



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

43rd PARLIAMENT, 1st SESSION

Standing Committee on Government Operations and Estimates

EVIDENCE

NUMBER 003

PUBLIC PART ONLY - PARTIE PUBLIQUE SEULEMENT

Thursday, February 27, 2020



Chair: Mr. Tom Lukiwski

Standing Committee on Government Operations and Estimates

Thursday, February 27, 2020

• (0850)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): I will call this meeting to order.

Thank you all for being here, particularly in such inclement weather.

Thank you, Minister. This is your first time appearing before this committee. I'm sure it won't be the last. Welcome.

Colleagues, originally I thought we could ask the minister if he could dispense with his opening remarks and go straight to questions.

However, my understanding is, Minister, that you don't have any prepared remarks but you do have an opening statement. In that case, we'll go forward with the traditional 10-minute opening statement, followed by questions.

With that, Minister, I'm sure you know the drill at committees by now. If you would care to open the meeting with your opening statement, perhaps right after you introduce your officials at the head table with you, then you may proceed.

[Translation]

Hon. Jean-Yves Duclos (President of the Treasury Board): Thank you, Mr. Chair.

I'm very pleased to begin, since I have many good things to tell you, especially on issues of concern to you.

First, I would like to thank the committee for inviting me today to discuss supplementary estimates (B) 2019-20. As you said, this is the first time I have had an opportunity to appear before your committee. I am very honoured to be here.

I am lucky to be joined by very good officials, who are supported by equally good teams from the Treasury Board Secretariat. On my left is Glenn Purves, assistant secretary of the expenditure management sector. On my right is Karen Cahill, assistant secretary and chief financial officer. A bit further to my left is Marcia Santiago, executive director, expenditure strategies and estimates. As you may have suspected, the three of them will make it their duty to answer any questions you consider relevant to this highly important issue. I am talking about the rigorous and effective financial management of the Canadian government's expenditures and investments.

[English]

In all, Mr. Chair, these estimates we are about to speak on describe a total of \$5.6 billion in planned budgetary spending. Of this amount, I would remind you that \$1.8 billion is already authorized to what we call existing legislation. Thus, with these supplementary estimates, the government seeks authority for \$3.8 billion in additional voted spending.

These new expenditure spending plans will ensure the government continues to deliver on its commitments to Canadians in a number of important areas. These include significant investments in advancing reconciliation with indigenous peoples; in supporting the dedicated men and women of the Canadian Armed Forces; and in working with our partners across Canada to address climate change.

[Translation]

In keeping with the commitment we made in budget 2019, total funding of \$919 million, which was allocated to Crown-Indigenous Relations and Northern Affairs Canada, will be used to write off the loans disbursed to first nations and Inuit communities, as well as to the Métis nation, for negotiations of comprehensive land claims. Those loans were disbursed to ensure that Canada's indigenous peoples would have the resources they need to participate in land claim negotiations in a meaningful and equitable way.

In many cases, however, the negotiation of those modern treaties, which is so important in today's context, has taken much longer and been much more difficult than expected. In addition, those loans have become a heavy burden for too many communities. In some cases, those loans came up to tens of millions of dollars. For small communities, that was a considerable obstacle to economic and social development.

So those debts will be remitted, and the communities that have paid back loans in the past will be reimbursed.

● (0855)

[English]

A further \$588.3 million will be allocated to Indigenous Services Canada. These funds are required to support ongoing efforts to meet the critical need to improve indigenous child and family services, which is absolutely essential, including expanding prevention and early intervention programs. As I am certain this committee will agree, the transformation of these services is absolutely crucial to reconciliation and self-determination, to righting past wrongs and moving in the right way. It is even more critical to a new generation of indigenous children, when we remember that fewer than 8% of Canadian children under 14 are indigenous, yet these indigenous children account for more than 52% of children in foster care in private homes.

An additional \$232 million to Indigenous Services Canada will provide for the ongoing implementation of Jordan's principle. These funds will help ensure that indigenous children across Canada have access to the same specialized health, education and social service supports as any other child in this country.

[Translation]

Regarding expectations, Canadians have clearly indicated numerous times that they expect all levels of government to take strong action in the fight against climate change.

The expenditure plans set out in these estimates include a continued \$109-million investment in Canada's climate action incentive fund to help small and medium-sized businesses, municipalities, universities, hospitals and schools implement their carbon and pollution reduction projects, as well as their energy efficiency enhancement projects.

As all committee members probably know, the climate action incentive fund is funded through the products and royalties of the federal carbon pollution pricing system. Moreover, as per the commitment made in budget 2019, the estimates include a \$950-million contribution by the Federation of Canadian Municipalities, which is more than double the capitalization of its green municipal fund to foster local green innovation across the country. Since its creation in 2000, that fund has contributed \$862 million in support of more than 1,300 sustainable development initiatives in municipalities across Canada, and I specify, while preserving every dollar of capital provided by the Canadian government.

Therefore, this new investment will help launch a certain number of new funding streams, from the affordable housing innovation fund—we know how critical of an issue housing in Canada is in terms of affordability, economic development and the fight against pollution and greenhouse gas emissions—to the community eco-efficiency acceleration fund.

[English]

Mr. Chair, Canadians also expect that Canada's armed forces will be there when they are needed to protect the safety and security of Canadians here at home and abroad and to contribute to global security as partners in joint missions abroad.

That is the aim of the Government of Canada's defence policy, "Strong, Secure, Engaged". To ensure that our armed forces are

equipped to meet these expectations and these needs, the estimates that we have in front of us include a planned allocation of almost \$500 million to the Department of National Defence. These funds will be an investment in the equipment, infrastructure and information technology systems that are absolutely essential to the operation and maintenance of a modern armed service.

A further \$128.5 million will support current overseas operations. To be more precise, that will include the ongoing land force deployment in Latvia as part of NATO's deterrence mission in central and eastern Europe, and in Africa where members of the Royal Canadian Air Force are currently providing tactical airlift support to UN peacekeeping operations from their base in Uganda.

In terms of highlights of these estimates, I would also mention one other substantial item: \$138 million to the Office of Infrastructure of Canada. The largest part of this amount, \$106 million, relates to the completion of the Champlain Bridge Corridor project in Montreal that many of us know is a vital transportation link for more than 60 million vehicles each year.

● (0900)

[Translation]

In closing, I can only provide the highlights of the estimates in the time I have. The estimates and the relevant documents you have access to give all parliamentarians—and all Canadians—the possibility to help the Canadian government act responsibly by allocating public funding to important issues that matter to all Canadians across the country.

In keeping with our government's commitment to increase transparency to a level that enables me to meet the expectations of both Canadians and parliamentarians, I would like to point out that a substantial amount of additional information is also available online. In fact, it is not only available online, but is also presented in an increasingly accessible format to Canadians. That way, parliamentarians and Canadians could understand the impacts of our investments in our families, our children, our seniors, our armed forces, our infrastructure, as well as in indigenous peoples.

[English]

I look forward to a thorough examination of these estimates by parliamentarians of whom you are distinguished representatives today and to any questions they may have or you may have as we work together to invest in meeting the priorities, needs and expectations of Canadians.

[Translation]

Thank you, Mr. Chair.

[English]

I will now be happy to take any questions the committee may have.

The Chair: Thank you very much.

We'll go to Mr. McCauley for six minutes.

Mr. Kelly McCauley (Edmonton West, CPC): Minister, thanks very much for joining us today. Mr. Purves, Ms. Santiago and Ms. Cahill, welcome back.

