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Chair: Mr. Tom Lukiwski



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• (1700)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): I will call this meeting to order. This is meeting number 20 of the House of Commons Standing Committee on Government Operations and Estimates. The committee will meet again this Friday for a final time before Parliament is adjourned, and we will be meeting from 11:00 a.m. to 1:00 p.m. EST on Friday.

Colleagues, we have already heard from the PSPC officials. They will not be making an opening statement, and we do have the speaking notes from the Privy Council Office, which have been distributed in both official languages.

I would like to move, colleagues—similar to what I have done on a number of occasions before to allow us to get more time for questions—that the speaking notes presented by Matthew Shea of the Privy Council Office be taken as read and appended to the evidence of today's meeting.

Do I have consent for that motion?

Some hon. members: Agreed.

[See appendix—Remarks by Matthew Shea]

The Chair: Hearing no dissent, then, colleagues, we will go directly into questions. It will be a six-minute round, followed by five minutes, followed by two and a half minutes.

As for our normal routine, our first intervention will come from Mr. McCauley, for six minutes.

Mr. McCauley, you are on.

Mr. Kelly McCauley (Edmonton West, CPC): Thank you, Mr. Chair.

I will just quickly say welcome back to Mr. Blaikie.

Mr. Shea, welcome back as well. It's good to have you with us.

On the two main items you have in the supplementaries, I will start with the funding for communications and marketing, \$48 million rounded up. What exactly is that for, please, and can you provide a breakdown of what it's being used for?

Mr. Matthew Shea (Assistant Deputy Minister, Corporate Services, Privy Council Office): I'll turn to my colleague Ken MacKillop, who will give you an overview of what we're spending that funding on.

Mr. Ken MacKillop (Assistant Secretary to the Cabinet, Communications and Consultations, Privy Council Office): Thanks very much for the opportunity to explain this. Advertising is, obviously, a very effective way to increase awareness of—

Mr. Kelly McCauley: Because of the lack of time, could you just give us the breakdown, please?

Mr. Ken MacKillop: Absolutely. It's \$49.5 million, as you know, and the first bit within that is \$10 million for an extension of the \$30-million Public Health Agency campaign that is currently out on COVID-19; \$12 million will be used for an extension of the \$10-million Finance Canada campaign that we're doing right now, and \$2.9 million is towards the PCO COVID communications response team.

The remainder of the funds, approximately \$25 million, will be held to keep flexibility on communications, for instance if we have upcoming campaigns on a vaccine that becomes available.

Mr. Kelly McCauley: You only have plans for spending \$24 million of it.

Mr. Ken MacKillop: At this particular time, that's correct.

Mr. Kelly McCauley: First of all, how did you get the other \$25 million past Treasury Board, if it's just to be held in case something comes up? Can every department always slam a few million away just in case something comes up?

What exactly is the advertising being used for? We all know COVID is on the TV every second, every newspaper and every Facebook feed; everything is COVID all the time. Break down exactly those four items. What are we advertising, and where is the advertising going? Is it newspapers? Is it going to Facebook and U.S.-based companies? Is it staying in Canada to support Canadian journalism? Can you answer that?

Mr. Ken MacKillop: I absolutely can. As you know, the virus is unprecedented, and our communication efforts need to remain flexible. You will have seen the ads for Dr. Tam, who has been on TV. You've seen ads encouraging physical distancing. You've seen Chris Hadfield and Hayley Wickenheiser out there encouraging us to stay home and save lives.

Mr. Kelly McCauley: Let me ask you a question. Where is the direction coming from for this? The reason I ask is that it's a lot of money, and everyone knows about social distancing. Everyone knows that COVID is going on. Do you find it justifiable to spend \$50 million on something that every single person knows about?

Mr. Ken MacKillop: Well, you know, you're not wrong. People know about it because we advertised.

Mr. Kelly McCauley: I think it's because it's on the news cycle 24 hours a day. I'm asking if you think this is a fair use of taxpayers' money, to advertise something that every single person in the entire world knows is going on right now.

• (1705)

Mr. Ken MacKillop: I do think it's worth the money to advertise to Canadians on health and safety and on what we are asking them to do. Again, the virus has been unpredictable, so we are advertising. For instance, back when Dr. Tam came out and was advertising about social distancing, we did all that advertising to encourage folks to stay home once the lockdown hit. Now we advertise as well on the economic portion and the financial incentives for Canadians and, if I may just add, the recall rate on our ads has been 85%, so people are getting the message.

Mr. Kelly McCauley: I think they know about COVID. I don't think it's your ads.

Where is the advertising? What medium are you using, please? How much is Google and Facebook, and how much is Canadian companies? If you don't have it right in front of you, let us know later.

Mr. Ken MacKillop: I could.

I can tell you the fact that, out of what they've spent this year, more than 80% of the placements were in Canadian media, including 16% in print: dailies, weeklies, ethnic and aboriginal newspapers.

Mr. Kelly McCauley: I'm going to move on.

The next item in the supplementary estimates is \$7.7 million for funding to support MROs and transfers in ministers' regional offices. What exactly is that for, please?

Mr. Matthew Shea: That item covers a number of different sub-items. One of them is the transfer of exempt staff who were previously under PSPC, who are now reporting to the Deputy Prime Minister. That's just a straight transfer. It's not new funding or an increase in cost to taxpayers. It's just a transfer between two departments.

The second piece is about support to the Deputy Prime Minister and her role and mandate letter commitments in terms of establishing more regional engagement, consultation and that type of thing.

Mr. Kelly McCauley: How much of the \$7.7 million is new funding?

Mr. Matthew Shea: It's all new funding to us. All but the \$2.3 million is new from the fiscal framework. The \$2.3 million is going to be a transfer from PSPC.

Mr. Kelly McCauley: That's about \$5.5 million to support the Deputy Prime Minister.

Mr. Matthew Shea: It's actually a bit—

Mr. Kelly McCauley: Did the assets and resources not already exist across the country that we have to add this expense?

Mr. Matthew Shea: There are a couple things. First, I'd clarify that it's not just for Deputy Prime Minister support. There was a list of a number of items. Part of this is continuing—

Mr. Kelly McCauley: Would you provide the committee with the breakdown of those items?

Mr. Matthew Shea: I'd be happy to provide a breakdown to the committee.

Mr. Kelly McCauley: Thank you. I'm going to move on.

I have a question regarding the employee satisfaction survey. I notice it's in your departmental results and your plan. It shows that 41% of public service employees surveyed stated that they viewed the workplace as psychologically unhealthy. I'm curious; why is there no money put aside in the supplementary estimates, or even the main estimates, to address this?

The Chair: Mr. McCauley, that's a great question, but unfortunately we have no more time for the answer.

Mr. Kelly McCauley: Maybe they can get back to me.

The Chair: If the answer could be provided as quickly as possible in writing to our clerk, I would appreciate it greatly.

We'll now go to our next intervenor, Mr. Drouin, for six minutes, please.

[Translation]

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

I want to thank the witnesses for being here today.

I am going to ask questions about the budget of the National Capital Commission, since I am a member from the region. I see that there is an amount of \$52.4 million in the supplementary estimates A.

How will this amount be used?

[English]

Mr. Ken MacKillop: As stated a little earlier on the communications and advertising piece, the \$49.5 million, the first portion of it we've allocated to the Public Health Agency of Canada to continue their successful public health campaign. Of that \$49.5 million, \$10 million will go to Public Health. We are also going to provide \$12 million of that to extend the Finance Canada campaign, which is currently at \$10 million, to promote the economic supports for businesses and individuals across the country.

Mr. Francis Drouin: Sorry, is that with regard to the NCC?

Mr. Ken MacKillop: No. That part didn't come through. I apologize.

I'm with the PCO.

Mr. Francis Drouin: I was just wondering about the \$52.4 million for the NCC. Presumably it would be a PSPC question.

• (1710)

Mr. Bill Matthews (Deputy Minister, Department of Public Works and Government Services): My apologies for missing the first part of the question. I was switching over to a different microphone.

The NCC money is largely to do repair and maintenance, damage from floods and some deferred maintenance that exists. That's the big part of it, a number of properties and bridges, as well as a few parks. Grosso modo, that's the buckets of things you're looking at there.

Mr. Francis Drouin: Mr. Matthews, in terms of the bridges, I know the Alexandra Bridge was in the news. I have a lot of constituents who actually work for you and have to cross the bridge in order to get to work.

In budget 2019, we announced some dollars going directly to revamp the study of potentially a sixth link to the bridge. Where are we on that?

Mr. Bill Matthews: The money you're looking at, which I referred to in the supplementary estimates, is actually for the Portage and Champlain bridges.

The money that was previously allocated has indeed gone towards refreshing the study that was previously done. The study is ongoing and is not quite final yet, but it should be shortly.

Mr. Francis Drouin: Are we expecting completely different results from the 2013 study? Are they going to use the same weighted averages for certain...like put more emphasis on the environment or on certain locations? Are we expecting a completely different result?

I suppose you're going to say we'll wait until we see what the study says.

Mr. Bill Matthews: I'll give you a partial answer, Mr. Chair.

The weighting for the study will be the same as it was previously, but obviously things have changed in the years that have passed, so there may be different factors at play. The actual factors being used for the study are the same factors that were used the first time around; it's just a question of assessing what else has changed.

Mr. Francis Drouin: Okay.

I'm just going to bridge back to the \$52.4 million that's been in the news about the official residence renovations. Are any of those funds dedicated to the official residence renovations?

Mr. Bill Matthews: No. The money in supplementary estimates (A) is not for official residences. It is for flood damage, as I mentioned before, some bridges and parks, as well as some deferred maintenance on other properties.

Mr. Francis Drouin: Do we know the assessed damage on NCC property? I've seen some work going on, as I have the benefit of

living around here. What were the damages assessed to, approximately? Do we have a number for that?

Mr. Bill Matthews: Are you talking about damages from the flood?

Mr. Francis Drouin: Yes.

Mr. Bill Matthews: I'd have to get back to you, Mr. Chair.

We can do that in writing. That's an easy follow-up, I think.

