
Advisory Committee

*on Senior Level Retention
and Compensation*

FOURTH REPORT: MARCH 2002

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Preface

In 1997, the President of the Treasury Board established the Advisory Committee on Senior Level Retention and Compensation. The objective was to provide independent advice concerning human resource management and compensation strategies that would ensure the leadership of the federal Public Service for the future. It was a particularly challenging time – not only was the Public Service coming out of an extended period of downsizing and wage freezes, but a significant number of executives were approaching retirement.

In three reports, the Advisory Committee, chaired by Lawrence Strong, recommended:

- the development of a vision for the Public Service going forward;
- a long term human resource strategy and the modernization of human resource systems; and
- compensation principles and strategies for executives, deputy ministers, CEOs of Crown corporations and other Governor in Council appointees.

By the end of the original Committee's mandate much had been accomplished, but many challenges remained.

I am pleased to have been asked to chair the renewed Advisory Committee on Senior Level Retention and Compensation because I believe in the value of the Public Service and feel strongly that it must continue as a vital institution. A strong non-partisan Public Service is critical to Canada and Canadians. Our policy formation and service delivery depend on it. Attracting and retaining the best people, including leaders, are critical to this goal.

It is a time of immense change inside and outside the Public Service. Change presents both challenges and opportunities. Our work is about helping to construct a Human Resources framework that assures the Public Service of Canada has the leadership Canadians need.

The mandate of our Committee is to provide independent advice and recommendations to the President of the Treasury Board concerning executives, deputy ministers, CEOs of Crown corporations and other Governor in Council appointees of the federal Public Service and public sector on:

- developing a long-term strategy for the senior levels of the Public Service that will support the human resource management needs of the next decade;
- compensation strategies and principles; and
- overall management matters comprising, among other things human resource policies and programmes, terms and conditions of employment, classification and compensation issues including rates of pay, rewards and recognition.

I extend my sincere appreciation to Lawrence Strong and the members of his Advisory Committee for their commitment and for the groundwork they laid, a foundation upon which we will build. Continuity provided by Gaétan Lussier and John Fryer assisted me and the other new members (Sarah Raiss, Tom Traves, Monique Leroux and Bob Brown) in understanding the work of our predecessors so that little time was lost to the normal 'learning curve' of a new Committee. In fact, the Committee came together very quickly and easily, bringing diverse backgrounds and perspectives to a common interest, the future leadership of the Public Service of Canada.

As a result of the work already done, we have a solid base on which to build. In April 2001, the Prime Minister announced a Task Force on Modernizing Human Resources Management in the Public Service. This group will recommend strategies for the renewal of the Public Service and the modernization of its human resources systems and practices. The Task Force has a broader mandate than the leadership cadre; nevertheless, leadership is critical to the success of any change initiative and to the continuing health

of the organization. The work of our Committee is to ensure that quality leadership is in place.

In this, the first report of our Committee, we will focus on the second pillar of our mandate, compensation strategies and principles. Our future work will continue to encompass compensation and extend to the other two areas of our mandate.

I am pleased to submit this report to the President of the Treasury Board and look forward to continuing this important work.

A handwritten signature in cursive script that reads "Carol Stephenson".

Carol Stephenson

Progress Made

Over the course of its mandate, the original Advisory Committee made both broad and specific recommendations encompassing vision and culture, human resource systems and terms and conditions of employment, including compensation. Action has been taken on most of these recommendations and is having an impact in addressing issues that were of primary concern at the outset.

A VISION FOR THE PUBLIC SERVICE OF THE FUTURE

In its First Report, the Committee called for the articulation of a new vision for the federal Public Service, a re-vitalized human resource strategy, modernized structures and a new Public Service culture. The Second Report noted an emerging vision of a values-based Public Service as an employer of choice and expressed satisfaction that the Public Service was setting new directions for itself. More recently, in its Third Report, the Committee recognized that while considerable progress had been made towards formulating an integrated and comprehensive human resource strategy for the Public Service, this work should be completed and the new directions clearly enunciated. This strategy would then guide the preparation of policies, programs and implementation plans and drive questions of resource allocation related to human resource management in the senior levels of the Public Service. Also in its final report, the Committee returned to an earlier theme: the need to simplify human resource management in the federal government.

In April 2001, the Prime Minister announced the creation of the Task Force on the Modernization of Human Resources Management in the Public Service with a mandate to: “recommend a modern policy, legislative and institutional framework ...to enable the Public Service to attract, retain and develop the talent needed to serve Canadians.”

Our Committee is of the view that the government has a unique opportunity to establish a vision for the Public Service that makes clear the critical importance of the Public Service in the economic and social success of Canada.

Our Committee is of the view that the government has a unique opportunity to establish a vision for the Public Service that makes clear the critical importance of the Public Service in the economic and social success of Canada. Principles, values and ethical standards are supports for the vision, but the vision itself must be an inspiring leadership statement of what the Public Service should be. Such a statement might, for example, commit to a Public Service that:

- is the best in the world;
- attracts and retains the ‘best and brightest’;
- provides the best service; and
- creates maximum value for Canadians.