I hope you have a good reign as president of Treasury Board. We look forward to you working with us to bring much better transparency and oversight to our spending process.

Speaking of transparency, I want to chat with you about vote 10. Traditionally, Treasury Board vote 10 has been about \$3 million a year, up until the last two years where it jumped to well over a third of a billion per year—\$368 million and I think \$371 million. Of course, that's on top of the \$7 billion vote 40 slush fund and the extra \$5 billion in the table A2.11 slush fund from last year.

I want to read right from your web page. It says that vote 10 is “subject to the approval of the Treasury Board, to supplement other appropriations in support of the implementation of strategic”—and I want to emphasize that word “strategic”—“management initiatives in the public service of Canada.”

I want to grasp how we have this need go from \$3 million, \$3 million, \$3 million, up to well over a third of a billion dollars. The example I'm going to use is in the estimates this year, we have \$3.5 million for CRA under vote 10. Now CRA is on a two-year cycle. Last year they lapsed \$180 million, so I'm trying to figure out, for a short-term project, why there's a need for \$3.5 million out of vote 10 for something that's not strategic, for a department that is lapsing the money. They can't even spend the money that they have approved, and yet we have to fall back on money that's pushed in there under vote 10.

Hon. Jean-Yves Duclos: Thank you so much for this opportunity to provide a—

Mr. Kelly McCauley: Feel free to blame Minister Brison for that as well.

Hon. Jean-Yves Duclos: No, I would never blame Minister Brison because first, he is such a nice person and a professional member of Parliament that you have had the opportunity to know far better and for longer than I did. Unfortunately I only came here in 2015, so I missed much of his career—

Mr. Kelly McCauley: I know, I know.

But go on to the vote 10, please.

Hon. Jean-Yves Duclos: As you will know as an experienced member of Parliament, these votes are central votes and vote 10 is particular, it's for whole-of-government initiatives, which are of course a challenge for the efficiency and the equity of government expenditures because they involve many departments. They are there to facilitate and coordinate the important investments that these separate agencies and departments need to implement.

They vary from year to year because of course they—

Mr. Kelly McCauley: I'm going to interrupt you for two seconds. It doesn't vary from year to year. It sits at around \$3 million. I'll tell you it was \$3 million, \$3 million, \$2 million, \$3 million, \$3 million and \$2 million. Then it goes up to \$368 million.

It doesn't vary from year to year. It sits at around \$3 million. In the last couple of years it has gone way out. We have had an issue in the past with a vote 40 and the money from the A2.11 in the budget lacking oversight. The PBO has been critical of this, as well as the previous PBO and the PBO before that. It takes away transparency from Canadians and the ability of parliamentarians to do their job of oversight of spending.

All of a sudden we have \$370 million in vote 10 and it's used for a non-strategic purpose.

Why? Will we see an end to this practice with you as the president of the Treasury Board?

• (0905)

Hon. Jean-Yves Duclos: There are three different things. First, as we were saying, these central votes exist to make sure Canadians get the best impact out of the investments made by the government. As I said, vote 10 in particular is there to facilitate that in the situation of a complex environment. Second, it is certainly the case that we—

Mr. Kelly McCauley: You're not using vote 10 for that. In this specific example, you're using it for money for CRA, as it lapses hundreds of millions of dollars. I understand what you're trying to say and what the purpose is, but it's not being used for that purpose.

Will we see you as president go back to what has been traditionally, over the last 10 to 15 years, used for a specific purpose and not a balloon amount used as a slush fund or to cover other departments that cannot get their act together, for lack of better words?

I, and I'm sure my colleagues around the table, have been very vocal. We want to see transparency and we want to see the proper plans for this money before it goes out the door. Three and a half million dollars was for a department that cannot get its act together and lapsed hundreds of millions. It doesn't need money from a strategic cross-government fund.

I'll ask again, will we see a reduction to traditional levels and an increase in transparency for this?

Hon. Jean-Yves Duclos: What we certainly will see—and need to see, as you are correctly stating—is as much transparency as parliamentarians need and deserve. In that context, parliamentarians will want and need to understand the evolution of these expenditures from year to year. We all understand that they can vary according to the specific challenges our country is facing.

In that context, however, I want to highlight again that the Parliamentary Budget Officer, other institutions and agencies across the government and you, as important parliamentarians, will want to provide your own input and formulate your own questions.

Mr. Kelly McCauley: Just very quickly, I'll advise you that one of the problems with vote 10 is that there is no legally binding control over that. Once the money is approved, it can be spent anywhere. That's one of the problems we have.

I think what we express to you is probably of concern to the opposition. We would like to see an end to vote 10 being used as a slush fund. I would probably expect that, if it's presented as the main estimates with \$200 million, \$300 million or \$400 million, as the government has tried to do in the last two years, this committee will vote it down and reduce it as we are able to.

The Chair: Unfortunately, you'll have to wait for your answer, if there is one, Minister, because we're completely out of time.

We're going to go now to six minutes for Mr. Drouin.

[*Translation*]

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

Minister, welcome to our committee.

We wish you only success going forward. We really look forward to working with you, regardless of how this committee can inform the decisions you will have to make.

One of the things the committee has previously done has been to look into the issue of estimates reform and the alignment with the annual budget. As you know, there was a two-year pilot project.

Why has the pilot project sunsetted this year?

Hon. Jean-Yves Duclos: Thank you very much, Mr. Drouin.

By the way, I would like to acknowledge your important work once again.

Here, the key words are “effectiveness” and “transparency”. As we know very well, there is a problem that goes back to the beginning of Confederation, I believe. It is a problem of alignment between the budget process and the estimates process. That leads to a disconnect between the information you have access to when it is time to consider estimates and the tabling of an annual budget, such as that of the Department of Finance.

That disconnect has been explored over the past few years, including through the pilot project you mentioned. We have learned important lessons from that pilot project. In parallel to those lessons learned, we have also implemented significant measures to increase both effectiveness and transparency.

By the way, I want to mention the directive on results that was submitted not even two years ago, in 2017, which increases transparency, so it makes it easier for you to understand those two work methods. We call it the exercise method for the Minister of Finance, and the accountability method for the estimates process.

• (0910)

[*English*]

In English, this is called “accrual and cash”.

[*Translation*]

It clearly creates difficulties in the work you wish to do as parliamentarians.

As you know, we have implemented a database, GC InfoBase. It is an extraordinary database that I invite you to use fully. It gives increasingly transparent and accessible details, not only on expenditures, but also on implications in terms of the Canadian government's resource management. We also have executives who are working both on departmental planning and results. I actually submitted the departmental results for 87 departments and agencies yesterday.

So there is a lot of information that supports the lessons we have learned from the pilot project.

Mr. Francis Drouin: Yes, one of the lessons we have learned has to do with vote 40. Opinions are not unanimous on that, even among academics who specialize in the area.

What has been done to ensure the transparency and accountability of parliamentarians and departments in terms of vote 40?

We did not use it in 2019. Is that because we learned a lesson?

Hon. Jean-Yves Duclos: Mr. Drouin, thank you for these relevant and well-informed questions.

As everyone knows, in the first year of the pilot project, vote 40 was used to enable committee members and parliamentarians to find out the results of the reconciliation between the budget process and the estimates more quickly.

Parallel to that, there is now a reconciliation table every time a budget is tabled, which increases parliamentarians' ability to obtain transparent information.

In the second year, following recommendations from parliamentarians, vote 40 disappeared. That was an excellent development that led to a subdivision of much more useful data in the reconciliation table between the Finance Minister's budget and the estimates.