Mr. Francis Drouin: Great. Thank you.

I think I probably have time for one more question.

With regard to official residence renovations, we know that it's never a big political seller. How does PSPC, and perhaps the NCC, plan to forecast similar situations going forward, whether it's for the official residences or for other properties we have around the national capital region?

Mr. Bill Matthews: I think, Mr. Chair, that the answer depends on the projects.

You would do an assessment, make a plan and then budget accordingly. Obviously, the money can't be spent until it has been properly approved, until the project has the blessing and the dollars have been put through this committee, etc.

I can't really give you a solid answer on that front.

The Chair: Mr. Matthews, if I could interrupt—and I apologize for that—could you move your microphone slightly away from your mouth? We're getting a bit of feedback. That should work.

Mr. Bill Matthews: Is that better, Mr. Chair?

The Chair: It's much better.

Mr. Bill Matthews: Thank you.

To answer the question in terms of future planning for official residences, it's a better question for the National Capital Commission, in terms of what they would bring forward. Obviously, the grand headlines would be to do an assessment, plan a project, get the blessing for the funding, and then you would see them through the estimates.

However, there's nothing in these estimates for official residences.

The Chair: Thank you very much.

We'll now go to Madame Vignola.

[*Translation*]

You have six minutes.

Mrs. Julie Vignola (Beauport—Limouilou, BQ): Thank you to Mr. Matthews and the other officials who are here with us today.

I'd like to talk about the national medical research strategy fund. We are talking about \$406 million for research, vaccines, therapy, clinical trials and biomanufacturing.

How much of that amount is already committed?

[*English*]

Mr. Bill Matthews: In terms of PSPC and the \$500 million that is being sought through these estimates, we are basically planning to spend that money on things like charters, some PPE, logistics support, both overseas as well as in Canada, and then some respiratory care units as well.

It's largely already in the works, through contracts.

● (1715)

[*Translation*]

Mrs. Julie Vignola: I see. How much of that goes to Canada?

[*English*]

Mr. Bill Matthews: Of the \$500 million we are seeking, I cannot give an exact answer, because time will tell in terms of how it gets spent. The vast majority of PPE that was purchased initially was coming from overseas, obviously contracts for in-country logistics, as well as some support for some overseas logistics, but the majority would be international.

[*Translation*]

Mrs. Julie Vignola: I was really talking about research, vaccines, therapy, clinical trials and biomanufacturing, not personal protective equipment. I am talking about the \$406 million for the national medical research strategy.

Is any part of this category already committed to research and vaccines?

What proportion is spent here in Canada?

[*English*]

Mr. Bill Matthews: Mr. Chair, I'm afraid that question would be better asked of a different department. PSPC is only here on the \$500 million for PPE. The questions that the member is asking are probably better suited for the Public Health Agency or Health Canada.

Ms. Lisa Setlakwe (Assistant Secretary to the Cabinet, Social Development Policy, Privy Council Office): Mr. Chair, it's Lisa Setlakwe from PCO.

I agree with what my colleague Mr. Matthews just said about these questions being better addressed to other departments, but I can say that some of the money has been allocated to organizations like SSHRC—the Social Sciences and Humanities Research Council—and the Canadian Institutes of Health Research.

That money is being deployed to conduct a variety of research. I couldn't give full details on that, but vaccines are part of that roster of research. The money is being deployed toward efforts like that.

[*Translation*]

Mrs. Julie Vignola: Are these efforts made in Canada or abroad?

[*English*]

Ms. Lisa Setlakwe: I couldn't tell you what the proportion is, but there's a lot happening in Canada.

[*Translation*]

Mrs. Julie Vignola: Thank you.

I'm going to address the other witnesses.

The Department of Public Works and Government Services is seeking additional funding of \$203.46 million in vote 1a for operating expenditures.

How will these funds finance the government payroll system?

Mr. Les Linklater (Associate Deputy Minister, Human Resources-to-Pay Stabilization, Department of Public Works and Government Services): Thank you for your question.

We have a long-term plan to stabilize the payroll system, including the salaries of public servants who have been hired to support our efforts. We have also set aside funds to stabilize the system itself and to work with departments to improve data capture.

Mrs. Julie Vignola: Thank you.

How many additional staff did you hire to help you out with the payroll system?

Mr. Les Linklater: When the Phoenix system came into effect, our workforce was about 550 people, whereas now it's over 2,500. That's about 2,000 more people.

Mrs. Julie Vignola: All in all, that's 2,000 more people than expected.

Has the situation created by COVID-19 affected the processing of data or payroll transactions on Phoenix, or have things improved as a result of teleworking, among other things? All options are possible.

● (1720)

Mr. Les Linklater: Given that we have...

[*English*]

The Chair: Mr. Linklater, I'm afraid we'll have to get you to respond to that question in writing, directly to our clerk. We're completely out of time. My apologies.

We'll now go to Mr. Blaikie.

It's good to see you again, Mr. Blaikie. You have six minutes.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much, Mr. Chair. It's a pleasure to be back with you.

With respect to the advertising money for the PCO, I'm curious to know how much of that money will be spent for developing advertising products in-house and how much of that the government envisions contracting out to private companies.

Mr. Ken MacKillop: I don't have a breakdown for you. I can get that to the committee. I will say that \$2.9 million of the funding goes toward the PCO COVID response team. As part of that team, we work with our behavioural science folks in PCO. We work with our own in-house team to be able to work with both the Public Health Agency of Canada and Finance Canada on the ad campaigns. In every ad campaign we do with the Government of Canada, we do use the agency of record to place the media buys. That is Cossette Media. We use them on a regular basis for all of the buys we do.

I could get back to you on what the in-house capacity is. The Public Health Agency of Canada and Finance have teams that work with us very closely on advertising.

Mr. Daniel Blaikie: Sure. I would appreciate a breakdown, particularly with respect to the money that's being requested here in the supplementary estimates.

I also want to ask about this. I know that it's the government's ad policy that ad campaigns over \$250,000 are reviewed by a third party. There are exemptions in some cases for emergent public health advertising campaigns, but the request, even just in the supplementary estimates, is larger than the \$250,000 threshold by a couple of orders of magnitude.

I'm wondering what the opinion of the government is with respect to these advertising dollars and the campaigns they'll fund, and whether or not those are campaigns that the government would submit to third party review.

Mr. Ken MacKillop: Yes, you're correct. The \$250,000 threshold is the threshold above which they have to go to the ASC, but many departments can use the ASC for ad campaigns that are below that threshold as well, and quite often we find that happening. I would submit that for the Public Health Agency of Canada advertising and the Finance advertising, we have gone to the ASC for both of those, and we will—

Mr. Daniel Blaikie: Okay, and—

Mr. Ken MacKillop: —[Inaudible—Editor] to do that for the campaigns.

Mr. Daniel Blaikie: Thank you very much.

I also want to ask about this with respect to the advertising campaigns. Largely, these have been PSAs about COVID. My understanding from your remarks today is that this new money is meant to continue those campaigns.

What techniques are you using to evaluate the success of those advertising dollars, to see if people are getting value for money with respect to those campaigns? You mentioned earlier that you've seen some success and you were taking credit for some of the awareness about social distancing measures and other things like that. How do you know that? What metrics do you use?

Mr. Ken MacKillop: We are mandated to do evaluations of all the campaigns that we put out using what's called the ACET pro-

cess. All departments use this. I did mention the metric earlier that the recall rate on the advertising was 85%. Just to give you an idea of what that means, it means that when we go out to research this after the fact, we can ask Canadians "Have you seen this ad?", and the recall rate is 85%.

That compares to previous years at 34% for Government of Canada advertising—that's roughly 34% for the past two fiscal years—so we're seeing that advertising being recalled very well. Of course, if you encounter advertising that doesn't work quite as well, it gives you an opportunity to adjust your future campaigns.

Mr. Daniel Blaikie: Thank you.

With my remaining time, I want to ask some questions of PSPC about the money for Phoenix. In response to my colleague's questions earlier, you mentioned the difference between staffing levels at the beginning of the Phoenix pay system and staffing levels now, but I'm curious to know what specifically the new money being requested in these supplementary estimates will be used for. How many staff will be hired out of this money that's being requested? How much of this money, if any, will go to IBM?

• (1725)

Mr. Les Linklater: Thank you for the question.

We have been receiving funding on an annual basis since the beginning of the Phoenix issues, so the large proportion of the salary dollars that will be coming out of the supplementary estimates will be for retention of existing staff. We're not looking to grow the workforce exponentially, but rather to maintain the staff we have brought on, trained and engaged to become pay support staff.

There will be funding that goes to IBM. We do have a contractual obligation to them. The funding last year for IBM was about \$80 million. We are now looking, through a request for interest, to solicit inputs or bids for alternative providers through a market solicitation.

Mr. Daniel Blaikie: Has PIPSC been invited to bid on that work or to put forward a proposal for how some of that work might be done in-house, as opposed to going directly to a third party?

Mr. Les Linklater: There has been a lot of—

The Chair: Unfortunately, again, Mr. Linklater, for the second time, I apologize for interrupting, but if you could, please provide the rest of that answer in writing as soon as possible to our clerk, because we're now going to the next round of questioning at five minutes each, starting with Mrs. Block.

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

Thank you so much to our witnesses for joining us on such a beautiful, warm day.

Mr. Matthews, in these estimates, there is, as you noted in a response to one of my colleagues, \$500 million in a request for funds to make payments to suppliers of PPE. Can you tell the committee the total value of all PPE contracts entered into by PSPC?

Mr. Bill Matthews: I cannot tell you at this stage. Frankly, it changes on a daily basis. The \$500 million we are looking for here, Mr. Chair, is for contracts that PSPC would enter into for itself, as opposed to for clients or other departments. It's a bit of a different ask in that respect.

Mrs. Kelly Block: Okay.

Last week at committee, you identified that roughly 40% of your department's contracts contained an advance payment component. Of the contracts that have this component, can you estimate for the committee what the average percentage of advance payment is?