The Committee cannot overstate the importance of leadership in operationalizing a vision statement, giving it life so that it becomes a cultural imperative that permeates the organization and drives decision-making. This leadership must come from the very top – from the Prime Minister and the government, as well as the Clerk of the Privy Council as Head of the Public Service and from deputy ministers and heads of agencies. It must also come from every level of management. It must be seen to be a real force. The vision must be a template for decision-making and it must be evident that the decisions that are taken further the achievement of the vision.

We believe strongly that the government has to recognize and support its leadership cadre, regardless of level or organization, as a special group with a unique and critical role in delivering results for Canadians, as well as the government’s vision for the Public Service. The federal Public Service has gone through a difficult decade (or more) in terms of downsizing, wage freezes and public perception. A great deal of talent has been lost and more will leave in the next few years because of demographics (age and years of service). This has to be turned around.

The world, including Canada, is in transition from an industrial age to an information/knowledge age. The Public Service is going to need to compete effectively for skilled and talented leaders in an increasingly tight labour market. Public servants are generally motivated by a commitment to serving the interests of their country and their fellow citizens, and rewarded with interesting and challenging work. However, these are

not and will not be sufficient in and of themselves to ensure that the Public Service has the leaders it will need in the future. The Committee believes that the government must have a compensation package and human resource policies and programs that will attract leaders from within and outside the Public Service to join its executive ranks. The Committee intends to make this the immediate focus of its attention.

SENIOR LEVEL COMPENSATION

COMPENSATION FOR EXECUTIVES AND DEPUTY MINISTERS

The original Advisory Committee established compensation principles and strategies for executives (EXs) and deputy ministers (DMs), and made specific recommendations for salary adjustments and improvements to their terms and conditions of employment. Generally, the principles were a compensation package that is:

- unique to the leadership cadre;
- internally equitable;
- responsive to the economic and social environment;
- comparable to the external labour market; and
- which rewards performance.

In 1998, the Committee recommended a structure based on comparability with the external market (the private sector and other public sector/not for profit labour markets) at the first of the five executive levels (EX1) based on total compensation defined as: total cash compensation (base salary and short term incentives), pensions, benefits and perquisites. To establish internal equity, a 12% salary differential was built in between most levels for increased responsibilities, and 15% at two significant career breakpoints: at the EX4 or Assistant Deputy Minister level and at the DM2 level when full responsibility for a government department is assumed.

The Committee also recommended that variable compensation be an integral part of total compensation, re-earnable every year on the basis of performance measured against agreed targets. The proportion of variable compensation or 'at-risk pay' increased with the level of responsibility from 10% of salary at the EX1 to EX3 levels to 25% at the DM4 level.

The Committee believes that the government must have a compensation package and human resource policies and programs that will attract leaders from within and outside the Public Service to join its executive ranks. The Committee intends to make this the immediate focus of its attention.

These recommendations were implemented and a new performance management program to support variable compensation was developed as recommended by the Committee.

In 2000, the Committee recommended that EX and DM salaries be increased to reflect changes in the external market over the previous 24 months. Effective April 1, 2000, the government implemented 8% of a recommended 8.7% increase. The Committee also recommended that the government survey total cash compensation annually and total compensation every third year, beginning in 2000. It is on the basis of this survey of total compensation that our Committee has based the recommendations in the following chapter.

Over the course of its mandate, in addition to recommendations concerning compensation, the previous Committee recommended improvements to terms and conditions that were implemented, for example acting pay for EX1 to EX3 levels when individuals temporarily take on more senior positions, and increased vacation after 28 years of service.

COMPENSATIONS FOR CEOs OF CROWN CORPORATIONS

The original Advisory Committee also requested that the Privy Council Office undertake a full review of how compensation structures were established and managed for CEOs of Crown corporations.

This was done. In 2000, the Committee recommended compensation principles and a structure for CEOs of Crown corporations that was consistent with that previously recommended for executives and deputy ministers but tailored specifically to CEOs. It emphasized the need:

- to provide adequate compensation to recruit qualified CEOs;
- for internal equity to the extent possible within each Crown corporation;
- for equity across the federal public service; and
- for fiscal prudence.

Crown corporations whose CEO position job evaluations did not differ materially were grouped together resulting in 10 groupings.

Cash compensation, including at-risk pay, for the first group was benchmarked to the 25th percentile of jobs of equivalent scope in the private sector as measured by the Hay Management Consultants position evaluation system. Using this benchmarked base, a salary differential was established between groups, ranging from 12% at the lower end to 20% for the upper groups. Similarly, at-risk pay was implemented, varying from 10% of salary for the lower groups up to a maximum of 25% for the largest Crown corporation.

COMPENSATIONS FOR GOVERNOR IN COUNCIL (GIC) APPOINTEES

For other Governor in Council (GIC) appointees in agencies, boards and commissions, the previous Committee recommended structures and adjustments generally similar to those for executives and deputy ministers. These were implemented.

One exception was that at-risk pay was found not to be appropriate for GICs appointed to regulatory agencies or administrative tribunals due to their independent decision making. In its Second Report, the Committee asked the Privy Council Office to review the compensation structure for GICs.

NON-COMPENSATION ISSUES

The Treasury Board Secretariat introduced improvements related to travel that addressed some irritants and further changes are anticipated as a result of a major initiative to modernize the Government Travel Policy. In addition, a new Integrated Relocation Program was implemented to take advantage of changing industry standards while at the same time providing employees, including executives, with better service.