Now, parliamentarians have the responsibility to guide us through the next steps. A number of projects have been implemented over the past few years, and we are very proud of that, especially GC InfoBase and the reconciliation table. An increasing amount of information is available in an accessible format to all Canadians.

We want to and have to do more, and we are counting on you to help us.

Mr. Francis Drouin: Thank you very much, Mr. Duclos.

The mandate letter from the Prime Minister set you the task of modernizing the federal regulatory framework to improve transparency and lighten the administrative burden.

Can you explain to us what is happening with that? How far along are you on that point of your mandate letter?

Hon. Jean-Yves Duclos: Thank you, that is a very relevant question.

[*English*]

The Chair: I'm sorry, Minister, but we have only a limited amount of time for questions.

Hon. Jean-Yves Duclos: How much time do I have?

The Chair: You have about 20 seconds.

[*Translation*]

Hon. Jean-Yves Duclos: I will say two things quickly.

Yesterday, I met with representatives of the Canadian Chamber of Commerce to explain to them what we are currently doing in that area and what we will continue to do with them. There is an external committee and a new policy on regulations. We have stronger exchanges with the provinces, with the United States and with Europe.

We have targeted a series of regulatory reviews and have implemented plans with the support of the Chamber of Commerce and other key partners across the country. There is also a regulatory innovation centre that will be established very soon.

I could add a number of other things, but there is unfortunately not enough time.

[*English*]

The Chair: Thank you, Minister.

I realize time is precious.

Madam Vignola, go ahead, please, for six minutes.

[*Translation*]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Good morning, Mr. Duclos.

Thank you for joining us.

I am new to this committee. If I have understood correctly, normally, vote 10 is an amount used horizontally, so it can be distributed across multiple departments. As far as I can see, that vote seems to focus on one department in particular. What is the explanation for that?

• (0915)

Hon. Jean-Yves Duclos: As you said so well, Mrs. Vignola, this vote is part of central votes. Vote 10 enables various agencies, including the Canada Revenue Agency, to work with other agencies or other departments to generate in the most effective and transparent ways possible initiatives whose costs are distributed among a number of government organizations. That vote has existed for a very long time, and it is used as transparently and as effectively as possible. You have not only the right, but also the responsibility, to request and obtain all information on the use of that funding.

That said, as is the case for many other federal initiatives and votes, those amounts evolve over the years based on the government's and Canadians' priorities. The evolution, as with any investment or expenditure, is rarely linear. It follows the priorities and needs of the government and Canadians.

Mrs. Julie Vignola: That's fine, but you have not quite answered my question.

Why is that vote now focused on one department in particular instead of being distributed among the others?

Hon. Jean-Yves Duclos: I can yield the floor to Mr. Purves, who knows much more about this than I do.

It is incorrect to say that vote 10 will focus on a single agency from now on. Since the Confederation—so for 153 years—that vote has been used for a number of purposes that have varied over the years and will continue to vary, as it is the Canadian government's responsibility to adapt to Canadians' priorities.

Mr. Purves, if you would like to elaborate further on what I just said, I yield the floor to you.

Mr. Glenn Purves (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat): Thank you.

Thank you for this question, Mrs. Vignola.

[*English*]

As the president mentioned, the vote has existed in the tool kit for many years as an essential vote to provide for government-wide initiatives.

It all depends on which initiatives are coming forward. If you look at what's been supported, it's indigenous, early learning and child care. In this case, there are application modernization initiatives that Mr. McCauley mentioned. There's support for Phoenix damages that have been identified. These are instances in which Treasury Board authority is given for supporting the initiative, but we don't know exactly which vote it's going to end up in because a lot of times it's demand-driven. A lot of times there's a payment, or a partial payment, that's required before the next appropriation act is set out.

Transparency is provided, just as for any other initiative, so that parliamentarians can ask the questions they wish to in order to get more information. As items are allocated from that vote, it is reported online as we table the next estimates document. In this case Mr. McCauley mentioned, I think, \$3 million to \$4 million for the application modernization initiative.

The other thing to point out on that question is that there are many departments involved in that initiative. When authorities are provided for new funding, they're given to those departments, irrespective of a point in time where they are in a certain lapse forecast. Lapse forecasts change all the time, so it would be inappropriate for a government, or a parliament, to keep approving funds with inappropriate information on what the financial situation of a government is.

We have "The Fiscal Monitor" that provides information on an ongoing basis. We have loads of financial reporting that provides this information, so it is simply one of many departments in that initiative.

● (0920)

[Translation]

Mrs. Julie Vignola: When we vote on vote 10, we are voting on a line of credit over which we no longer have any oversight based on emergencies that may occur—for just over \$3 million. Did I understand correctly?

Hon. Jean-Yves Duclos: The central vote framework is government-wide, as in the case of vote 10, but it is sometimes based on the need to respond quickly to crises or to financial requests that cannot be predicted from the outset.

That is important. We see what is currently happening with coronavirus. It is important for the Canadian government to have transparent and effective resources to respond to Canadians' emergencies.

These central votes are there to ensure that Canadians are supported in case of emergencies or crises. Sometimes, the response to those emergencies or crises requires government-wide coordination, and that is what those votes are for.

[English]

The Chair: I'm afraid I'm going to have to interrupt you, Minister.

Once again I apologize, but we do have to try to make sure that all parliamentarians have adequate and equal time for questions.

Mr. Green, you're up for six minutes.

Mr. Matthew Green (Hamilton Centre, NDP): I'll work through this, hopefully, expeditiously, Mr. Chair.

Minister, you have referenced in your mandate letter the implementation of the recently passed Pay Equity Act for the public service.

When can our public service sector workers expect to be paid out, and how far back retroactively will they be paid?

Hon. Jean-Yves Duclos: This is an excellent question, which you will also want to take up with the Minister of Employment who

would be most happy to provide the details that you are entitled to receive.

We are very proud of this law, which was passed in 2018. We know that a fair Canada—

Mr. Matthew Green: Just to be clear through you, Mr. Chair, am I to expect the answer from the other minister or...? I do have two or three more questions, and I just want to make sure I—

Hon. Jean-Yves Duclos: I can provide you with the broad guidance given the short time, but if you're interested in the important details, then I would expect that you would also be in touch with my colleague.

Mr. Matthew Green: Okay.

Your mandate letter talks about accelerating and building on the progress you've made with first nations.

I understand that there are still many first nations land claims that have been settled but not yet paid out. My question, through you, Mr. Chair, to the hon. minister, is how many land claims are there in line that have been settled but not yet paid out? When can those first nations band councils expect to be compensated and made whole on those agreements?

Hon. Jean-Yves Duclos: As we know, the process of reconciliation is key, not only for the short term well-being of indigenous Canadians and all Canadians, but also for the longer-term success of our country. This involves, as you correctly say, the negotiation and the signing of modern treaties to make sure that indigenous rights are not only recognized but also are implemented—

Mr. Matthew Green: Could I—

Hon. Jean-Yves Duclos: —and that's a process that's going to take a long time.

Mr. Matthew Green: These have already been settled. Through you, Mr. Chair, respectfully, if these have been settled, I would anticipate that there would be an answer as to when the first nations communities that have signed these modern treaties... It's an agreement, a contract; I don't think it takes philosophical pontification.

I just want to know how many outstanding land claims there are for first nations under your modern treaties and when they will be paid out.

Hon. Jean-Yves Duclos: As you are correctly asking, we absolutely need, for the short-term and long-term success of this country, to move forward on this process of signing modern treaties. We need to do this respectfully with indigenous communities and nations and people across Canada. That involves, in many cases, making those payments in the most appropriate manner. Even in my previous job as Minister of Families, Children and Social Development, I knew, and I have learned repeatedly, that you do this not only quickly but respectfully and efficiently with indigenous peoples.

