will provide them to the committee, because I do not have them in hand. I'll just double-check while we're talking.

Mrs. Brenda Shanahan: That's good, because I'd like to know about cultural communities as well, where we're going on the diversity and the indigenous....

Ms. Christine Donoghue: For the indigenous people, I do have the numbers if you want them.

Mrs. Brenda Shanahan: Yes.

Ms. Christine Donoghue: At this point, the appointment of indigenous peoples is actually higher than their workforce availability numbers, which is a positive signal.

Could we be doing better? We could, because they still have decreased a little bit as opposed to where we were in 2013-14, but they're still higher than the workforce availability.

When it comes to persons with a disability, we're a little bit lower than their workforce availability. On that one there's been a lot of work being done to understand what the issues are. What we're seeing often is that people do not necessarily self-declare as disabled. They self-declare later, because sometimes they're afraid it may prevent their hiring.

We're seeing more demand for adaptive workstations and such. I think the awareness is staying. We're doing a lot of work in universities to be able to create that awareness and understanding and to then train our hiring managers in how to react with people with disabilities.

Mrs. Brenda Shanahan: Help me out a little bit on the numbers. Are we looking at or do we have a numeric target, or is it a proportional percentage of the workforce? How does that work?

Ms. Christine Donoghue: The Treasury Board will require every department to report on their numbers. We're always comparing them against the workforce availability.

Mrs. Brenda Shanahan: That's good.

Something that has become very important, is emerging in importance, is gender-based analysis, and we add the plus on that. Actually, what strikes me about that approach is it is really going to the heart of what public servants do, which is assisting in program and policy development. To do that, we're really looking at data collection—the accuracy, the quality, but also the scope of data collection and how that informs policy and program development.

We know that one of the problems is also in training. Maybe we could hear from Ms. Vreeswijk on that. I don't know if that is Monsieur Fleury's area either, but can you talk to us about that? We know the workplace is evolving and the work that we do is evolving, and that's part of it.

Ms. Wilma Vreeswijk: Sure, I'll take a stab at that.

We have worked with the Office of the Status of Women to develop gender-based analysis training. The training that was developed is now on our GCcampus, our online training, so that folks from across the country can access that training. We are continuing to look at our learning platform as a whole to ensure we reflect that priority. We are in the final year of our transformation, so we still have a bit of runway. All of our curriculum is evolving, but the gender-based analysis training is offered.

Mrs. Brenda Shanahan: I would venture we can go a lot deeper in advance, so that's a heads-up on that one.

Ms. Wilma Vreeswijk: Yes

• (1725)

Mrs. Brenda Shanahan: Just around the respectful workplace. I used to be a student residence director and our one rule was respect, but respect has a thousand definitions. In the workplace we're talking about harassment, and we're talking about conduct vis-à-vis each other. I suspect that if they don't get the training here, or they don't get the orientation there, then it ends up in your office. Right, Mr. Friday? Please tell me, are the policies we have in the public service

today working? Give me a sense of where we're going with that. Mr. Friday, please respond, do you have the resources you need to deal with the cases that are coming to your desk?

Mr. Joe Friday: I'd say certainly, Mr. Chair. I think our office is sufficiently funded to carry out our work at this time. We receive approximately 80 to 90 new disclosure files a year and about 30 to 35 reprisal files a year. All reprisal cases involve behavioural issues, because someone is retaliating against someone, and it is not uncommon for a disclosure file to include a behavioural aspect, if you will. One of the components of the definition of wrongdoing under our legislation is a serious breach of the code of conduct of the public sector. We do actively look at behavioural issues.

Balancing that with other options that are open to public servants, such as grievance procedures and informal conflict management systems that are implemented throughout government, is certainly an operational challenge. We are called upon regularly in our world to look at behaviour, as well as other types of wrongdoing, such as breaches of acts or abuse of public funds.

Mrs. Brenda Shanahan: Thank you.

The Chair: Thank you, Mr. Friday. I know you said you would start off with your answers, but you're going to have to conclude with that as well, as we're out of time.

Ladies and gentlemen, thank you so much for your attendance here. I apologize for the truncated version of this committee, but we will probably be speaking with one another in the upcoming months and years. I do thank you for your appearance, and I thank you for the information. You are excused.

We will resume again in about two minutes, if we can, colleagues, for a brief in camera session on one item of committee business.

[Proceedings continue in camera]

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