Work has not yet begun on some other recommendations, notably the development of a policy for dealing with poor performers and the review of the current sick leave plan. However, these two issues have been identified as priorities for attention by the Treasury Board Secretariat and included in upcoming work plans.

A number of the comments and concerns of the Committee related to specific human resource systems, such as staffing, training, human resource planning, etc. and the need to clarify accountabilities have been overtaken to some extent by the Task Force on Modernization of Human Resources Management in the Public Service. Decisions related to the recommendations of the Task Force will affect the way that these issues are addressed.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

In summary, we:

- think that the Human Resource Modernization agenda presents a unique opportunity to establish a vision for the Public Service;
- recommend that the government commit to a Public Service that:
 - is the best in the world;
 - attracts and retains the ‘best and brightest’;
 - provides the best service; and
 - creates maximum value for Canadians.
- encourage the government and the senior management of the Public Service to show leadership in making the vision a cultural imperative that drives decision-making; and
- believe that senior level public servants will play a critical role in delivering the vision and that there must be a unique compensation and human resource regime that will attract leaders from inside and outside the Public Service to join its executive ranks.

Compensation Recommendations of the Fourth Report

The Committee is satisfied that our recommendations are consistent with, and will support, the government's evolving human resource management strategy.

Compensation is not an end in itself. It must be part of a larger human resource management strategy to ensure that the Public Service of Canada continues to be able to recruit and retain the high calibre leaders it needs. The Committee is satisfied that our recommendations are consistent with, and will support, the government's evolving human resource management strategy.

There are three discrete senior level populations within the federal public service:

- the EX and DM communities;
- CEOs of Crown corporations; and
- other Governor in Council appointees, consisting mainly of heads and members of agencies, boards and commissions.

Following external benchmarking surveys completed last year, in this report we highlight progress with respect to certain recommendations of the previous Advisory Committee and provide specific recommendations on compensation for each of the three discrete populations.

COMPENSATION FOR EXECUTIVES AND DEPUTY MINISTERS

Much good work was done by the original Committee regarding the compensation for executives and deputy ministers. Our approach builds on this.

METHODOLOGY – EXTERNAL COMPARABILITY

The Committee selected Hay Management Consultants' Total Canadian Market database as the source of the data on external market comparability for executives (EXs) and deputy ministers (DMs).

This database includes almost 300 organizations, with a total work force of approximately 250,000 employees, representing all sectors of the Canadian economy. Sixty-eight organizations were from the broader public sector (e.g. municipalities, provincial governments, schools, universities, hospitals, and charitable organizations) and 223 were from the private sector (e.g. manufacturing, mining, transportation, technology, financial, service and retail sectors, etc.). We believe that the inclusion of other public not-for-profit organizations along with private sector organizations presents the most representative sample in terms of the size and scope of many federal undertakings.

The Hay database includes aggregated information about total compensation broken down into the following segments:

- base salaries
- annual short-term incentives
- benefits and perquisites, e.g. insurance, leave, health and dental care, severance pay, etc.
- pensions
- long term incentives, e.g. stock options.

To validate the Hay data, we compared it to total cash compensation data from William M. Mercer Ltd. The Committee felt that the congruence between the two data sources provided the reliability required such that recommendations based on the Hay data could be made with confidence.

In addition to an extract from its own December 2000 database, Hay gathered similar information concerning the Public Service. They then calculated and applied a financial value to each of the non-cash elements on the same basis as for their private sector clients in order to ensure a consistent basis for comparison with its own data. Thus, though specific entitlements may differ between organizations, each organization's package is given a monetary value that provides a consistent basis for comparison.

Our Committee, like the previous one, defined total compensation as total cash compensation (base salary and short-term incentives) and non-cash compensation (pensions, benefits and perquisites). Long-term incentives were not included since the Public Service does not offer them. We compared the current total compensation of Public Service executives to the median total compensation of positions of equivalent scope in the Hay database.

FINDINGS

What the data showed was a picture not dissimilar from that presented in earlier reports. In terms of total compensation the Public Service is behind the external market at all levels and the gap grows significantly at each succeeding level of responsibility.

Based on the Hay data, the Committee found that total compensation for an EX1 (the benchmark level) in the Public Service is currently \$123,500, while the median actual total compensation for the same level of job in the Total Canadian Market as of December 2000 was \$127,300. Thus, total compensation for an EX1 has fallen 3.1% behind similar positions in the comparator market.

This includes the difference of 0.7% between the 8.7% that the last Committee recommended in 2000 and the 8% that was approved by the government.

During our examination of the data, it became clear to us that there is a lag built into the methodology and that the resulting salary adjustments in the Public Service are not in fact achieving reasonable, timely comparability with the external labour market. More than a third of private sector organizations adjust their salary scales in January; by April more than 50% have adopted new rates. Using December data, the current methodology does not pass these adjustments along to Public Service executives until a year or more after they have been in place in the private sector. The Committee believes that this is contrary to the principle of external comparability and not supportive of recruitment and retention efforts.

When we recommend senior level salary ranges for 2002, later this year, the Committee intends to base its analysis on more current cash compensation in the comparator market.

In terms of total compensation the Public Service is behind the external market at all levels and the gap grows significantly at each succeeding level of responsibility.