Mr. Matthew Green: I will accept that as the time frame.

We have three minutes left, and I have two more questions.

Thank you for bearing with me.

The next question relates to the funding and strengthening of environmental protections and addressing the concerns raised by indigenous groups regarding the Trans Mountain expansion project. How many fish populations and habitats are impacted by the Trans Mountain expansion project?

Hon. Jean-Yves Duclos: I'll say two things on that. The first thing, which you probably know and which is important to remind ourselves of, is that this is a project that has been deemed of national interest and national benefit. It has followed all the important steps that such a project needs to go through. If you are interested in the details of the process and not the budgetary impact of that process, then you will want to ask questions and receive answers from my appropriate colleagues on that file.

● (0925)

Mr. Matthew Green: I see there is also a request for \$487.3 million in funding for both votes 1b and 5b regarding capital investments in physical infrastructure, information management and technology systems.

Can you provide any additional detail on the type of information management and technology systems that would be purchased with the requested funds?

Hon. Jean-Yves Duclos: That's an excellent question, too. While I'll provide the high-level answer, my colleague, Glenn, will probably want to add more specific details.

Vote 5, as you have noted, is for contingencies, again for ways and means to react to unexpected and unpredictable interventions and actions by the federal government, and they involve a number of different sorts of actions.

Perhaps, Glenn, you would like to provide a few more details.

The Chair: You have about a minute, Mr. Purves.

Mr. Glenn Purves: Sure, I'll be quick.

Mr. Green, just on your question, the funding is effectively a broad range of capital investments in defence capabilities, including about 277 previously planned projects and an additional 52 new projects.

The funds requested in the supplementary estimates (b) that you cited represent a combination of re-profiled funding, which is quite typical of large capital projects over several years, as well as some new funding to start new projects or phases of projects.

We'd be happy to refer your request of a list of specific projects related to the equipment, the IT systems and so forth to our colleagues at Defence.

Mr. Matthew Green: Thank you.

The Chair: Thank you very much.

Madam Block, we are into our second round. You have five minutes, please.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you very much, Mr. Chair.

I want to thank the minister and our departmental officials for joining us today as we study the estimates.

I want to pick up on some of the questioning that was happening around vote 40. I'm new on the committee, although I did sit on a committee about a decade ago. I just want to highlight that the PBO was very critical of vote 40 when it was brought in. In fact, he said that what the public should be worried about is the government introducing that new TB vote 40 to speed up the implementation of budget measures, and it hasn't achieved that. In fact, it is slower than it was before.

He went on to say that we should have seen a significant change in the speed at which budget measures get implemented. This suggests at least that vote 40 is not that useful in speeding up the implementation of budget measures. I'm imagining that perhaps it is why it was abandoned: it wasn't accomplishing the goal it was established for.

My question is this: What is the process now for the programs that are still waiting for approval under vote 40 in 2018 and the budget implementation votes in 2019?

Hon. Jean-Yves Duclos: Thank you, Kelly. Welcome to the committee, too. However, I'm intimidated by the fact that you've been around for these many years. I'll try to be up to the standards and expectations.

Vote 40 was used in the first year of the pilot project. It led to greater speed, greater transparency and greater connectivity between the budget process and the supplementary and main estimates process. Now, parliamentarians rightly raised the issue and provided advice on how that process and that pilot project could be improved. The committee did its job and advised that vote 40 might not be the best way to reconcile these two processes. The next year, the second year of the pilot project, led to the use of another tool—which was not vote 40—to better reconcile, by means of more-detailed ministerial-level information, the accrual and cash processes involved.

We have learned from the pilot project. Because of the important work of the committee, we have learned, in fact, more quickly than if we'd had to wait until the end of the pilot project.

● (0930)

Mrs. Kelly Block: Right. I'll rephrase my question so that I might get a more accurate answer. I did ask what the process is now for the programs that are still waiting for approval under vote 40 in 2018 and the budget implementation votes in 2019. Perhaps I'm making an assumption. I assume that there are programs still there. Will they continue to be approved, or are they effectively dead with the pilot project?

Hon. Jean-Yves Duclos: I'll perhaps make it more clear what the pilot project involved in terms of the use of vote 40. Vote 40 has now expired. The details of the use of vote 40 items are available online. You have the right and the responsibility to find out about them.

We have now moved to the system that existed before the pilot project, having learned, however, from the pilot project, and in the meantime having increased significantly the transparency of the estimates and budget processes.

Mrs. Kelly Block: Is it fair, then, to say that any programs that hadn't been completed under vote 40, any money that had been allocated for programs under vote 40 in 2018, were abandoned, that they actually weren't funded and that they died with the pilot project?

Hon. Jean-Yves Duclos: As you would expect, given your long service to Canada and to Parliament in particular, these estimates and expenditures are revised and reviewed every year. There are natural changes to the levels of expenditures that departments in particular would receive and expect. You would find out about the precise nature of the departments' expenditures by looking at, for instance, GC InfoBase and the results in the report that I tabled yesterday.

I wouldn't want to claim that every dollar planned in a particular year has been spent in that particular year. There are natural reporting mechanisms that also exist for dollars to be spent and invested efficiently.

The Chair: Thank you very much.

Mr. Kusmierczyk, I understand that you are going to be splitting time with Mr. Weiler.

You have about two and a half minutes, sir.

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

Thank you very much, President Duclos, for being here with us today to share your insights and expertise. I'm very appreciative of your time.

I'm going to ask you a question about an issue that is very important to Canadians and also very important to the residents of my constituency of Windsor—Tecumseh: climate change and the reduction of GHG emissions.

The National Round Table on the Environment and the Economy estimated that, in terms of the effects of climate change, the cost to Canada on an annual basis by 2020 will be about \$5 billion. The PBO also estimated that the financial costs of natural disasters on their own, of weather events, will be about \$900 million per year.

In the constituency of Windsor—Tecumseh, I can tell you that we had two catastrophic floods in 2016 and 2017 that basically caused around \$300 million of insurable damages, and about 6,000 homes were affected. How does the Treasury Board Secretariat contribute to our government's effort to lower emissions per the pan-Canadian framework on clean growth and climate change that was introduced in our first mandate?

Hon. Jean-Yves Duclos: Thank you, Irek, and welcome to the committee and to Parliament, and thank you for your leadership.

Now, here are three brief things.

First, it's absolutely essential to be mindful of the anxiety that Canadians feel toward the effects of climate change and of course the impacts that these effects have on their lives.

Second, we have a broad set of measures, including pollution pricing, that are setting Canada on a more sustainable path and greater economic growth, and making life more affordable through pollution pricing in particular. In the supplementary estimates, there are a number of expenditures that relate to carbon pricing. There is \$109 million for the Department of the Environment to implement the climate action incentive fund, which, as you well know but it deserves to be repeated, puts more money in the pockets of the large majority of households in Canada than the price on pollution imposes. That's not only benefiting the majority of households, but it also reduces poverty. It helps the more vulnerable Canadians do well and live more fully in Canada.

The last thing I wanted to say is that the Government of Canada also needs to be a leader. Since 2005, the greenhouse gas emissions of the Government of Canada have been reduced by a third. Our Paris target is 30% between 2005 and 2030. In the federal government we have reduced greenhouse gas emissions by more than that, by a third, and we're only in 2020. Therefore, we have the ambition of getting to a lower level of greenhouse gas emissions by 2030 than what we announced in the Paris Agreement.