Mr. Bill Matthews: It would be a really rough guess. What I could say, Mr. Chair, is that it varied depending upon the period in time during which we were transacting. There was a period in March and April during which if you were buying N95, you were looking at 100% in some cases. Early on, it was as low as 25%. Then it went to 50%, and then it peaked at 100%. I would say that more recently you're seeing cases in which, for certain commodities only, 50% seems to be the most common request, but there's a lot of back-and-forth. I would also say it's commodity-specific.

Mrs. Kelly Block: Okay. Thank you.

Of the contracts that require an advance payment, what percentage are with suppliers whose manufacturing is in China?

Mr. Bill Matthews: The majority of PPE right now is still coming from overseas, China in particular. We are still reliant on China as we look to stand up domestic capacity. We do have some coming from the U.S. as well. I could ballpark it, but I would say the vast majority of contracts early on were certainly coming from China.

Mrs. Kelly Block: Thank you.

What percentage of contracts with our domestic manufacturers have a prepayment component?

Mr. Bill Matthews: Again, it depends on the commodity and the investment required. If you're looking at the gown industry in particular, you will see a lot of requirement to get your hands on material. There's great competition to get your hands on that kind of material, so some of our suppliers who struggled to make that initial outlay were seeking advance payments as well.

In the case of ventilators, for which there was large upfront investment, we saw some as well, so there are some for domestic suppliers as well.

Mrs. Kelly Block: Okay. Thank you.

We understand from answers by the minister that your department is trying to extract itself from the contract with the supplier who provided us with substandard KN95 masks.

Are there any other contracts for PPE that the department is trying to get out of at this time?

Mr. Bill Matthews: You're right about the one. There are a few others that are struggling with delivery dates that are still in place. We expect there's one other that would have some issues of quality

as well. It's too early to say what we're going to see on that one. To answer your question bluntly, there's still the active one we talked about. There are others that could pop up that we're monitoring closely.

• (1730)

Mrs. Kelly Block: Okay. Thank you.

Are there currently any contracts that you are worried about in terms of performance—what you had originally hoped for versus perhaps what you're seeing in deliverables?

Mr. Bill Matthews: I would highlight two issues. One is timeliness. For some, there have been some issues with timeliness. We're in constant communication with our suppliers to understand, when delivery dates slip, what the date will be. In a case where there are multiple delays, you have to start to question their ability to deliver. There's ongoing dialogue there.

On the quality front, we're always checking for quality with N95 or KN95. That comes up a lot. There are a couple that we're actively monitoring.

Mrs. Kelly Block: This will be my last question, because I imagine I am running out of time.

Of the \$500 million that has been requested in these estimates, how much has already been spent?

Mr. Bill Matthews: In terms of expenses that are out the door, I can't give you an answer, but in terms of planned contracts or contracts that are under way, the majority would be under contract.

The Chair: Thank you very much.

We'll now go to Mr. Weiler for five minutes.

Go ahead, please.

Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Good afternoon. Thank you to the witnesses from PCO and PSPC for joining our committee meeting today.

My first questions relate to PCO.

In your written statement, you mentioned that PCO has been leading intergovernmental efforts to coordinate federal, provincial and territorial responses to the pandemic and to ensure information sharing among governments. What format is this communication taking, and what proportion of the overall \$49 million that's been budgeted is supporting the same?

Ms. Louise Baird (Assistant Deputy Minister, Intergovernmental Affairs, Privy Council Office): I can talk a little bit about the format and how we're doing some of those intergovernmental relations.

We have a team at PCO that does have the responsibility to support the Deputy Prime Minister as well as the Prime Minister in federal-provincial-territorial relations. During the COVID response, we have had almost daily meetings with our counterparts in the provinces and the territories. We've also been supporting the Prime Minister and the Deputy Prime Minister at weekly meetings with all of the premiers to ensure that information is shared in a timely way.

Often the provinces and the territories, which have responsibility for health care, deliver some of the programs. We ensure that they have the information available to them on some of the new support programs coming out at the federal level and collaborate on some of the actions so that there is a level of collaboration between the different orders of government.

Mr. Patrick Weiler: Great.

You mentioned in your earlier remarks that part of the advertising campaign was geared towards health advice, and other parts of the advertising campaign were geared towards financial measures and working with the Department of Finance. Do you have a measure of how well the campaign has informed Canadians specifically about the federal financial supports that are available?

Mr. Ken MacKillop: I'm sorry. I don't have the breakdown of that 85% and what was specific to the public health campaign or the Finance campaign, but I can certainly get that to you and give you a little bit of the evaluation of the Finance campaign to date.

We do know that Finance has already committed approximately \$7.5 million in advertising for this fiscal and they've already engaged in that. A large percentage of that was in Canadian media. On the evaluation so far, we do see that Canadians are responding well to the CERB, for instance, the Canada emergency response benefit. We'll do some more advertising this week on the emergency wage subsidy as well, to get a little more uptake on the emergency wage subsidy.

I can certainly get you some information on the evaluation of the Finance campaign to date.

Mr. Patrick Weiler: Thank you. I'd appreciate that.

I'd be remiss if I didn't ask about the biggest item in the supplementary estimates, which is the \$585 million for the construction of the two Protecteur class ships. I know that these are very important, to permit naval vessels to remain at sea for much longer periods of time without having to return to port for fuel and other supplies. I'm particularly interested in this project, because I've had the opportunity to visit the Seaspan facilities in my neighbouring riding, where many of my constituents work.

This is a question more for PSPC. I was hoping you could tell me what the requested \$585 million in support would go towards in the construction of these ships and what the total costs of those ships would be.

• (1735)

Mr. Bill Matthews: While PSPC is not getting any funding in these estimates for our work on the JSS, the joint support ships, obviously we have a role. The latest announcement or contract sign-

ing brings the total cost up to \$4.1 billion. That's the current contract that's in place. So that's the update there.

If you're asking whether there's any new money in here for PSPC and for our role, no, there's no money in here for PSPC for joint support ship work.

Mr. Patrick Weiler: Great. Thank you.

What was the original estimate from the PBO of the cost of the JSS?

Mr. Bill Matthews: I don't actually have the initial estimate of the PBO in front of me. I can tell you that the most recent update, before this latest one, was \$3.4 billion. That has been signalled as being under review for a while. The latest update on cost brings us up to \$4.1 billion.

The Chair: Thank you very much.

We'll now go to Mr. Aboultaif for five minutes, please.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Thank you, Chair, for giving me the time.

I have a question about the Canadian Digital Service, for which there was about \$9 million for 2019, about \$12 million for 2020-21, and I think maybe a similar amount or bigger for 2021-22. Would you be able to explain to us what the Canadian Digital Service does?

Mr. Bill Matthews: Mr. Chair, I'm wondering if that question is better suited for your next series of witnesses, because I believe—I'm going from memory here, and my friends from PCO may be able to help—that's more of a Treasury Board Secretariat question.

Mr. Ziad Aboultaif: Okay. Then I'll go back to the PPE, Mr. Matthews, to build on the questions that came from my colleague Mrs. Block.

On the prepaid contracts, of the \$500 million, how much have you been invoiced for so far?

Mr. Bill Matthews: I cannot give you an answer for invoices so far.

Mr. Ziad Aboultaif: Why not?

Mr. Bill Matthews: I'll have to get back to you. I don't have the information with me, but I can see what we can do. Some of this work has not yet started. Some are recent contracts.

I'll have to get back to you, Mr. Chair.

Mr. Ziad Aboultaif: Would you be able to advise us on the 9.8 million masks that were defective? What happened to these masks?

Mr. Bill Matthews: On the ones that the member is flagging, Mr. Chair, many of these were given to other departments to be used as surgical masks, because that's a lower grade. They've been put into service—not all of them, but a good majority of them—in other departments where the requirement for KN95 does not exist.

Mr. Ziad Aboultaif: If these were not suitable for medical use, they were probably suitable for non-medical use. Is that a correct statement?

Mr. Bill Matthews: I think the highest standard of mask you would see, Mr. Chair, is the KN95. Below that, you would have the surgical mask. A defective—if I could say that—KN95 mask is still a high-grade surgical mask. I'm being very generic in my statement here, but it is suitable for other purposes.

Mr. Ziad Aboultaif: Of the 9.8 million masks, do we know for sure how many were returned to market, how many were distributed to different departments for non-medical use, and how many are still in the warehouses?

Mr. Bill Matthews: Of the ones that have been received in Canada, the 9.8 million that the member is referencing, about half, give or take, if I recall correctly—I'll confirm—have been in use by other departments. Some are still being held by PHAC. PHAC actually has the inventory itself.

Mr. Ziad Aboultaif: Are we getting a credit for what we paid for these 9.8 million masks?

Mr. Bill Matthews: In terms of the negotiations with the supplier on the defective masks, I can't comment. Those conversations are ongoing, but we are still in discussions.

Mr. Ziad Aboultaif: We haven't settled that yet, have we?

Mr. Bill Matthews: That is still ongoing, Mr. Chair.

Mr. Ziad Aboultaif: What are your conditions? Usually, rejected products will be credited back to the customer, returned back to the supplier or discarded. If you were to discard them, there's a compensation that has to go back to the customer, or if they're going to be stored in warehouses, that also costs money.

What are your options? What are you putting on the table there to negotiate what's going to happen to these masks?

• (1740)

Mr. Bill Matthews: Mr. Chair, because of the ongoing discussions, I'm not able to answer the member's questions without getting into detail that frankly could compromise our position.

Mr. Ziad Aboultaif: Okay. Based on the terms of the purchase order, in which usually you take some conditions before you place an order, whether you have the upper hand or not—and I know that in this case we don't have the upper hand—what did you negotiate in terms of a defective product? Would you be able to tell us?

Mr. Bill Matthews: Normally in standard government contracts when you have a defective product, you have an obligation or an option to actually get a product in your hand that meets your requirements. If that fails, then you're on to other options. That's just a generic Government of Canada contract approach.

Mr. Ziad Aboultaif: Yes, but do you have the same approach for overseas supplies such as the defective N95s?