RECOMMENDATIONS FOR EXS AND DMs

Our Committee recommends a 3.1% increase be applied to EX and DM job rates (the maximum of base salary) effective April 1, 2001. This increase is comprised of:

- the 0.7% that was not implemented by the government when adjustments were last made, effective April 2000
- an additional 2.4% to close the current gap
- for a total of 3.1%

Benchmarking the EX1 job rate at the median of the comparator market results in a job rate of \$97,400 and the following revised job rates for other executives and for deputy ministers. Salary range minima would continue to be set at 85 percent of job rates.

CURRENT AND PROPOSED EX AND DM JOB RATES AND AT-RISK PAY

	Current Job Rates \$000	Proposed Job Rates \$000	At-Risk Pay
EX1	94.4	97.4	10%
EX2	105.8	109.1	10%
EX3	118.4	122.1	10%
EX4	136.1	140.4	15%
EX5	152.4	157.2	15%
DM1	170.7	176.0	15%
DM2	196.3	202.4	20%
DM3	219.8	226.7	20%
DM4	246.3	254.0	25%

ILLUSTRATION I

The following graph compares current and proposed total compensation for executives and deputy ministers to the median in the external comparator market as of December 2000.

PROPOSED TOTAL COMPENSATION COMPARED TO CURRENT AND HAY TOTAL CANADIAN MARKET

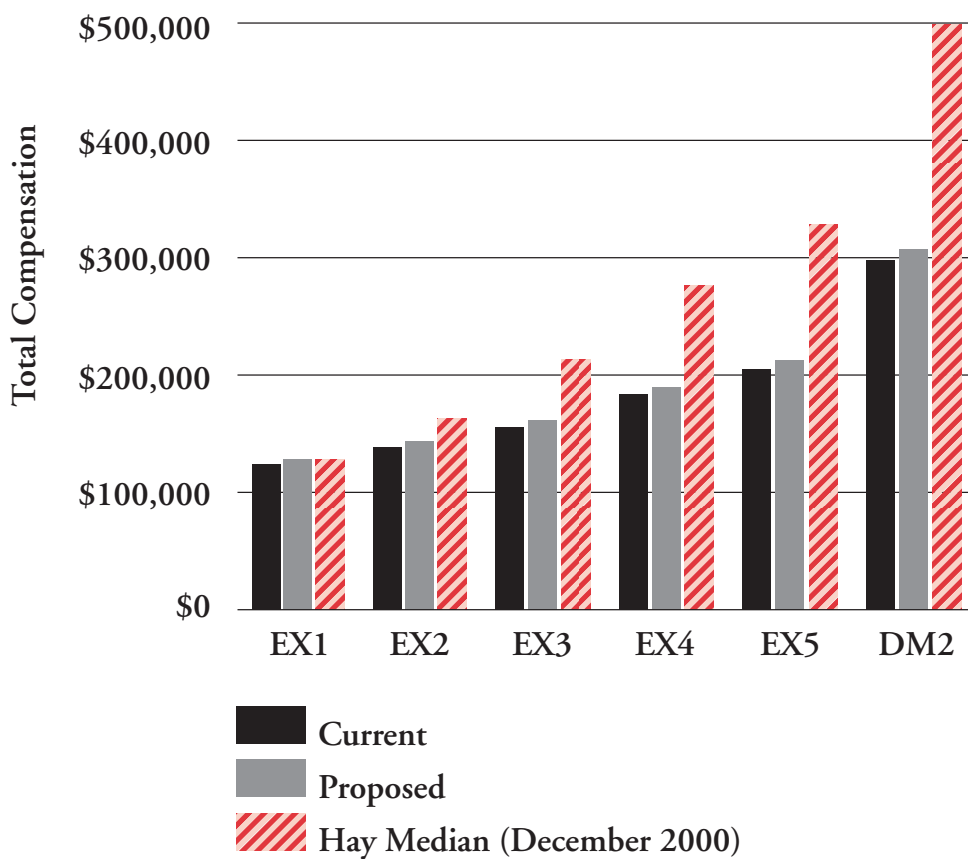


ILLUSTRATION 2

We recommend that the methodology for establishing executive compensation be revised to more closely match, rather than lag, the comparator market with the next cycle of adjustments that will be effective April 2002.

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COMPRESSION AND INVERSION

The Committee also considered the issue of compression and inversion of EX compensation with that of direct reports. According to the Canadian Compensation Association, compression exists when:

- the difference in compensation between two hierarchical levels of the same occupation is less than 10%; or
- the compensation of a supervisor is less than 10% greater than that of a direct report.

Inversion is said to exist when the compensation of the subordinate position is greater than that of the supervisor position.

We looked at a study of 13 of the largest departments, representing 57.7% of the EX1 population, which was conducted by the Treasury Board Secretariat in September 2001. The Secretariat looked at the EX1 level which is the key level for determining compensation and where most compression/inversion problems exist given that the executive compensation structure itself has a differential of at least 12% between levels.

There is an increasing incidence of recruitment/retention allowances as a part of total cash compensation for many collectively bargained groups; annual payments for these allowances, along with lump sum performance payments, were factored into the compression/inversion study.

We found that the incidence of compression is reasonably low. Including recent contract settlements for unionized employees, compression situations exist for just over 1% of the EX1 population and inversion for slightly less than 2%. It is evident that the increase to executive salaries in April 2000 reduced the incidence significantly from the 9% observed in 1999. The proposed increase of 3.1% and revisions to the methodology for establishing comparability with the external market should reduce the incidence even further.