• (0935)

Mr. Irek Kusmierczyk: Excellent.

The Chair: Thank you very much.

Mr. Weiler, your colleague took a little bit of your time. You've got just slightly over a minute left.

Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you, Mr. Chair. I'll be quick here.

I just want to thank, as well, the hon. President of the Treasury Board for coming to join our committee today.

The question I have is something of major interest in my riding of West Vancouver—Sunshine Coast—Sea to Sky Country, as well as throughout western Canada. It's related to the Department of Western Economic Diversification requesting \$0.4 million to promote access to public transportation following Greyhound Canada's 2018 service reductions. This has created a big gap in western Canada for inter-regional transportation.

I'm wondering what type of promotional activities the department is going to do with this funding and what type of transportation options are going to be available in areas that were once served by Greyhound Canada.

Hon. Jean-Yves Duclos: Very good.

How much time do we have?

The Chair: You have 30 seconds.

Hon. Jean-Yves Duclos: That's long enough to say how proud and pleased we are to have you with us, and welcome to the committee.

Second, thank you so much for insisting on public transportation. It's true that in my city we are investing in Quebec City the largest investments ever made in the history of Canada for the benefit of Quebec City. I understand that you want to have more details on how the Treasury Board and our investments will benefit your riding and your constituents. I'll make sure you get those details.

The Chair: Thank you very much.

We'll go now to our final rounds for two and a half minutes each.

Madame Vignola.

[*Translation*]

Mrs. Julie Vignola: Mr. Duclos, I have noticed in the budget that just over 33,000 students debts would be written off and that there was a \$230-million increase for loans and another \$125-million increase for grants, or vice versa. Since you are familiar with my party, my question will not surprise you.

Among those 33,000 written off debts and those millions of dollars provided for loans and grants, what proportion will go to Quebec?

Hon. Jean-Yves Duclos: This is very important because, as we know very well, not only students in Canada are experiencing a difficult economic situation that is often very dire, but we need them and their investments in their human capital to continue to grow the economy while growing the middle class.

In Quebec, we are very aware of that and have a loans and grants program that is separate from the Canadian government's program. Here is how it works. The Canadian government announces, as in this case, substantial investments to improve students' quality of life and their investments in their human capital. Part of that budget is allocated to the Government of Quebec, and we expect it to reinvest it in programs for students.

For your information, Mrs. Vignola, our student associations in Quebec also need to know how students in Quebec will be supported through those federal investments. We know that we can count on the Quebec government to provide that response because we know that it is even more important to take care of our students in Quebec.

Mrs. Julie Vignola: I would like to know what proportion will go to Quebec.

Hon. Jean-Yves Duclos: I could give you a fairly vague answer, but you have the right to know the exact amount. So I will ask my colleagues who are here to provide it to you. They will tell you what the proportion is, but they will also share with you the mechanisms through which that money is transferred to the Government of Quebec, which is just as important.

• (0940)

Mrs. Julie Vignola: Thank you.

In the case of some transfers, there was nothing in 2017-18, but votes suddenly reached several million dollars, even several billion dollars in some cases. I would like to know what explains the fact that, for 2017-18, there are small points in the tables, while there are amounts of several million dollars for 2020.

Is it because something new was created? Can you explain it to us?

[*English*]

The Chair: That is an excellent question, but unfortunately we're out of time.

I would suggest, Minister, that if there are any questions posed by my colleagues around the table during your appearance here, for which you do not have time to give an adequate and thorough answer, please supply answers to those questions, through the clerk, to the respondents.

Mr. Green, you have the final two and a half minutes.

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

Earlier in the line of questioning, it was quite rightly stated by Mr. Purves that it is inappropriate for Parliament to approve funds with inappropriate information about the financial situation of the government. Yet, the Office of the Parliamentary Budget Officer stated that typically departmental results reports are tabled in Parliament in the fall of the subsequent fiscal year. However, as of the tabling of this final supplementary estimate, we've yet to receive those reports.

When will we be able to receive those reports, and will we receive them in advance of the votes?

Hon. Jean-Yves Duclos: They were tabled yesterday, Matthew.

They will be online very soon.

Mr. Matthew Green: Excellent, thank you.

The Chair: For your information, Matthew, and others, normally when the departmental reports and results are tabled, they are examined at the same time as the estimates. The minister is quite right; they were tabled yesterday afternoon.

Minister, thank you for appearing for the first time before our committee. I appreciate it, and I'm sure all of our committee members appreciate it. Again, I'm sure it will not be the last time we see you before this committee in the months to come.

Colleagues, we will suspend for a couple of moments while the minister leaves the table and we prepare for our next round of witness.

• (0940)

(Pause)

• (0945)

The Chair: Colleagues, I will call the meeting back to order.

Before we begin with the testimony from our witnesses, I would like to reserve the last 15 minutes of our allotted time to deal with some committee business. That means we have approximately 40 minutes left for our witnesses to provide testimony.

We have heard the opening statement from the minister and had a number of questions to the minister.

Mr. Purves, do you have any kind of prepared statement?

Mr. Glenn Purves: I'll suspend the prepared statement, in view of the time.

The Chair: Thank you very much.

In that case, we will go directly to questions.

We'll start with Ziad for the first six minutes, please.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Good morning. I just want to take you through a journey in the IT area. I have a few quick questions and I'd appreciate quick answers, if that's okay.

The question is how much of taxpayers' money the federal government spends on IT. Do you have any number?

Mr. Glenn Purves: I can talk to you a bit about Shared Services Canada, SSC, and the reference levels for Shared Services Canada in its discharge and responsibility.

Mr. Ziad Aboultaif: I'm looking for numbers. If you don't have the information handy—

Mr. Glenn Purves: I'm saying that we have a minister for digital who will be appearing with the team, so it would be....

The Chair: What Mr. Purves is saying is that we have asked for the estimates on SSC to be discussed here.

If you can focus your remarks, Mr. Purves, on the amount of IT spending within Shared Services Canada, that would be helpful.

Mr. Glenn Purves: If you look at the sheet for Shared Services Canada in the main estimates and in supplementary estimates (B), which we're discussing here, for capital expenditures they spend about \$429 million per year. I don't have this actually broken down by specific IT measure and capital—

Mr. Ziad Aboultaif: That's fine.

Mr. Glenn Purves: —and there's a certain portion of the operating that would probably go to services as well.

Mr. Ziad Aboultaif: Here's my next question. This is going to help you to respond not now, but maybe later.

To order paper question Q-2456, last year, from one of my colleagues, the Department of Global Affairs responded by saying that all departments undertake a reporting exercise mandated by Treasury Board related to the previous fiscal year's IM/IT expenditures. This exercise is typically completed six months after the end of the previous fiscal year to allow for thorough assessment and analysis of relevant information.

Would you be able to provide us with a copy of these reports provided by each department for the fiscal year 2018-19?

Mr. Glenn Purves: I think the answer to that question probably would be more appropriate coming during the appearance of the Minister of Digital Government, who has the purview for it and who could actually speak to that issue.

I'm happy to pass along the question so that there's an informed response when you have that conversation.

• (0950)

Mr. Ziad Aboultaif: I'm building on the answer from Global Affairs, which mentioned that Treasury Board is responsible. This falls during 2018-19, which is last year.

Mr. Glenn Purves: Right.

Mr. Ziad Aboultaif: Therefore, I think I still would like to ask for those reports to come from Treasury Board.

Mr. Glenn Purves: I believe you have them. I'll pass to my colleague Karen Cahill, who is the CFO of the department.