Mr. Bill Matthews: Mr. Chair, the terms would depend on the contract in question. There's a variety—

Mr. Ziad Aboultaif: It would be nice, Mr. Matthews.... I did ask who the suppliers are, whether it's a Canadian supplier who is a distributor or whether you're dealing directly with China. Would you be able to advise us on whether you did it through a Canadian distributor or whether you are dealing directly with factories in—

The Chair: Whatever answer you have, Mr. Matthews, I would ask once again that you supply that answer in writing as quickly as possible to our clerk.

Now we'll go to Mr. Kusmierczyk, I believe, for five minutes, please.

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

I'll go back to the PCO with a couple of questions. My colleagues have done a really nice job of asking some really good questions here, but there are just a couple that I have left over.

In terms of the communications and marketing that were budgeted, how does the federal government communicate with Canadians who don't have access to the Internet and don't have access to digital marketing and whatnot? I'm just curious.

Mr. Ken MacKillop: That's an excellent question because it raises the very good point that paid advertising is only one way we communicate with Canadians.

In using the paid advertising, we do use.... For instance, early on, the Public Health Agency of Canada had a mail-out that we sent to all Canadians. We also use what we call "loudaphones", or billboards that you would see when driving down the highway. We still use bus billboards as well, believe it or not. It's a campaign, and we try to get as many Canadians as we can, including indigenous Canadians who may be up north and may not have access to the Internet like others do.

Obviously, how you target your specific campaign will depend on what you're trying to get across, but in this particular case, both the public health messaging on the safety and security of Canadians and the finance messaging were of interest to most, if not all, Canadians, so we used a variety of methods.

Mr. Irek Kusmierczyk: So there really was a comprehensive, multi-faceted approach for getting the information out.

Mr. Ken MacKillop: Absolutely.

Mr. Irek Kusmierczyk: Excellent.

I have a question for PSPC regarding the budgeted amount for Phoenix. When I look at the numbers, I see a tremendous reduction in cases. They're down 64%, from 384,000 to 137,000 pay transactions. Why are these additional funds required if the workload is going down?

Mr. Les Linklater: While we have made significant progress, there does remain a great deal of work to be done.

As I mentioned in response to an earlier question, we have been receiving funding on an annual basis. The funding in the estimates will allow us to maintain our staff and advance our efforts, while ensuring that we can speed up the technological enhancements and fixes that the system requires and continue to work with departments and agencies on the timeliness and accuracy of the HR information that's entered into the systems that then manifests in pay action.

We have made significant progress, but with the 50% reduction in the backlog, we still need to continue to pursue and double down on our efforts to continue that progress.

• (1745)

Mr. Irek Kusmierczyk: Thank you very much.

I am going to bounce around a bit here with my questions. As I said, my colleagues have asked most of the questions that I had coming in here.

Regarding the \$500 million that was set aside for PPE, do we have an estimate of how much more PPE we will need to procure?

Mr. Bill Matthews: That's a very important question, but it's better asked of colleagues at Health Canada and the Public Health Agency who know the modelling and what might be coming. I can share with the chair that the goods in reserves are going up across the country, but can I say when we will be done? I cannot. I'm sorry.

Mr. Irek Kusmierczyk: Okay. So this is an ongoing process, then, and you're constantly re-evaluating. As you said, the modelling changes, I imagine.

Mr. Bill Matthews: It depends on what comes next, and we foresee ourselves being in this business for a while.

Mr. Irek Kusmierczyk: How does our spending compare with that of other similar countries? Is it even a valid comparison to look at what other countries are doing, or should we simply focus on what the demand is here?

Mr. Bill Matthews: Again, that's better asked of colleagues at Health Canada. We're just executing here. Health Canada and the Public Health Agency may have a better sense of comparators and whether they're meaningful. I'm afraid I can't offer anything useful on that question.

Mr. Irek Kusmierczyk: Okay. Thank you very much.

I'll yield the rest of my time.

The Chair: Thank you very much.

We'll now go to two-and-a-half-minute interventions, starting with Monsieur Barsalou-Duval.

[*Translation*]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Thank you very much, Mr. Chair.

My first question is for Privy Council Office officials.

According to a March 26 article, the Trudeau government announced \$30 million in advertising expenditures to counter COVID-19. On March 26, Canada was going through the most intense period of the pandemic.

Why is \$48.7 million now being requested through supplementary estimates A 2020-2021? What is more important now than in March?

Does the budget need to be bigger now than it was back then?

[*English*]

Mr. Ken MacKillop: Mr. Chair, as mentioned earlier, the unprecedented nature of COVID-19, with both the economic side and

the public health imperative, has meant that we need to give information to Canadians as widely as we can.

To give you an example, in 2009-10, when we last saw the economic impact with the crisis and then H1N1, the government spent about \$136 million in advertising that year. We're seeing that, this year, the government is likely to spend about \$120 million in advertising by the end of 2020-21.

As we know, the crisis is not over. The Public Health \$30 million that went out early on was forecasted to get the news to Canadians. I think at the time, March 26, we were getting into the "stay home, stay safe" time—

[*Translation*]

Mr. Xavier Barsalou-Duval: I have to interrupt you because I need time to ask you a second question. I'm not convinced by the explanations you've given me, but I'm going to move on to the next question.

The Government of Quebec announced that almost all of the amounts had been invested in local media. For its part, your government said something similar, namely that the bulk would be allocated to Canadian media.

When I open the local newspaper, every week I see two or three pages full of advertising from the Quebec government, but I can't find any advertising from the federal government.

Where did the money go? Did it all go to Google and Facebook? When are we going to find out how the money was allocated?

And with all of this, how do you make sure the information gets through?

[*English*]

The Chair: That's a decent question, Mr. Barsalou-Duval, but unfortunately we have no time for the answer.

I would ask that the response be given in writing as quickly as possible to our clerk.

We will go to our final intervention, two and a half minutes, with Mr. Green.

Mr. Matthew Green (Hamilton Centre, NDP): Thank you, Mr. Chair.

Following up on that question—it was a great question from my friend from the Bloc—regarding a breakdown in how, hopefully, the performance indicators will be able to report to us where this money went, I'm wondering, does your department use the GBA+? If so, how do you track where the "plus" goes, in terms of these procurement investments in advertising?

• (1750)

Mr. Ken MacKillop: On the advertising, we know that with the Public Health Agency of Canada, more than 80% of that placement was in Canadian media. There was 16% in print media, including dailies, weeklies, ethnic and aboriginal newspapers, so—

Mr. Matthew Green: Do you have breakdowns of that, line by line?

Mr. Ken MacKillop: I can certainly provide that breakdown. Absolutely.

Mr. Matthew Green: I would love to have that breakdown, as it appears would my friend from the Bloc as it relates to the French language advertisements in the province of Quebec, and, of course, all the francophone communities across the country.

What is your mandate when you do the GBA+? What policies do you have in place to ensure that the equity, diversity and inclusion of your stated procurement policies are reflected in the contracts that you procure?

Mr. Ken MacKillop: I imagine you're asking that question to my colleague at PSPC...for procurement government-wide.

Mr. Matthew Green: Well, for the advertisements specifically. I have a whole other motion coming for PSPC for today.

As it relates to all of the money you were just talking about, how do we know that it's being equitably distributed across all communities?

Mr. Ken MacKillop: Again, when you're looking at an advertising campaign, you want to make sure you're targeting to get the desired impact of that advertising.

In many cases, it's going to be through ethnic media, if that's what you're looking at. For instance, if you're targeting something for the youth, you may go digital and you may—

Mr. Matthew Green: I'm sorry, it sounds to me like that's the “how”; what I'm interested in is the “what”.

What have you done in this campaign to ensure that has happened? What policy can you point to, or what target or goals have your department sent, to meet the standard of gender-based analysis plus?

Mr. Ken MacKillop: I think I would like to get back to you on specifically the Public Health Agency of Canada campaign and their lens with GBA+, as well as Finance's campaign, because I don't have that information with me today.

Mr. Matthew Green: As my chair would say, I look forward to having it in writing at the appropriate time.

The Chair: Thank you very much.

I will now excuse our witnesses from PCO and PSPC.

Thank you very much for your appearances here. You have been, as always, informative and helpful.

Colleagues, I will be suspending in just a few moments. Before I do, we will remain in public, because I have one item that I would like to go over with you. That is the draft budget, which all of you will have received from our clerk, for the additional costs we have incurred from conducting these Zoom meetings.

We're asking for an approval of \$6,000. That will be a maximum amount. I don't think personally that we'll spend that much. The majority of that, approximately \$4,500, is for the establishment of the phone lines that are required for our Zoom meetings, and \$1,500 is for the headsets we have been distributing to our witnesses so that our audio levels are as good as they can be.

Colleagues, if you have any questions, please virtually raise your hand. Otherwise, I would prefer to go directly to the question and ask for your approval for this amount.

First, are there any questions?

Mr. Steven MacKinnon (Gatineau, Lib.): So moved.

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

I will now ask the clerk to go through the roll call to seek the approval of the \$6,000 budget.

Mr. Clerk.

The Clerk of the Committee (Mr. Paul Cardegna): Thank you, Mr. Chair.

The budget, of course, is for the study of the government's response to the COVID-19 pandemic, with a total budget amount of \$6,000.

(Motion agreed to: yeas 10; nays 0)

The Chair: Colleagues, I will now suspend for just a few moments while our clerk and our technicians do sound checks for our second panel of witnesses.

As a reminder to all of you, we have not received speaking notes for the Department of Finance or the Treasury Board Secretariat, so both of those departments will be making short five-minute opening statements.

We are suspended.

• (1755)

(Pause)

• (1800)

The Chair: We'll reconvene, colleagues. We'll start now with a five-minute opening statement from Mr. Purves.

Mr. Glenn Purves (Assistant Secretary, Expenditure Management Sector, Treasury Board Secretariat): Thank you very much. I think I'm the only one who has an opening statement today.

Mr. Chair, I'm very happy to be here today to answer the committee's questions on the 2020-21 supplementary estimates (A).

As committee members know, each year the government tables two or three supplementary estimates that outline incremental spending plans to the main estimates. The current supplementary estimates (A), tabled by the president on June 2, 2020, seek approval of funding that is incremental to the 2020-21 main estimates, which were tabled this past February and which parliamentarians are currently studying.