The study showed that most compression/inversion is found where executives supervise the work of highly skilled specialists such as scientific researchers. Although the incidence across the entire Public Service is generally low, it may be more significant in some departments than in others, depending on their mandates and the skill mix necessary to deliver

their programs. It is not uncommon in the private sector either that skilled specialists are more highly paid than first level executives. The Committee believes that what is essential is that executive compensation adequately reward those who accept the risks and responsibilities of management.

AT-RISK PAY IN THE FEDERAL PUBLIC SERVICE

Variable compensation or at-risk pay is critical to a successful senior level compensation strategy.

In keeping with the Committee's view that the government must compensate its senior levels adequately in relation to the external market to attract top level talent, we noted that the proportion of compensation presently available as at-risk pay is low relative to the private sector. We intend to examine this for our next report.

The Committee looked at the experience of the Performance Management Program for Executives, designed to support at-risk pay. We found that:

- Overall, across approximately 3600 executives, lump sum payments were very close to 7% of Executive payroll.
- Considering that EX4s and above have access to potential awards greater than 10%, this indicates that, in fact, something less than the 70% of maximum potential that might be expected for successfully meeting targets was commonly awarded.
- Departments exercised judgement, as required under the Program guidelines, with some departments spending less than the 7% that was centrally funded and others spending somewhat more. This indicated to us that the 7% was not seen as an absolute cap or an amount to be awarded across the board.
- Seventy-one percent of EXs received Succeeded ratings for on-going commitments and 66% succeeded in achieving their key commitments. These proportions were lower than the previous year indicating more rigorous assessments.
- The relatively small proportion of executives judged not to have met their targets was lower than we expected based on private sector experience.

The Committee believes that the Performance Management Program needs continuing senior management support and attention so that

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The Committee believes that the Performance Management Program needs continuing senior management support and attention so that measuring and rewarding performance becomes ingrained in the Public Service culture.

measuring and rewarding performance becomes ingrained in the Public Service culture. We believe strongly that more attention must be paid to identifying and managing marginal or poor performers. There is little that is more demoralizing and detrimental to superior performance than ignoring situations where performance is weak or inadequate.

The Committee intends to review the Performance Management Program Guidelines to ensure that they are able to support any access to increased performance pay.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

In summary, we:

- believe that it is essential that executive compensation reward those who accept the risks and responsibilities of management;
- recommend an increase in EX and DM salary ranges by 3.1% effective April 1, 2001. This increase is comprised of:
 - the 0.7% that was not implemented by the government when adjustments were last made, effective April 2000
 - an additional 2.4 % to close the current gap
 - for a total of 3.1%
- recommend that the compensation methodology be revised to more closely match, rather than lag, the comparator market;
- concluded that the incidence of compression and inversion is generally low across the Public Service;
- noted that the proportion of compensation that is available as variable compensation or at-risk pay is low relative to the private sector;
- concluded that the Performance Management Program needs to be supported by senior management so that the principle of measuring and rewarding performance becomes ingrained in the Public Service culture;
- believe that more attention must be paid to managing poor or marginal performers; and
- will review the Performance Management Program Guidelines to ensure that they are able to support any access to increased performance pay.

COMPENSATION FOR CHIEF EXECUTIVE OFFICERS OF CROWN CORPORATIONS

BACKGROUND

The second of the three discrete populations is CEOs of Crown corporations. The original Advisory Committee's Second Report, published in March 2000, recommended a new classification and compensation structure for this group. The government accepted these recommendations.

Subsequently, boards of directors of the Crown corporations recommended salary adjustments for their CEO to the Governor in Council, based on the CEO's performance. These adjustments occurred in 1999.

In its Third Report published in December 2000, the Committee did not make any further recommendations for salary adjustments for CEOs. Therefore, CEOs have not had a salary structure adjustment since 1999. The Committee did, however, propose that a number of actions be taken:

- (i) continue to monitor whether compensation for the larger corporations is sufficiently competitive to attract qualified candidates;
- (ii) based upon a benchmark survey, adjust the current salary structure for 2001;
- (iii) measure each CEO position in terms of total compensation and test rigorously for compensation compression with direct reports;
- (iv) use the input from (i) and (iii) plus the findings from a survey of total compensation to make changes, if warranted, to the salary structure and at-risk pay for 2002.

Since the establishment of the new compensation structure for CEOs, the government has generally been successful in recruiting CEOs within the new structure. There have been a few instances, however, where it was necessary to pay above the applicable salary range in order to recruit the desired candidate. These instances tended to occur for the larger or more commercial corporations. It will be important to continue monitoring the ability of corporations to attract qualified candidates, so that this information can be taken into account at the time total compensation for CEOs is reviewed.

The Privy Council Office is well advanced in measuring each CEO position in terms of total compensation and in testing for salary compression and inversion with direct reports. The Privy Council Office surveyed each corporation to determine the benefits received by CEOs (which are generally established by their boards of directors) and to determine the compensation of direct reports. The benefits are currently being valued and will, together with the information on compensation of direct reports, be used by the Committee when it reviews total compensation for CEOs this year.

SCOPE

There are 36 Crown corporations included in this review. A list of these corporations, by group, appears in Appendix C.