Ms. Karen Cahill (Assistant Secretary and Chief Financial Officer, Treasury Board Secretariat): Good morning.

Although I don't have the number, we will commit to providing you the numbers. I can give you additional information. This information is in fact provided by all departments in the fall, around the end of September, to the Office of the Chief Information Officer for Canada, which is under TBS. The information is also available on an IT portal, because all departments are required to send the information to the office of the CIO via this IT portal.

We will definitely undertake to provide you with the information. We're coming back, as my colleague Glenn was saying, with the Minister of Digital Government, and the acting chief information officer will also be present. We will be able to provide you with the amount spent on IM/IT.

Mr. Ziad Aboultaif: Thank you.

I want to go back to a question that was asked by my colleague Mr. McCauley on vote 10.

Vote 10 by definition basically provides grants and contributions to fund prospective recipients. The minister mentioned the financial demands to account for such unforeseen circumstances as emergencies, crisis situations and so on.

CRA received three and a half million dollars, and the three and a half million dollars went to an application modernization initiative whereby CRA is basically designing in-house software to provide to low-income Canadians to file their taxes. We know that the private sector has ready on the shelf a product that is less expensive, is probably more advanced and doesn't cost three and a half million dollars.

How then can we justify, from the vote 10 definition...? Can we call this a crisis and provide emergency funds for CRA to build...what, IT software? How can you justify that to Canadian taxpayers, and how can we give a satisfactory answer about this to the public?

The Chair: Unfortunately, Mr. Purves, even though it's an excellent question, we have absolutely no time. As I mentioned to the minister, you can provide a written answer or take the opportunity to answer if it comes up in a subsequent question.

Mr. Glenn Purves: I would like to write to the committee and provide an answer on vote 10 and the utilization of vote 10. I think there are some misrepresentations on the use of vote 10, and I would like to clarify it.

I think the best way to do it is through writing. Again, there are misinterpretations of vote 10—the controls, the visibility, the authorities—and it's an instrument that's been in the tool kit for many, many years. It is demand-driven—

The Chair: We're speaking off the same page, Mr. Purves.

Mr. Glenn Purves: Okay.

The Chair: As I said to the minister and as I say to you, I would ask that you provide answers in writing, through the clerk, to any questions posed that you had no chance to answer verbally. You've agreed to do that and I appreciate that.

Mr. Glenn Purves: Absolutely—to correct misrepresentations. Thank you.

The Chair: I appreciate that.

Mr. Jowhari, you have six minutes.

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

Thank you, Mr. Purves, for your intervention and for being here today.

In his opening remarks, the minister indicated that a \$3.8-billion voted allocation was going to reconciliation, armed forces and climate change. I'd like to focus on the reconciliation. I think it was mentioned that around \$919 million is going to about three or four initiatives. He quickly highlighted the \$588 million for child and family services, about \$230 million for first nations children under Jordan's principle, and another \$150 million for first nations emergency management services.

The biggest number in there is the \$588 million. It's focused on funding child and family services. As you know, we debated Bill C-6, which talked about changing the oath. We heard that this was a symbolic move and that there were no fundamental and substantive initiatives taken by the government to help the indigenous. Given the fact that there is an investment of almost \$1 billion here, can you give me a better understanding of the \$588 million that's being spent on child and family services?

• (0955)

Mr. Glenn Purves: Sure. Thank you very much.

You mentioned a few things, actually. I just want to make sure there's a clear line of sight in terms of what is in the supplementary estimates to support indigenous writ large.

You did talk about the \$919 million. This is for loan forgiveness. It was announced as part of, I believe, budget 2019. There have been many negotiations since 1975, and the government has paid and provided loans for these negotiations. The forgiveness is a retroactive lens going back, with continuous payments as well to support indigenous groups that are actively engaged in comprehensive claims negotiations with the government. That's one item.

The \$588 million for first nations child and family services is to improve access to prevention and early intervention programs to maintain the well-being and cultural connections of first nations children in care. This is above and beyond the existing funding that was approved in the main estimates for this purpose. This is above and beyond, supplemental funding that is largely demand-driven.

It's driven by the Canadian Human Rights Tribunal rulings in ensuring that indigenous children receive the same care as any child. It's not a new policy or a new initiative. It's just providing the same current basis of support under the existing policy.

I hope that answers your question.

Mr. Majid Jowhari: Yes, but can you go a bit deeper? What are the types of child and family services being provided?

Mr. Glenn Purves: They're the provision of medical support and the reimbursement for first nations agencies that are providing such support, and for provincial agencies that are providing such support, so that the standard of care is at a level that is expected through the Canadian Human Rights Tribunal ruling.

Mr. Majid Jowhari: Another \$232 million was allocated for first nations children under Jordan's principle. Can you expand on that, please?

Mr. Glenn Purves: It provides a wide range of health, social and education services in support of first nations children who qualify under Jordan's principle. This again is above and beyond the funding that has already been provided for Jordan's principle.

Just to give you a sense, when we tabled the main estimates, budget 2019, as part of budget implementation, voted an approved \$404 million to continue implementing Jordan's principle. This is above and beyond existing funding that the department has in its reference levels. This funding was included in main estimates under vote 20 of Indigenous Services.

This is above and beyond. This is in order to address additional volume, demands and services to maintain that standard as defined under Jordan's principle currently.

• (1000)

The Chair: There are 40 seconds left.

Mr. Kusmierczyk, do you want to ask a quick question?

Mr. Irek Kusmierczyk: I know the Department of Employment and Social Development is requesting \$180 million under vote 90(b) to write off unrecoverable debts in terms of directly financed Canada student loans.

What percentage of the total loans out there does this represent in terms of the writeoffs?

Mr. Glenn Purves: I understand there's a stock of about \$34 billion. Typically what happens is that from a fiscal planning standpoint they end up putting a provision in the fiscal framework for loans. This is effectively the end result of non-performing loans, going to CRA and seeking six years in order to see if they can be retrievable. Then, at some point, it's just a required expense that has to be done under ESDC's page proof.

Vote 90 is used to facilitate that. There's no actual payment that goes out; it's just an expense to facilitate that. It's ongoing.

The Chair: Thank you.

Mr. Glenn Purves: For years, the range has been—

The Chair: Madame Vignola, please. You have six minutes.

[Translation]

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

I see that, in 2019-20, for the Department of Health, there is a drop in investments of about \$800 million compared with what was provided in 2017-18.

In 2017-18, the amount was nearly \$3.5 billion. It is now at \$2.7 billion, which is a decrease. What explains that?

In addition, this is happening in a context where all the provinces are calling for a 5.2% increase in transfers.

Mr. Glenn Purves: Thank you very much for the question.

Allow me to answer you in English.

[English]

I don't actually have the information to show the distinction. You're talking about 2018-19, and the reference level of 2018-19 for health versus the authorities proposed to date, of about \$2.7 billion here.

I'd be happy to get back to you with a written response on that, just to make sure that it's a thorough response.

[Translation]

Mrs. Julie Vignola: I was wondering about that because of the provinces' requests for better transfers. I see the figures decreasing compared with 2017-18, despite the provinces' request.

[English]

Mr. Glenn Purves: Right.

[Translation]

Mrs. Julie Vignola: Those requests go back several months.

For the time being, I am fine with your answer.

Mr. Glenn Purves: I can give you another explanation.

[English]

For transfers—the Canada health transfer, Canada social transfer, equalization, and so forth—that doesn't show up here with respect to this.

[Translation]

Mrs. Julie Vignola: Okay.