These supplementary estimates present information on spending requirements across federal organizations that were either not sufficiently developed in time for inclusion in the main estimates or have since been updated to reflect new developments. In addition to summarizing the government's incremental financial requirements, these estimates also provide an overview of major funding requests and horizontal initiatives.

The information in the supplementary estimates ensures continued transparency and accountability on the use of public funds to deliver programs and services to Canadians. These documents give parliamentarians and this committee the opportunity to review and consider these spending amounts in advance of approving them.

They bring forward \$6 billion in operating and capital expenditures, grants and contributions to be voted by Parliament for 42 federal organizations. Among these are public health and economic responses to the unprecedented impact of the COVID-19 pandemic, support to indigenous peoples across the country, the disability insurance plan for the public service and air travel security screening.

Karen Cahill, assistant secretary and chief financial officer for the Treasury Board Secretariat, and my colleague Marcia Santiago are happy to answer questions on any items should committee members have any.

In total in these supplementary estimates, voted spending measures represent about a 5% increase over those included in the 2020-21 main estimates tabled this winter. As you may recall, the 2020-21 main estimates requested the authority to spend \$125 billion in voted budgetary expenditures and \$87 billion in voted non-budgetary expenditures.

We also continue to publish information on statutory spending in these estimates. This ensures that all Canadians have the most complete information available on the planned spending of appropriation-dependent organizations.

For information purposes, these supplementary estimates include forecasts of statutory expenditures totalling \$81 billion. These statutory expenditures forecasts provide information on emergency spending that was authorized by parts 3 and 8 of the COVID-19 Emergency Response Act, which were presented, debated and passed in Parliament in March and April. Parliament is not being asked to vote on them again in supplementary estimates (A).

Mr. Chair, it's important to be clear on the difference between voted and statutory expenditures. I mentioned this a couple of months ago when I was at the committee and walking through how we map out the supply calendar.

Voted expenditures require annual approval from Parliament through an appropriation bill. This means that parliamentarians consider and approve the government's proposed spending plans in

the estimates documents before they are authorized in an appropriation bill. Statutory amounts, on the other hand, are presented in the estimates for information, because they've already been approved by Parliament through other legislation.

To support transparency and accountability in government spending, significant additional detail on these supplementary estimates is available online. The government's online information tools reflect the commitment to give Canadians a clear explanation of where public funds are going and how they're being spent. As my colleagues Alison McDermott and Soren Halverson from the Department of Finance can attest, the Minister of Finance is committed to report on a biweekly basis to the House of Commons Standing Committee on Finance on the key actions taken by the government to help Canadians.

Finally, as usual, the government will report on the actual spending through the public accounts after the conclusion of the fiscal year.

Again, I realize members are eager to get to the questions, so I will leave it there. I'm happy to receive them. Thank you.

• (1805)

The Chair: Thank you very much.

My understanding is that we do not have an opening statement from our representatives from Finance. In that case we'll go directly to questions.

I think we can go with our full six-minute rounds, five-minute rounds and two-and-a-half minute rounds.

We'll start off with Mr. McCauley, for six minutes.

• (1810)

Mr. Kelly McCauley: Thank you, witnesses.

Mr. Purves, it's good to see you back. I have a quick question. Earlier in committee we heard from PCO that half of their \$50-million advertising ask was for future use, without an exact plan, in case something came up from COVID. They said it went through TBS approval. Why did that not go through a vote 5? There's a textbook definition for why it should be under vote 5 for TBS.

Mr. Glenn Purves: Are you referring to PCO funding—

Mr. Kelly McCauley: Yes, I mean the \$25 million. They said it passed through TBS approval for advertising spending for which they actually didn't have a plan. It was just held in reserve, basically, in case something came up with COVID. Why would Treasury Board not put that into a vote 5?

Mr. Glenn Purves: Why would it not put it into a vote 5 or why did it not?

Mr. Kelly McCauley: Why did it not?

I'm curious as to how it got past Treasury Board and was not put into a vote 5.

Mr. Glenn Purves: Certainly vote 5 is being considered for government contingencies, in which departments are not able to actually provide funding and support for certain initiatives. I think for PCO—

Mr. Kelly McCauley: Maybe I'll ask you take a look at that specific one and maybe you can get back to the committee as to why Treasury Board approved it when they didn't actually have a plan for the money.

I'm going to get to something else.

When we had the PBO with us last week, we talked about leave code 699 in Treasury Board. We asked the PBO about it. I understand Treasury Board is following up with the PBO about it. I'm just wondering whether you are going to meet the PBO deadline for providing this information and whether you would be able to provide the aggregate information to this committee as well on the use of code 699.

Mr. Glenn Purves: I think to be expeditious in terms of this, we can undertake to get back to you on that question, Mr. McCauley.

Mr. Kelly McCauley: Good. I'm asking if you would commit to providing this committee with the aggregate information on the use of code 699.

Mr. Glenn Purves: I think we'll commit to getting back on the question first and foremost.

Mr. Kelly McCauley: Okay. I think you might be pushing our hand another way, but thanks.

In the supplementary estimates, there are pay list requirements, the \$82.5 million.

Mr. Glenn Purves: That's correct.

Mr. Kelly McCauley: What clause got amended in one of the collective agreements that brought this about, who benefited, and over what period of time is this money for?

Mr. Glenn Purves: As committee members might know, a pay list is for a change in terms of conditions for employment. It's for maternity and paternity leave, or the condition of—

Mr. Kelly McCauley: Yes, I know. I'm aware. I'm just asking for the breakdown of what the \$82.5 million is for.

Mr. Glenn Purves: It's for the Canadian Broadcasting Corporation in recognition of the collective agreement they concluded and to provide funds—

Mr. Kelly McCauley: Okay. Can you give us a breakdown, please, of that \$82.5 million, whether it is made up of pure salary,

pension adjustments or money for other amendments? Would you provide that to committee, please?

Mr. Glenn Purves: We can undertake to get back to you on that.

Mr. Kelly McCauley: Can you provide it to the committee?

Mr. Glenn Purves: We can undertake to get back to the committee on that, yes.

Mr. Kelly McCauley: Are you trying to say you will let us know if you'll provide that or that you will provide—

Mr. Glenn Purves: No, we'll get back to the committee.

Mr. Kelly McCauley: You'll provide that to us.

Mr. Glenn Purves: Yes.

Mr. Kelly McCauley: Okay. Thank you.

Next, with regard to the disability insurance plan, the \$395.8 million, I know generally what that is about. I'm just wondering if you can provide a breakdown. How much is due to added public service employees? How much is for added benefits they're receiving? Is there a change in actuarial numbers?

Mr. Glenn Purves: I'll let my colleague Karen Cahill answer that one.

Mr. Kelly McCauley: Karen, as part of the follow-up question, we asked PCO about the employee engagement survey, in which 40% of all public servants said they were working in a psychologically unhealthy environment. How much is this contributing to our added costs in the disability insurance plan?"

Ms. Karen Cahill (Assistant Secretary and Chief Financial Officer, Treasury Board Secretariat): In effect, the \$395.8 million we're asking for for the disability insurance plan is to cover two things. One is a lump-sum payment of \$320 million that we have committed to the insurer, to reimburse the insurer. This is mainly to re-establish the health of the plan. As per the Office of the Superintendent of Financial Institutions, OSFI, we need to keep a 40% surplus to keep our plan in good health. This is to contribute to that.

• (1815)

Mr. Kelly McCauley: What's the balance?

Ms. Karen Cahill: The balance would be a lump sum, which is to account for an increase to 20% in the payment. As you know, it's 15%—

Mr. Kelly McCauley: Of this \$395 million, how much is from an increase in the amount of FTEs in the public service and how much is an increase in the use of this disability fund, again looping back to the 40% of public servants saying they're working in a psychologically unhealthy work environment?

The Chair: Unfortunately, we're completely out of time. I would ask that you provide that answer to Mr. McCauley's question in writing as quickly as possible. Submit that to our clerk, please.

We'll now go to our second round, beginning with Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: Thank you very much.

I have a few questions. First, how was the COVID-19 pandemic taken into account in these estimates? Do you know what proportion of this funding is devoted to measures addressing COVID-19?

Mr. Glenn Purves: These estimates include \$81 billion in statutory support that is not being voted on in Parliament. This is support that effectively we provide detail on for transparency purposes. In terms of the main estimates plan for the 122 organizations that are appropriation dependent, we always provide updates on any changes on the statutory supports for these 122 organizations.

As a consequence of that, of the \$81 billion, it is almost entirely, except for about \$100 million, directed toward COVID supports. That \$81 billion is a subset of the items that are contained in the Minister of Finance's report that is tabled on a biweekly basis to FINA. We took that report and worked with our Finance colleagues to make sure that we were getting, as of May 29, the best and clearest picture possible about what elements of that support factor into specifically those 122 organizations and that we can report on in the supplementary estimates.

That's the statutory side. On the voted side, as I mentioned, the budgetary voted amount is \$6 billion. Of that amount, \$1.3 billion is directed toward COVID-19 supports. As you go through the document and all the items, you will see COVID-19 in brackets. It's not something we normally do. Effectively, we earmarked all the items that are for COVID-19 supports so that parliamentarians and Canadians can look at it when they go online.

Mr. Irek Kusmierczyk: Great. That's very helpful. Thank you very much for that rundown.

In the allocations, TBS allocated \$0.3 million to the Canada Border Services Agency and \$0.4 million to the Canada Revenue Agency under vote 10 "to assess their inventory of legacy applications and build technical capacity to support their migration into more secure modern data centres or cloud services". Why did TBS use this type of vote for that allocation?

Mr. Glenn Purves: Vote 10 is used in circumstances where an item goes to Treasury Board, it's approved by Treasury Board, there's a clear line of sight as to what the initiatives are, and there's a clear line of sight on the amounts, but it's unclear precisely which departmental vote will be allocated certain funding. These are government-wide initiatives. For example, the application modernization initiative is a government-wide initiative. It applies to a whole host of different departments, but it's not until the departments themselves are actually able to identify how much they're going to identify and collect of the amount that they're able to get it. From that standpoint, it's very important to have an operating vote, a central vote like that, so that you can actually distribute to the system broadly. It effectively has that line of sight.