As in previous reports, several Crown corporations, for various reasons, are not included in this review:

- the Canada Pension Plan Investment Board and the Public Sector Pension Investment Board, since neither CEO is a Governor in Council appointee;
- the Queen's Quay West Land Corporation, since it is being wound up;
- Ridley Terminals Inc. and Cape Breton Growth Fund Corporation, since the CEOs are part-time; and
- the Canada Development Investment Corporation, since the CEO position has been vacant for some time.

BENCHMARKING OF CURRENT CASH COMPENSATION

As recommended by the previous Committee, the Privy Council Office obtained external compensation benchmarking data for the Committee to consider in determining the need for an adjustment to the CEO compensation structure for 2001. The Committee reviewed this data in relation to the structure in effect since 1999.

The compensation structure for CEOs of Crown corporations is based on the job rate for Group 1 of the Crown corporations being benchmarked at the 25th percentile of the job rate for similar positions in the private sector. Job rates for Groups 2 to 10 are established by applying a differential between groups starting at 12% and rising to 20% to recognize the mar-

ketplace practice of increasing differentials as responsibility rises. The CEOs are also eligible for at-risk pay, ranging from 10% in the lower groups to 25% for Group 10.

FINDINGS

The Committee compared the current CEO compensation structure for total cash compensation (job rate plus maximum at-risk pay) to the median of equivalent positions in the Hay sample of more than 250 financial and industrial organizations. We found that total cash compensation for all 10 groups is below both the median and the 25th percentile of the Hay data, with the shortfalls increasing for the higher levels.

The Hay data reveals that the job rate of \$107,400 for Group 1 CEOs, the benchmark group, has fallen 5.39% behind the 25th percentile in the comparator market since 1999.

RECOMMENDATIONS FOR CEOs OF CROWN CORPORATIONS

Our Committee recommends a 5.39% increase be applied to job rates effective the beginning of each Crown corporation's fiscal year in 2001, which date varies from corporation to corporation. This will restore integrity to the compensation structure for CEOs, and return the job rate of Group 1 to the 25th percentile of the comparator market. Since there was no salary adjustment in 2000 this increase would cover a two-year period (2000 and 2001) and would strengthen Crown corporations' ability to recruit and retain CEOs.

We considered increasing at-risk pay for the CEOs instead of increasing the job rates, but this would have resulted in the job rate for Group 1 CEOs remaining below the 25th percentile of the comparator market. We felt that to move below this percentile would weaken the overall compensation structure and would undermine recruitment competitiveness in the long run. Possible adjustments to the compensation structure, including both salary and at-risk pay, will be looked at when total compensation for CEOs is reviewed this year.

A 5.39% increase would result in the following revised compensation structure for CEOs. Salary range minima would continue to be set at 85 percent of job rates.

CURRENT AND PROPOSED JOB RATES AND AT-RISK PAY FOR CEOs OF CROWN CORPORATIONS

	Current Job Rates \$000	Proposed Job Rates \$000	At-Risk Pay
Group 1	107.4	113.2	10%
Group 2	120.3	126.8	10%
Group 3	134.7	142.0	10%
Group 4	150.9	159.1	10%
Group 5	169.0	178.2	10%
Group 6	194.4	204.9	15%
Group 7	223.6	235.7	15%
Group 8	257.1	271.0	15%
Group 9	308.5	325.2	20%
Group 10	370.2	390.2	25%

ILLUSTRATION 3

The Committee recommends that with respect to the Governor of the Bank of Canada (Group 9), a portion of the at-risk pay continue to be added to the job rate as recommended by the previous Committee, since variable cash compensation historically has been deemed inappropriate for this position. In the past, the portion added to the salary job rate was two thirds of maximum at-risk pay. This tends to be the average payout on at-risk pay, and the Committee is of the view that the job rate should continue to be adjusted accordingly

The following graph compares the recommended total cash compensation – that is, the job rate plus the maximum at-risk pay – to both the current structure and the Hay sample, and shows that these recommendations remain well below the median. In fact, four Groups fall below the 10th percentile and the remaining six fall between the 10th percentile and the 25th percentile, with the gap widening as job scope increases.