[English]

Mr. Glenn Purves: If you go to the main estimates, I believe you'll see, effectively, for 2019-20, the start of the year, about \$175 billion. Those large transfers are part of that structure and we started reporting on statutory expenses because parliamentarians were asking to get a lens in terms of, when they're having to vote, having the same information about stat to get a big picture of the global spend for government.

In terms of changes to transfers, it would not be reflected here—

Mr. Glenn Purves: These are for voted amounts, non-statutory amounts.

[Translation]

Mrs. Julie Vignola: Okay.

Thank you.

[English]

The Chair: Mr. Green, you have six minutes.

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

I'm struck by the figures coming out of the Canada student loan program writeoffs. I'm sure members around this table can recall when they went to university. I know that for me it was not too long ago. If I recall, I was paying about \$3,500 in tuition at Acadia at the time. At that time it was very expensive. I have deep concerns about the increasing financialization of post-secondary education as it relates to providing equal opportunities to everybody to be able to engage in our post-secondary education system.

Mr. Chair, when I look at 33,098 writeoffs, I have to wonder what we're doing in terms of saddling this whole generation of students with debt.

A voice: No, we're not.

Mr. Matthew Green: Well, we are. If they're writing it off, you can imagine the collections process that happens for students who are having to write off this debt, it also has ancillary implications on their financial outlook. Even though the government's writing it off, you can imagine the pressure that's on these students.

As we look at the rising costs of every aspect of life—the financialization of education, housing, food, transit—the question is put quite rightly. This is obviously the writeoff on the previous estimate. What factors do you think account for the increased dollar value in unrecoverable debt from 2019 to 2020 in the fiscal year, compared to 2018 to 2019? If you care to comment on my colleague's comment, what are the consequences for students when this debt gets written off on their behalf?

● (1005)

Mr. Glenn Purves: It may be something that you may wish to also get supplementary information on from ESDC.

Ultimately, as I mentioned, of a base of about \$34 billion in student loans, since 2014-15 the government has written off between—

Mr. Matthew Green: If I could just pause right there—

Mr. Glenn Purves: Actually, if I could finish with this line.... Since 2014-15, the government has written off between \$164 million and \$295 million per year in student loans. This is a regular appearance in these estimates. It is a normal accounting practice for us to expense it in this way.

Mr. Matthew Green: When the comment is made that we're not saddling students with debt, you're suggesting that there is \$34 billion in student loans out there.

Mr. Glenn Purves: There's a stock of about \$34 billion in terms of student loans.

Mr. Matthew Green: In your opinion, would that not feel like a significant debt burden put onto this generation of students?

Mr. Glenn Purves: Again, the portion that is being written off is the non-performing.

Mr. Matthew Green: Right.

Mr. Glenn Purves: The performing, effectively, is the bulk of all the loans. Given the fact they are performing.... I can't comment on the policy and the calibration of the student loan program. That's beyond our remit. All to say, that it is a normal practice through the estimates and supply to have a certain writeoff attributed to these.

Mr. Matthew Green: Maybe you can't comment on it, but it seems clear to me that this is an ongoing consideration that we have. What suggestions would the Treasury Board have in terms of adequately adjusting for adequate supplies to post-secondary education that would perhaps mitigate this ongoing writeoff?

Mr. Glenn Purves: That's a policy question that would probably be best addressed to our colleagues at ESDC.

Mr. Matthew Green: Okay.

As it relates to Indigenous Services, the question came up about the \$588.3 million in funding under vote 10b to fund child and family services. This funding was aimed at improving prevention and access to early intervention programs.

What portion, to your knowledge, is being requested by services provided directly by first nations?

Mr. Glenn Purves: I don't have the answer to what proportion of the \$588 million is going directly to first nations providers of that, versus provincial versus agency. I don't think we have that information, unless Ms. Santiago does. It's within the authority of the department and the minister.

Mr. Matthew Green: My riding is 45 minutes away from the Six Nations and New Credit territories. The services being provided there are exemplary as they relate to the experiences of the urban indigenous first nations folks we have in Hamilton.

Incredible programs and services are being provided, but it often feels like the funding is going to organizations, agencies or other levels that are outside the first nations communities. I would take this opportunity to strongly suggest that we get this information provided to us so there's a clear understanding of what that looks like in terms of direct funding to first nations.

• (1010)

Mr. Glenn Purves: Could I just add one point?

The Chair: Very quickly, please.

Mr. Glenn Purves: On your initial question about student loans policy, budget 2016 did have a lot of information on that, in moving more toward grants as opposed to loans. That's a useful resource and something for linking with the ESDC colleagues.

Mr. Matthew Green: That's very helpful.

Thank you very much for the time, Mr. Chair.

The Chair: Now, we'll go to our second round with five-minute interventions each.

Mr. McCauley, you're up.

Mr. Kelly McCauley: Thanks very much.

Mr. Purves, I realize we don't agree on a lot of things. I have to take great offence at your comment about misrepresentation.

If you look up the definition, it's providing fake or false information. I don't believe my comments about the use of vote 10 ballooning from past years traditionally being \$3 million a year is false or misrepresentation. I hope you were perhaps using that word wrong.

I want to get back to the vote 10 issue. Traditionally it has been \$3 million. I think you commented to my colleague, Mr. Aboultaif, about the use of it in a crisis response. I want to go back to the last world crisis we had financially in 2008. The vote 10 then, I think, only went up to about \$8 million. Again, no government—Liberal or Conservative—had used this in the past to the extent that it has been used this year and last year.

The vote 5 money, which is contingency money, is where I would think such money should be coming from, not an inflated vote 10. I will state again that if the government tries to bring forward a \$200-million, \$300-million or \$380-million vote 10 in the estimates again for the coming year, I believe the opposition will look to reduce it to the traditional level of around the \$3-million mark as it has been used repeatedly.

Getting to vote 5, there's money in vote 5 for almost \$5 million for Rideau Hall Foundation. Vote 5, "...to provide for miscellaneous, urgent or unforeseen expenditures not otherwise provided for...". Rideau Hall Foundation has been funded for the last eight or 10 years by the government. I'm wondering how this \$4.9 million, therefore, is considered unforeseen and urgent. Again, this should be Heritage Canada re-profiled over \$5 million.

I bet you'll ask Marcia.

Mr. Glenn Purves: Let me start by saying that, in terms of my comment about misrepresentation, if the word is strong, I don't know if there's a.... My point was—

Mr. Kelly McCauley: The definition is lying. So, yes, you stated—

Mr. Glenn Purves: My point is the use of the vote has varied over the years, as you outlined, so I wasn't referring to that. It had to do more about references to the controls and the authorities and the oversight and the transparency related to the item.

Mr. Kelly McCauley: There's no legally binding control specifying how that money will be spent once it has been authorized by Parliament.

That's my concern, and I think that's my colleagues' concern. It goes back to the vote 40 money, and it goes back to the table A2.11 money about getting stuff approved by Parliament before we have actual plans.

I'm stating that it was fine for the Liberals to push it past all of us in a majority government, but we will not allow that money to be pushed by parliamentarians again without oversight or plans backing it up.

Mr. Glenn Purves: It's about circumstances, where if a partial or full payment is required before the next appropriation act can be tabled, and—

Mr. Kelly McCauley: But we're—

Mr. Glenn Purves: —when it's a strategic, horizontal initiative for government, details on the initiative are provided, just like any other initiative, to parliamentarians. It comes with a Treasury Board authority and then the use of it, the allocation from it, is disclosed very clearly for all parliamentarians as part of our online information. Again, I was referring more to those aspects only. No offence....