The other aspect of that is Phoenix damages, LGBTQ2 supports and a lot of supports where you don't know precisely which departments will receive what amounts. It's important to be able to have that central vote to be able to distribute accordingly.

• (1820)

Mr. Irek Kusmierczyk: That's great, thank you very much.

I have a follow-up question. Has the COVID-19 pandemic motivated this assessment and migration to more secure and modern da-

ta centres and cloud services? Was that an ongoing project? Was it accelerated by the COVID pandemic? Could you shed some light on that?

Mr. Glenn Purves: I don't know whether it has shed some light on that issue. I think that issue would probably be best carried out by our colleagues at Shared Services. I don't know, Karen, if you have a position on that or a perspective to share from that standpoint.

Ms. Karen Cahill: I would suggest that we ask our colleagues at SSC as they are responsible for the whole infrastructure. As a department, we have done a lot of work towards moving to cloud services, but every department is a bit different and SSC's coordinating this initiative.

Mr. Irek Kusmierczyk: That's great, thank you very much.

Chair, how much time do I have? I'm seeing your finger inching towards the mute button.

The Chair: The fickle finger of "you're out of time".

We will now go to Madame Vignola for six minutes, please.

[*Translation*]

Mrs. Julie Vignola: Thank you very much.

My question is for the Treasury Board Secretariat, which is in a way the keeper of the purse strings.

I wonder what is most interesting for a country in terms of economy, finance and efficiency. If you wait until the last minute to replace a ship, then you have to rent one or buy one from outside...

[*English*]

The Chair: Pardon me, Madame.

I am on the English channel but I'm not hearing any English translation from Madame Vignola's commentary. I wonder if we could get the clerks to check that.

Madame, I will not, obviously, dock you any time for that. Please resume.

[*Translation*]

Mrs. Julie Vignola: Yes.

Here is my question.

What is most beneficial to a country in economic, financial and efficiency terms, both in the short and long run? Is it better to wait until the last minute to replace naval, real estate or other infrastructure, or to implement a replacement plan? In the specific case of naval infrastructure, is it better to build it here and give people work, or wait until the last minute and be forced to buy it somewhere else?

Which of the two options is more profitable for a country in the medium or long term?

• (1825)

[English]

The Chair: Mr. Purves, I'm not sure if you're answering.

Mr. Glenn Purves: That question is outside my swim lane in looking through the supplementary estimates (A) in particular. It carries with it many questions about priorities. There's the economic side, the strategic side.... I don't know if it's one that is best suited for me to answer as opposed to potentially Defence or PSPC. Bill Matthews and company were just here.

[Translation]

Mrs. Julie Vignola: Ultimately, in many cases, the authority for expenditures must come from Treasury Board. We are seeing increased spending in shipbuilding because of delays and some decisions that have to be made, unfortunately, which run counter to the National Shipbuilding Strategy.

What is the Privy Council Office's position on the ever-increasing spending?

Isn't there a brake to be put on, at some point, in order to respect the budget that was originally planned?

[English]

Mr. Glenn Purves: Well, certainly for items that go through Treasury Board, they get the rigour and the assessment on a case-by-case basis. In terms of the status of that project in particular and so forth, the Treasury Board's position on a particular issue often is subject to cabinet confidence.

In terms of the government and where the government is with respect to the next stage of investment on the joint ships initiative, there is the funding in the supplementary estimates directed towards that initiative. Again, for the most part, I think questions about timelines and questions about consideration of priorities and so forth would probably be best directed towards the Department of Defence or PSPC, those who are actively managing those initiatives.

[Translation]

Mrs. Julie Vignola: I'll stick to the cost estimates.

What are the current cost estimates for the polar icebreaker project? You talk to me about Defence and all that, but where are those costs now?

[English]

Mr. Glenn Purves: For the polar icebreaker, effectively that would be under Fisheries and Oceans—

The Chair: Mr. Purves, I'm sorry to interrupt again. Could you please keep your microphone about two inches in front of your mouth? The interpreters are having a bit of a difficult time.

Mr. Glenn Purves: Sure.

As you know, the estimates include \$6.6 million for the polar icebreaker project. They ensure marine traffic moves safely in and through.

The \$6.6 million is of course the capital portion for the funding for the polar icebreaker project, under the page for the Department of Fisheries and Oceans.

• (1830)

[Translation]

Mrs. Julie Vignola: Is that \$6.6 million the current cost, or does it include any delays that might occur in the event that a certain consortium is already behind in contracts...

[English]

Mr. Glenn Purves: Again, if we step back when we talk about the initiatives, when we're talking about specifically the broader project for the polar icebreaker initiative and so forth, the Department and Fisheries and Oceans would be best placed to answer those questions.

The Chair: Thank you very much.

Colleagues, Mr. Green unfortunately had to leave us. In his request, which I think could only be put under the category of strange bedfellows, he has asked that his time be given to Mr. McCauley.

Mr. McCauley, you have six minutes, please.

Mr. Kelly McCauley: It's not strange bedfellows. It's colleagues looking for transparency.

Mr. Purves, I want to get back to you. I kind of cut you off earlier in the discussion on the \$25 million. PCO received \$50 million and went through the Treasury Board process.

Mr. Glenn Purves: Right.

Mr. Kelly McCauley: They stated that about \$25 million or \$22 million, around there, was for future use, with no real planned use. It was kind of a “just in case things change with COVID” use for advertising. I'm curious. Again, how did that get through Treasury Board approval and not get put into a vote 5 for contingency use when they didn't have an actual plan for it, apart from, “well, if things change with COVID, we've got this in our back pocket”?

Mr. Glenn Purves: Mr. McCauley, just so I understand the question.... Treasury Board vote 5 is for circumstances—

Mr. Kelly McCauley: Yes, contingency funds.

Mr. Glenn Purves: —where a department has a payment, an urgent payment they have to make, and they don't have sufficient authority—

Mr. Kelly McCauley: Right.

Mr. Glenn Purves: —within their vote to be able to make that payment.

Mr. Kelly McCauley: I understand that, but PCO said they have \$50 million of which they only have plans for \$25 million. The other they're going to sit on until they have a use for it. What I can't wrap my head around, puny as my brain is, is how they got authorization for funding through the Treasury Board system where they don't have a plan for that apart from if something comes up.

Mr. Glenn Purves: My understanding is that there are four uses for that funding: public health information, financial support for individuals, financial support for businesses—

Mr. Kelly McCauley: I recognize that but they told us in this committee meeting that half of that's for future use. They don't have a plan in case things change with COVID. I'm wondering if that meets Treasury Board guidelines. It's about asking Parliament to approve money they don't have a plan for.

Mr. Glenn Purves: Obviously, there's always a plan for certain amounts that go through Treasury Board. That's what Treasury Board ministers do. They scrutinize these items and they move on. If the timing works, then they go into the next supplementary estimates. That's effectively what's happened in this instance. It's gone through the voted payment authority path for the full amount. I don't know. I didn't hear what they said.

Mr. Kelly McCauley: I'll move on to a different thing.

Ms. Cahill, you were talking about the \$395.8 million for the disability insurance plan. How much of an increase is that for public service employees accessing this plan? What's a year-over-year increase, and how much is the increase in the cost of premiums?

Ms. Karen Cahill: The premium is increasing to a 20% rate. For a public servant with an average salary of \$75,000 it's \$4.50 a month.

Mr. Kelly McCauley: Is there an increase in the number of employees accessing this fund?

Ms. Karen Cahill: I would need to follow up on the exact number of the increase, but definitely we have seen an increase in employees accessing disability insurance.

There are also other factors with respect to the increase we're requesting. One of them is we have negotiated salary collective agreements. Increase in salary would bear an increase into the disability insurance plan as it's an insurance—

• (1835)

Mr. Kelly McCauley: Right, but putting it marginally, I would assume the largest amount is more people accessing the plan. You said you'd get back to us. Maybe you could let us know.

Ms. Karen Cahill: Yes, we will.

Mr. Kelly McCauley: I have one last question.

There's a vote 5 use of, rounded up, \$11 million for CRTC that Treasury Board transferred to provide financial assistance to broadcasters facing declines in revenue. Where exactly is that \$11 million going? Who is it going to? It's going to CRTC, but obviously they present it to Treasury Board where that money's getting used if they're accessing the contingency. Where is it going exactly?

Mr. Glenn Purves: That money is being used to address the immediate operational challenges.

Mr. Kelly McCauley: I got that from your allocations page, but for what though? They would have presented a plan to Treasury Board to access this. Where is it going?

Mr. Glenn Purves: When broadcasting licence fees come off, that means the revenue they're bringing in is less, which means that they need an offset to cover expenses that would normally be covered by these fees.

Mr. Kelly McCauley: Your allocations page says that \$11 million is going to Canadian broadcasters. Which broadcasters?

Mr. Glenn Purves: It's offsetting revenue shortfalls caused by the reduction of broadcasting licence fees.

Mr. Kelly McCauley: If CRTC is writing off fees to broadcasters, it would appear this is making up for the difference.

Mr. Glenn Purves: If broadcasting fees are reduced, as a consequence there's a revenue shortfall.

Mr. Kelly McCauley: Yes, I understand.

Thanks, Mr. Purves.

The Chair: Thank you.

We'll now go to our five-minute round, starting with Mr. Aboultaif.

Mr. Ziad Aboultaif: Good afternoon to the Department of Finance and Treasury Board.

Is the commercial rent assistance part of the \$81 billion that is allocated for COVID-19?

Mr. Glenn Purves: That is part of the \$81 billion.

Mr. Ziad Aboultaif: How much have you budgeted for the commercial rent assistance?

Mr. Glenn Purves: Maybe I'll pass this on to one of my Finance colleagues, given that it's support under the statutory authority of the COVID-19 Emergency Response Act.

Alison, I see your hand is up.