PROPOSED TOTAL CASH COMPENSATION COMPARED TO CURRENT AND HAY MEDIAN OF FINANCIAL INDUSTRIAL SAMPLE

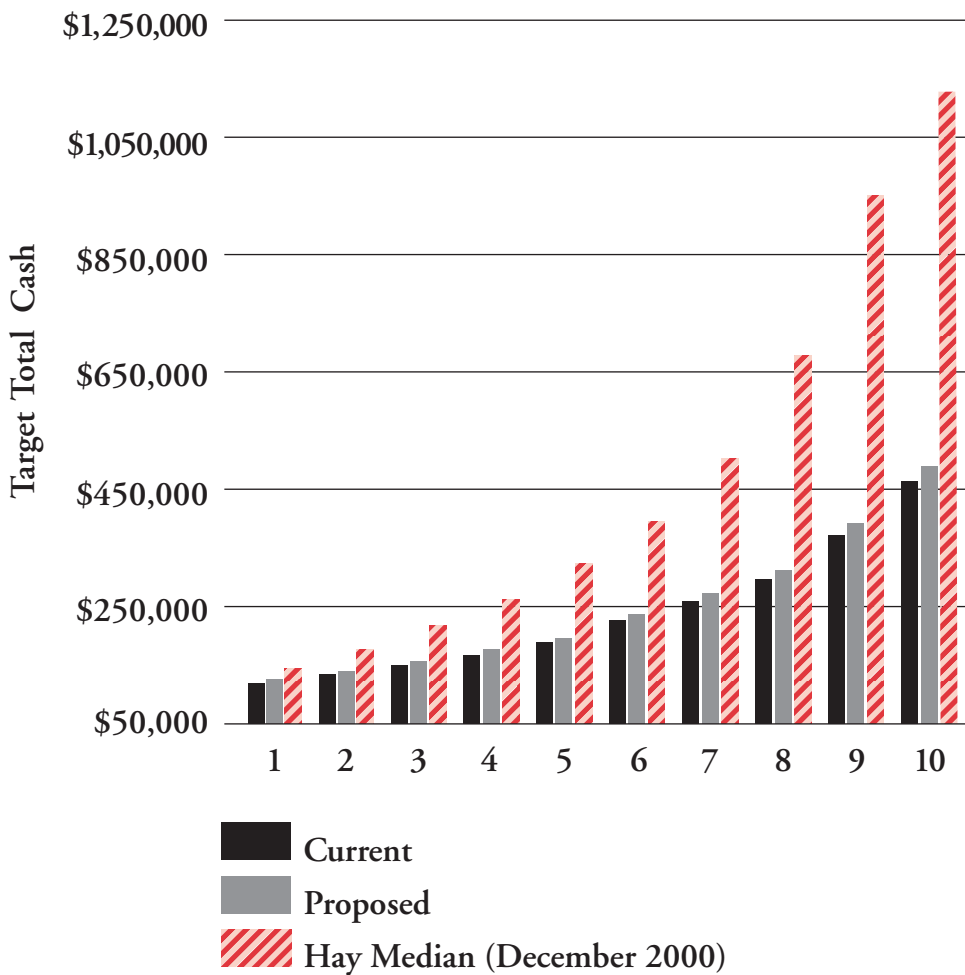


ILLUSTRATION 4

The Committee is concerned by the extent to which the compensation for CEOs lags behind the comparator group, particularly with regard to at-risk pay.

The Committee is concerned by the extent to which the compensation for CEOs lags behind the comparator group, particularly with regard to at-risk pay. At-risk pay in the private sector is significantly higher than what currently exists for CEOs of Crown corporations.

In future, we recommend that any compensation structure adjustments for CEOs should be based on more current information for the comparator group. This recommendation is consistent with what we are proposing for executives and deputy ministers, and would improve the competitiveness of CEO compensation and would help alleviate recruitment difficulties. We also propose that the proportion of at-risk pay be examined as part of the total compensation review for CEOs that is underway.

At the same time, we believe an examination of the Hay comparator group should be undertaken given the gaps in the higher group comparisons.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

In summary, we:

- concluded that the job rate for Group 1 has fallen below the 25th percentile of the comparator market, and recommend that the government approve a 5.39% increase effective the beginning of each Crown corporation's fiscal year in 2001. Actual movement of CEOs towards the new job rates would depend on their performance and the recommendations of their boards of directors;
- recommend for the Governor of the Bank of Canada (Group 9), that two thirds of maximum at-risk pay be added to the job rate, since variable cash compensation historically has been deemed inappropriate for this position;
- recommend that future adjustments to the CEO compensation structure be based on more current information for the comparator group;
- propose that at-risk pay be examined as part of the total compensation review for CEOs that is underway; and
- propose an examination of the Hay comparator group be undertaken in the future given the gaps in the higher group comparisons.

COMPENSATION FOR OTHER GOVERNOR IN COUNCIL APPOINTEES

BACKGROUND

The third of the three discrete populations is other Governor in Council appointees, consisting mainly of heads and members of agencies, boards and commissions.

In recent years, recommendations for revised compensation structures for executives and deputy ministers, as well as for CEOs of Crown corporations have been successfully implemented.

The original Committee also recommended that the Privy Council Office conduct a review of the appropriateness of the existing compensation structure for the third population, that of other Governor in Council appointees. This review has been completed.

Positions in this population, like executives and CEOs of Crown corporations, have historically been evaluated using the Hay Management Consultants position evaluation plan. Positions are currently evaluated and classified in one of eleven levels in the GIC Group.

The GIC classification structure was developed in the 1980s. Prior to that time, these appointees were paid within the salary ranges for program administrators, executives and deputy ministers. The conversion to the GIC classification structure was done over time. In the early 80's, positions paid in the program administrator and executive salary ranges were converted to eight GIC levels. In 1987, the eight GIC levels were extended to eleven, and those appointees paid at the three DM levels were converted to the three new equivalent GIC levels. Since these conversions, the salary ranges of GICs have closely paralleled those of executives and deputy ministers, with recent compensation increases for executives and deputy ministers being applied to the GIC job rates.

UNIQUE CONSIDERATIONS

The GIC population is different from that of executives and deputy ministers. In addition to being a very diverse population with wide-ranging

knowledge and skill sets, GIC appointees are typically recruited from outside the Public Service, often from the private sector, and they are appointed for fixed terms of office (usually from three to five years). There is no career development or career stream in the Public Service for these individuals. Upon the expiry of a person's term of office, the person may be reappointed for another fixed term or the person may need to seek other employment.