• (1015)

Mr. Kelly McCauley: Okay.

The \$4.9 million for Rideau Hall—

The Chair: You have 30 seconds, Mr. McCauley.

Mr. Glenn Purves: This is a circumstance where this item was not able to get into supplementary estimates (A). As a consequence, a payment is required for that.

Mr. Kelly McCauley: It gets funded every year. How does it not? Why doesn't it come from Heritage where they're re-profiling—

Mr. Glenn Purves: It's just a circumstance, Mr. McCauley, where I'm giving you the context. It was not in supplementary estimates (A). It was funded and now it's listed and frozen until such a point as it's approved.

The Chair: Mr. Drouin, you have five minutes, please.

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

Thank you for staying with us today.

I'll continue discussing the pilot project. There were four pillars, essentially. We were trying to do a bit of an estimates reform, and

one of them was the.... Obviously, there was the estimates alignment. One of the other pillars, in terms of scope of accounting—the minister briefly touched about it—was accrual versus cash basis. The third was vote structure in purpose-based voting.

Can you elaborate on the vote structure and the purpose-based funding? I think there was a pilot project at Transport Canada. How long are we going to pilot this and is it working well? I'd just like your thoughts on that.

Mr. Glenn Purves: You're correct. There are many pillars, and there are many aspects to estimates reform. The timing item that was discussed earlier is one of them. Of course, the cash and accrual alignment, the alignment between budget and estimates, is a second one.

In terms of the purpose-based votes, we did do a pilot with Transport where we looked at the votes and broke it down according to its function. We didn't get a lot of feedback or a lot of interaction, frankly, on that in terms of whether there was a considerable value added that was provided through that lens. The government put a response out in terms of its response to the OGGO report from January, which did cite that and spoke to the question about whether this is one of the paths that we should continue with. I'd always be happy to, and the team would be very interested in understanding people's interests and views on that, of course, if they had strong views. Otherwise, we'll have to take into consideration, whether to continue that pilot.

Ultimately, you want to do a pilot like that if it has a lot of pick-up and people find considerable value and additional transparency involved with it.

Mr. Francis Drouin: There's always the question of whether we should adapt, as a whole of government, for accrual accounting. The CPAs have come here before the committee, I believe, multiple times over the past 10 years to give their opinion on that. We see across the world, in private businesses obviously, that accrual accounting is the way to go. What seem to be the barriers for the Government of Canada to adapt that and what are the challenges?

Mr. Glenn Purves: When you think about the budget, fiscal forecasting and the deficit, we operate on an accrual basis. But in terms of supply and the main estimates, these documents, we operate on a modified cash basis. We effectively deal with cash with departments, and Parliament is charged with approving cash on a year-by-year basis. From that standpoint, we actually do operate on an accrual basis from a fiscal planning lens. But we have to reconcile back between that budget forecasting and where we're going with respect to the operations side and ensuring that parliamentarians can see the cash that they are being asked to approve in terms up to authorities. That's, again, the point of the main estimates. It's the point of the appropriation bills as well.

• (1020)

Mr. Francis Drouin: I know that there's a document that would clearly show the reconciliation between the cash and the accrual accounting. That document was provided to us over the past two years. That will continue over the next coming years.

Mr. Glenn Purves: In terms of reconciliation, I can't comment on the budget.

Ms. Marcia Santiago (Executive Director, Expenditure Strategies and Estimates, Treasury Board Secretariat): After budget 2016, I believe, we published a reconciliation from the budget in the first supplementary estimates that were tabled after the budget. To the extent that we have supplementary estimates of some sort following a budget, we will continue that practice.

What was started in 2017 and budgets 2018 and 2019 was the practice of the budget showing some of its own reconciliation from the forecast in the cash forecast. We believe that will continue.

The Chair: Thank you very much.

We'll go to our final round of interventions, for two and a half minutes each.

Madam Vignola.

[*Translation*]

Mrs. Julie Vignola: Thank you.

I will talk about the connecting Canadians program. The website mentions that Quebec has its own program, Québec branché. Naturally, transfers are mentioned.

Does that program also include negotiations to decrease Canadians' monthly costs for Internet and telephone access, or does it simply give people access to the Internet and to the telephone?

Mr. Glenn Purves: Thank you for your question, Mrs. Vignola.

[*English*]

Ultimately, the connecting Canadians program is about ensuring that citizens in rural, remote and northern parts of the country can enjoy access to the commerce, the employment opportunities and, of course, the distance education. The idea is for the Government of Canada to increase high-speed broadband coverage to provide at least 280,000 households in rural and remote regions of the country with high-speed broadband Internet access so that they can make the most of the digital economy. I don't actually have the breakdown by region for that information.

[*Translation*]

Mrs. Julie Vignola: Okay.

So 280 families have been connected? That is what I have understood.

Mr. Glenn Purves: No, we are talking about 288,000 families.

Mrs. Julie Vignola: Does that figure also include transfers to Quebec, or only to the rest of Canada?

Mr. Glenn Purves: I think those are transfers to families to ensure that they have an Internet connection.

[*English*]

The Chair: Thank you very much.

Mr. Green, this is your final intervention, with two and a half minutes.

Mr. Matthew Green: Thank you very much.

If I recall, I believe my mother actually worked on the connecting Canadians program for the Department of Industry way back in the nineties, so I'm glad to see that we're still on that.

In your mandate letter, the Prime Minister asked you to help ensure that people of all gender identities, indigenous peoples, racialized people, persons with disabilities and minority groups are reflected in positions of leadership.

In June 2019, this committee published a report entitled "Improving the Federal Public Service Hiring Process", which noted that the Government of Canada should develop initiatives and programs to attract and hire more women in certain fields, such as STEM; more people with disabilities; more indigenous people; and more members of visible minorities. Moreover, they should not just be hired for entry-level positions.

What concrete actions do you plan to take to ensure that the number of women in certain fields, people with disabilities, indigenous people and members of visible minorities increases in the public service, including in leadership positions?

• (1025)

Mr. Glenn Purves: I can only comment that this is from the mandate letter for the president, so it's probably more appropriate for the president to respond to this. I think one thing that could be helpful would be for us to take that back and give a written response to you on behalf of the president.

Mr. Matthew Green: In your general assertion, do you tend to agree with the recommendations of the committee?

Mr. Glenn Purves: I think inclusivity and employment equity are very important, but I'm an official here to answer questions on supplementary estimates, the estimates process and the funding that is in here. There is a whole host of initiatives and data that exist, including the public sector employment surveys and so forth, that try to improve and build upon these very important and basic tenets that should be included. I do think that perhaps in this instance, given that it is part of the mandate letter and is cited as a mandate letter issue for the president, giving you a fulsome response is something I could do.

Perhaps Baxter can jump in.

Mr. Baxter Williams (Executive Director, Employment Conditions and Labour Relations, Treasury Board Secretariat): In terms of transparency, the department is beginning to publish disaggregated data by employment equity in its employment equity annual report coming out at the end of this fiscal year. We've also put in place a central repository of active public service pools that is accessible by managers and HR advisers and that can be filtered by group level and EE status. That becomes a tool to enable and better understand this.

A voice: And measure.

Mr. Baxter Williams: Yes.

Mr. Matthew Green: Thank you.

The Chair: Thank you very much.

I want to thank all of our witnesses—Ms. Santiago, Ms. Cahill, Mr. Purves and Mr. Williams—for being here once again. Your appearances are always pleasurable.

Colleagues, I will suspend now. We have about 15 minutes left in which I'd like to deal with committee business.

We are suspended.

[Proceedings continue in camera]

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>