Ms. Alison McDermott (Associate Assistant Deputy Minister, Economic and Fiscal Policy Branch, Department of Finance): I have the amounts at my disposal, but I would turn to my colleague Soren for more questions about the program.

We have estimated the total of that at \$2.974 billion.

Mr. Ziad Aboultaif: It's \$2.974 billion. That is over a period of how many months?

Ms. Alison McDermott: Soren.

Mr. Soren Halverson (Associate Assistant Deputy Minister, Financial Sector Policy Branch, Department of Finance): That has to do with providing arrangements that would reduce rent, over three months, for the program recipients.

Mr. Ziad Aboultaif: Okay. I have probably over 1,200 retailers in my riding. I have received so many calls. None of them were able to find a way to benefit from this program.

Is it that the structure of the program is very complicated? Is it meant to help, or is it just meant to be there for the purpose of having something for small business support?

Mr. Soren Halverson: The program's intent is to support small businesses and their landlords. It is a policy that was set up with that objective in mind.

Mr. Ziad Aboultaif: I have received so many calls from various businesses. Some of them are franchisees, some of them small business owners. None of them were able to benefit from this.

Did you allocate \$2.974 billion without knowing how businesses were going to benefit from it?

Mr. Soren Halverson: I'm struggling a bit on how to respond to your question.

Mr. Ziad Aboultaif: Okay, I'll assist you. There must be some metrics to have come up with this figure. Do you have any idea how you based this figure?

We know that for CERB, there is between \$35 billion to \$41 billion for the first three months. We know that for other programs, the wage subsidy program, there was also somewhere around that, or more.

When it comes to that.... Let's say there is \$3 billion over three months. How did you find a way to budget that much? So far, based on what we know, there are not many applicants. Businesses are finding a problem with the landlords in general. A lot of them are facing closure. Some of them have spent hundreds of thousands of dollars buying a franchise.

What was the metric? Please assist us, because politically we're not able to get any answers from the ministers. We're having to come back to you guys to get some feedback.

• (1840)

Mr. Soren Halverson: I can tell you that this program was designed in conjunction with the Canada Mortgage and Housing Corporation. It involved market research undertaken by the CMHC as part of the fact base that went into constructing and sizing the program.

Mr. Ziad Aboultaif: How come we're not really...? The program is failing. It has been over three months right now and a very, very small percentage of businesses have even applied.

Isn't that a red flag that something has to be done, or somebody has to speak out on this? It absolutely cannot be the politicians because I don't think they know or have the answers.

Mr. Soren Halverson: The program was initially made available on May 25. My understanding is that the funds started to flow on June 1.

I think it would be suitable to pose the question to CMHC to be tracking the trajectory of applications, but my understanding is that the trajectory is increasing as time progresses.

Mr. Ziad Aboultaif: Do you have any idea how much of the \$2.974 billion has been used or committed?

Mr. Soren Halverson: I do have that information at my fingertips somewhere here, so—

Mr. Ziad Aboultaif: That would be great. If you have it, you can give it to us right now. I'll wait.

If not, I would appreciate having that answer come to the committee.

The Chair: Mr. Aboultaif, it will have to be in written form to the committee through our clerk because we're completely out of time.

We'll go to Mr. Drouin for five minutes, please.

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

Mr. Purves, I want to thank you for the explanation with regard to the planned statutory expenditures and the almost \$81 billion. I do want to get back to you with regard to vote 5. I hope you can explain. I promise you that I will not interrupt you. I will give you at least two minutes to explain the reason we use vote 5.

I do want to ask the folks from Finance.... The emergency response acts were passed on March 25 and April 20 and there was a commitment from the Minister of Finance to report to the Standing Committee on Finance on the use of these expenditures. I haven't been to finance yet and I haven't had the chance to peruse those reports, so I'm wondering about the structure of those reports and the type of information that you're providing to the Standing Committee on Finance with regard to the planned expenditures that we've had through the emergency response acts.

Ms. Alison McDermott: I can take that question.

With regard to these reports that we are putting out to FINA, I have an example of one here. We just deposited on Thursday the sixth report, which was put out on June 10. What they all do is review, essentially, the different components of the acts and the different measures that have been announced to date under each of these elements. The reason we're doing this is that the acts are somewhat open-ended, unlike some other pieces of legislation that specify how much money is being given, to whom and over what period of time. These acts are quite open-ended, and they say things like "authorize [these] payments" to be made out of the consolidated revenue fund "in relation to public health events of national concern".

That's pretty broad and, I'd say, open-ended. That's why the minister committed to provide these reportings. For each item, there is a little description of how much we estimate the impact from a financial standpoint to be and a very brief description of what the item is. We describe which part of the act it is part of. Then generally there's some kind of a status update, or we've been providing status updates in cases where information is available, which is the case for most programs, describing what can be said about the implementation of those programs. Then we have a little table in the centre that kind of describes...an add-up table of all the measures.

We also have information on all the other elements of the COVID response plan that are not actually part of the act but are of interest to Canadians, so the minister is reporting on those as well.

• (1845)

Mr. Francis Drouin: For instance, we can assume that in terms of today's announcement with regard to the CERB, the Department of Finance will be providing an update to the Standing Committee on Finance at some point, in two weeks or whenever, on how much these measures will cost and how many Canadians have applied.

Ms. Alison McDermott: That's right. The CERB extension says that individuals who come up against the eligibility limits will have eligibility for another eight weeks. When the next report is tabled, we'll have some estimate of the fiscal impact of that decision to extend, and there are always updates provided on the current payouts to individuals under that program.

Mr. Francis Drouin: Thank you so much.

I just want to state for the record that I have the utmost respect, Mr. Chair, for my honourable colleague Mr. McCauley, and I hope he didn't feel that I singled him out. Of course I would not be talking about him because I have a lot of respect for this gentleman.

Mr. Purves, can you explain to this committee why Treasury Board uses vote 5 or why departments would be forced to use vote 5?

The Chair: If you could do it in 30 seconds, the chair would greatly appreciate it.

Mr. Glenn Purves: Payments arise. They're urgent payments and they have to be made before the next supply cycle. Vote 5 is there to facilitate circumstances when these unforeseen expenditures that are often urgent and for important initiatives need to be made. The use of vote 5 up to now, that's in the online report, has all been for COVID-19 measures.

The Chair: Thank you very much.

We'll now go to Mrs. Block for five minutes, please.

Mrs. Kelly Block: Thank you very much, Mr. Chair. I wasn't sure if I was going to get an opportunity.

My questions will be for the witnesses from the Department of Finance.

Yesterday the Government of Saskatchewan unveiled a provincial budget. Why isn't the Government of Canada preparing and releasing a budget for Canadians?

Ms. Alison McDermott: I'll take that one.

I think the Prime Minister and the Minister of Finance have both spoken on this matter. The government has not said they will not produce a budget. They are concerned about the timing: what we are able to say at a given point in time and how easily what is said is going to stand the test of time. I think they're worried about the uncertainties that are prevailing in the economy right now.

Mrs. Kelly Block: In the current context of the pandemic, which is what I think you're referring to, is it within your department's capabilities to prepare a budget at this time?

Ms. Alison McDermott: From a technical standpoint, lots of things can be done mechanically, but I think the real question is whether it is the right time to provide a budget that provides useful information about the government's economic and fiscal situation. The government is studying these issues.

Mrs. Kelly Block: Can you tell me the difference between a full budget and an economic or fiscal update?

Ms. Alison McDermott: Generally, a budget tends to be a larger exercise involving more expenditures and is for making decisions on a go-forward basis for an entire year. Typically, an economic update is provided at a different time of the year from when you traditionally put out budgets. Often it's seen as a starting point for the fiscal forecasting process that allows us to deliver a budget in subsequent months.

• (1850)

Mrs. Kelly Block: In your opinion, would the economic upheaval of this pandemic not be an appropriate time to present Canadians with some sort of financial update on the nation's finances?

Ms. Alison McDermott: I don't think the decision can be made at this point, but we are studying these issues. We're looking at the economics and discussing the economic issues with private sector economists. There is a great deal of uncertainty with respect to the whole set of issues around the evolution of the virus, so—

Mrs. Kelly Block: Uncertainty exists not only for the federal government but for the provincial governments as well, yet the Government of Saskatchewan was able to work through the uncertainty and unveil a provincial budget. I believe other provincial governments are looking to do the same.

How long do you think it's going to take you to study your ability to put forward either a budget for Canadians or some sort of financial update so that they can understand exactly what state the nation's finances are in?

Ms. Alison McDermott: I appreciate the comment. We're certainly doing that work. That work is under way and we know there is a lot of interest.

Mrs. Kelly Block: We've been asking a number of questions regarding vote 1a and the amount budgeted in the supplementary estimates for communications. Given that there has not been a budget, will there be savings in the Department of Finance in advertising? If so, could that simply then be diverted to advertising for COVID-19?

Mr. Glenn Purves: Sorry, just so that I understand, is this question directed to Finance or—

Mrs. Kelly Block: Yes, it's for Finance.

Ms. Alison McDermott: Obviously, I'm not from the communications team, but my sense is that the communications team is working overtime, if anything. The new money for advertising is being fully allocated, so it's not obvious that there would be savings.

Mrs. Kelly Block: Right, but my question was about the fact that usually when the budget is—

The Chair: I think Madam McDermott heard your question quite clearly—at least I assume she did—and I would ask that she provide a fulsome answer to your question in writing as quickly as possible through the clerk, because we're completely out of time.

We'll now go to Mr. MacKinnon for five minutes please.

Mr. Steven MacKinnon: In that same line of thinking, let me ask the witnesses from Finance this as well. In terms of public communications on government priorities, whether they be budget related or COVID related, of course that money would be available to broadly communicate government priorities, would it not?

The Chair: Madam McDermott, I think that question was directed to you.

Ms. Alison McDermott: I agree with the point that the existing Department of Finance budget could be used for all government priorities and all announcements, most of which in recent weeks and months have focused on COVID-related responses.

Mr. Steven MacKinnon: Is there anything else you thought of that you left out in your answers to Ms. Block prior to this?

Ms. Alison McDermott: No. Thank you.

Mr. Steven MacKinnon: Okay.

Mr. Purves, in terms of Treasury Board, you're applying your regular rigorous oversight to spending, whether it be regular spending or exceptional spending under COVID, such as those items contained in these supplementary estimates.

Mr. Glenn Purves: Yes, absolutely. Everything that's in these supplementary estimates has been through Treasury Board ministers.

Mr. Steven MacKinnon: For the benefit of the members of the committee, can you outline the process of how departments would bring these proposals to you, and how they would construct their cases for spending the money that has been allocated to them, either by Parliament or by virtue of a law passed by Parliament?

• (1855)

Mr. Glenn Purves: Sure. It's been a little more unusual this time around, just because of the urgency of the COVID-19 response. Typically, you have statutory authorities that exist for a whole host of different initiatives. Transfers to people and transfers to other levels of government are typically done through statutory authorities. Then a lot of the direct program spending is done, as we say, through the main estimates and through supplementary estimates as additional funding is required.

In terms of dealing with the COVID-19 dislocation, there really was a combination of statutory authorities sought, as well as voted authorities. For the items you see in respect to these supplementary estimates, they've gone to Treasury Board in submissions, as they normally would, and they go through the rigour that they would normally go through. In terms of the statutory items, despite the fact that they may not be getting expenditure authority and then going for voted appropriations in Parliament, if there are programs, terms and conditions that require Treasury Board policy issues, that require Treasury Board oversight, Treasury Board has been doing the regular due diligence and rigour that they normally do on these instances.

I would say that Treasury Board as an institution has been operating very efficiently, has been very busy over the last few months and has been having a lot of rigour on many of these items that go through and that would normally go through Treasury Board, given program authority parameters and so forth.

Mr. Steven MacKinnon: I want to take this opportunity to extend to all of you and, through you, to all public servants, as a local MP and a member of Parliament for Gatineau, best wishes for a good National Public Service Week. It's been an incredibly extenuating and trying time for everyone, for public servants and, I know, many senior public servants like all of you.

[*Translation*]

Thank you very much for your perseverance and creativity.

[*English*]

The Chair: Thank you very much.

Colleagues, our colleague Mr. Green will not be with us for the final round, so we only have one intervention left. That would be for Mr. Barsalou-Duval for two and a half minutes.

Mr. Matthew Green: I am here.

The Chair: Oh, you're back.

We will first go to Monsieur Barsalou-Duval for two and a half minutes, please.

[*Translation*]

Mr. Xavier Barsalou-Duval: Mr. Chair, my question is for the Health Canada officials who are with us today.

Of the requested supplementary budgets, \$16.1 million will go to the Canadian Food Inspection Agency.

In recent months, I have often been approached by citizens who complain that indicating the exact source of processed foods sold at the grocery store is not mandatory. Why does the Canadian Food Inspection Agency not have a policy requiring that the source of products be displayed? People have the right to know what they are buying and where their food comes from.

[*English*]

Mr. Glenn Purves: I'd be happy to pass along those views to CFIA.

I may be mistaken, but I thought I heard you say that Health officials were here.

The Chair: Mr. Purves, that was not a mishearing. I believe Mr. Barsalou-Duval did say there were Health officials here. I'm not sure they are.

Mr. Glenn Purves: Okay.

In terms of that issue—

[*Translation*]

Mr. Xavier Barsalou-Duval: I'm sorry, I was sure Health Canada officials were here.

I have a second question, and it's about advertising. Earlier, we were told that the initial \$50 million was for COVID-19. We then asked why this amount had not been included in another line item, and we were told that it had been included in that way because the funds are not only allocated for COVID-19 and that the advertising could be used for other purposes.

Did I understand you correctly? What else would it be used for?

• (1900)

[*English*]

Mr. Glenn Purves: This is the \$50 million for the Privy Council Office for the funding of communications and marketing. Is that correct?

The Chair: I believe that is correct, sir. Please give a very brief response, if you could.

Mr. Glenn Purves: Okay.

Again, really it's funding for a whole-of-government communication and marketing response, which I believe is probably consistent with what my PCO colleagues mentioned, in four key areas: public health information, financial support for individuals, financial support for businesses and the economy, and public safety and security information.

I don't know if my Finance colleague wants to jump in on that....

Did we lose sound?

[*Translation*]

Mr. Xavier Barsalou-Duval: Mr. Chair, are you here? I don't think we can hear the chair.

[*English*]

The Clerk: Mr. Chair, I believe you are muted.

The Chair: Can you hear me now, Paul? Can you see me or hear me?

The Clerk: Yes. We can see you and hear you.

The Chair: For some reason, my computer went down for a few moments.

Mr. Green, you are up for two and a half minutes.

Mr. Matthew Green: Thank you very much.

I was delighted to see that the Department of Crown-Indigenous Relations included in one of their major items the request for.... Well, I'm not delighted that the request had to be made, but here we are. The money is finally here. It includes compensation for persons who attended federally established, funded, controlled and operated Indian day schools.

It also includes monies that will be used for legal and administration fees. How much money in this supplementary did the government spend on this litigation?

Mr. Glenn Purves: Mr. Green, are we talking about federal Indian day schools in terms of the McLean settlement agreement and not the sixties scoop?

Mr. Matthew Green: Yes, that's correct.

Mr. Glenn Purves: In terms of the total amount, I'm seeing \$1.3 billion to the McLean Day Schools Settlement Corporation for individual compensation of \$10,000 per class member for harms associated with attendants' level one claims.

Mr. Matthew Green: How much of that \$481.2 million is to be used for legal and administrative fees?

Mr. Glenn Purves: That would be \$69 million in class counsel for legal fees and disbursements and ongoing legal services to class members.

However, I should point out that it's not clear to me whether or not that is effectively part of the \$481 million, or whether that amount is part of the broader envelope that I mentioned.

Mr. Matthew Green: When can the claimants expect to be paid?

Mr. Glenn Purves: We would have to get back to the committee on that.

Mr. Matthew Green: How much was the contract for Deloitte for the administration of the settlement, and why was Deloitte selected?

We hear a lot about Deloitte at this committee.

Mr. Glenn Purves: I don't have that information, Mr. Green. We can certainly reach out to our colleagues at CIRNAC and get back to the committee on that, if that's helpful.

Mr. Matthew Green: Okay.

As it relates to the sixties scoop settlement, the request of \$260 million in the supplementaries, how many people have made a claim as part of this settlement, and when can they expect to be paid?

The Chair: That answer, I'm afraid, will have to be given in written form as quickly as possible to our clerk.

Mr. Matthew Green: I'm glad I got on the record today, Mr. Chair. Thank you, and thank you to Mr. McCauley for being the strange bedfellow.

The Chair: I'll make sure he is completely aware of that.

Colleagues, we are a little over time. We will be adjourning.

I will remind colleagues that we'll be back for our final virtual meeting before Parliament rises for the summer, this Friday at 11:00 a.m. Eastern Standard Time. I look forward to seeing all of you again then.

Stay safe, everyone.

The meeting is adjourned.

OPENING STATEMENT

BY MATTHEW SHEA

**ASSISTANT DEPUTY MINISTER OF THE PRIVY COUNCIL OFFICE
AND CHIEF FINANCIAL OFFICER**

TO

**STANDING COMMITTEE ON
GOVERNMENT OPERATIONS AND ESTIMATES**

June 16, 2020

5:00 PM – 7:00 PM

Good afternoon Chair and members of the Committee. Thank you for inviting the Privy Council Office (PCO) to review our *2020-21 Supplementary Estimates (A)*.

My name is Matthew Shea and I am the Assistant Deputy Minister, Corporate Services Branch and the Chief Financial Officer at PCO.

I am accompanied today by Ms. Louise Baird, Assistant Deputy Minister, Intergovernmental Affairs, Ms. Lisa Setlakwe, Assistant Secretary to the Cabinet, Social Development Policy, Mr. Ken MacKillop, Assistant Secretary to the Cabinet, Communications and Consultations, and Mr. Michael Hammond, Executive Director, Finance and Planning Administration Directorate.

PCO remains committed to serve Canada and Canadians by providing professional, non-partisan advice and support to the Prime Minister and Ministers within his portfolio, and to support the effective operation of Cabinet on matters of national and international importance, as well as facilitating the implementation of the Government's agenda and fostering a high-performing and accountable Public Service.

I would like to begin with a brief overview of the *2020-21 Supplementary Estimates (A)*. PCO sought \$58.3 million overall for its core responsibility, which is to serve the Prime Minister and Cabinet, and for its internal services. This includes:

- Funding for COVID-19 communications and marketing strategy to ensure that Canadians receive important information about how to stay safe and

healthy, and about how they can access financial support during the pandemic;

- Funding related to the direct transfer of exempt staff in Ministers' Regional Offices from Public Services and Procurement Canada to the Privy Council Office; and
- Funding to support an increased regional presence and stabilize and enhance PCO capacity to support the Prime Minister, the new role of the Deputy Prime Minister, and other portfolio Ministers and advisors and Cabinet.

Since the start of the COVID-19 pandemic, PCO has been taking a leadership role in coordinating the government's response. Two units have been created at PCO, the first to ensure that Government of Canada communications and marketing efforts on COVID-19 are coherent and build citizens' confidence in the overall response, and the second to act as the central focus point for the operations of the Ad Hoc Cabinet Committee, provide relevant information via daily briefings to Ad Hoc Cabinet Committee Ministers, and support the Deputy Prime Minister in her role as Chair of the Ad Hoc Committee.

PCO has also been leading inter-governmental efforts to coordinate federal, provincial and territorial responses to the pandemic and to ensure information sharing among governments. In order to respond to COVID-19, there has been a tremendous surge in the need for intergovernmental collaboration, with First Ministers Meetings happening on a weekly basis.

This brief summary of PCO's *2020-21 Supplementary Estimates (A)* touches on a few of the means by which PCO continues to support the Clerk as head of the

Public Service of Canada, the Prime Minister and Cabinet as part of a whole-of-government approach.

Mr. Chair, members of Committee, thank you for the opportunity to provide you with this context. We would now be pleased to answer your questions.

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