The GIC population is also different from that of CEOs of Crown corporations. The governance structure in Crowns, with their boards of directors and chairpersons, is different from most agencies, boards and commissions. Further, many Crowns have a commercial orientation, while the agencies, boards and commissions deliver public policy or perform quasi-judicial and regulatory functions.

In addition, the majority of GIC appointees are not in management positions. They are members of quasi-judicial and regulatory bodies, such as the Immigration and Refugee Board, the Canadian Radio-television and Telecommunications Commission, and the Canadian Human Rights Tribunal. The minority of appointees with management responsibilities include the chairpersons and vice-chairpersons of these quasi-judicial organizations as well as others, such as the President of the National Research Council and the National Archivist.

A distinct classification and compensation structure, separate from those established for executives and deputy ministers and CEOs of Crown corporations, should be established for this population.

Several of the organizations are separate employers, responsible for their own labour-management relations and human resource management policies. Most of these organizations are established through legislation, which provides their mandates and governance structures. The quasi-judicial organizations operate independently from government within these mandates and the broad policy direction provided by Parliament.

The independence of the agencies, boards and commissions headed by GIC appointees, both in their decision-making and in their operations, together with the variety of non-management and management positions held by the appointees, has led this Committee to conclude that a distinct classification and compensation structure, separate from those established for executives and deputy ministers and CEOs of Crown corporations, should be established for this population.

PRINCIPLES FOR ESTABLISHING COMPENSATION FOR GOVERNOR IN COUNCIL APPOINTEES IN AGENCIES, BOARDS AND COMMISSIONS

The principles we have used to study compensation for GIC appointees are similar to those we have used for executives, deputy ministers and CEOs of Crown corporations. We have reviewed:

- relevant external comparisons against which to benchmark cash compensation policies;
- the appropriate mix of fixed and variable compensation for positions which should be subject to performance pay;
- the appropriate compensation for quasi-judicial and regulatory positions which should not be subject to performance pay; and
- the relativity of GIC compensation with that of executives, deputy ministers and CEOs of Crown corporations.

In addition, as with prior reviews for EXs and DMs and CEOs, we have also been mindful of the need for the recommended compensation structure:

- to permit the government to be able to recruit individuals with the necessary qualifications to perform demanding and important duties in the service of their country;
- to be fiscally prudent; and
- to follow and not lead compensation in the private sector.

METHODOLOGY

Position Evaluations of Governor in Council Positions in Agencies, Boards and Commissions

Prior to the establishment of any compensation structure, it is essential that jobs be evaluated to establish a measurement of the difference in responsibilities between them. There has been no overall review of the GIC evaluation plan for nearly twenty years, nor has there been a comprehensive look at the evaluation of all GIC positions during this same period.

The first step in the compensation review conducted by the Privy Council Office was to update the GIC position evaluation plan. With the assistance

of Hay Management Consultants, the evaluation plan was modified and adapted to accommodate the characteristics of the GIC population, to:

- modernize the plan in relation to the responsibilities of today's agencies, boards and commissions and the accountabilities of both management and non-management positions; and
- incorporate a factor for evaluating working environment and conditions, in keeping with the requirements of the *Canadian Human Rights Act*.

The revised Hay evaluation plan evaluates positions based on the following factors:

- knowledge and skills;
- accountabilities and obligations; and
- working environment and conditions.

To evaluate the positions on these factors, it is necessary to have an accountability profile for each position. An accountability profile is a short and concise description of a position, presented in a structured manner, which contains all of the information necessary to evaluate the position against the evaluation plan. These were prepared by each organization.

The Privy Council Office, together with Hay Management Consultants, evaluated each position. There were over one hundred different accountability profiles from approximately seventy organizations. Since some of the accountability profiles described the work of more than one position (e.g. one accountability profile described the work of over one hundred fifty Immigration and Refugee Board members) the actual number of positions included in the review was in excess of four hundred.

Those positions that did not have significant differences in their ratings were grouped together. This resulted in ten groupings, or classification levels (listed in Appendices D and E), where there are significant differences between positions in terms of knowledge, skills and accountabilities.

Background on each of the agencies, boards and commissions included in the review appears in Appendix F.

BENCHMARKING OF CASH COMPENSATION

As stated earlier, we are recommending that compensation for GICs be treated separately from executives, deputy ministers and CEOs of Crown corporations. Most GIC appointees work in organizations that are distinct from departments and Crown corporations. Those that work in quasi-judicial and regulatory bodies operate independently from government. Appointees are typically recruited from the private sector, with some being recruited from the broader public sector, including academia and health care.

Our Committee proposes the establishment of a compensation structure that would recognize these characteristics of the population.

RECOMMENDED COMPENSATION STRUCTURE FOR THE GIC POPULATION

The classification review conducted by the Privy Council Office identified ten levels for the GIC population. We found that the total cash compensation for each of the levels, with the exception of the lowest levels was significantly below the median compensation for similar positions in Hay Management Consultants' Canadian Private Sector Market database.

To build the compensation structure for the GIC population, the Committee first needed to identify which level to use as the internal benchmark. Since the most populous level in the proposed ten level classification structure, with over half of the positions, is the third level, we decided that the third level was the logical internal benchmark. We then used this level to benchmark against the Hay data for similar positions in the private sector to determine the job rate for Level 3.

To establish the job rates for the other levels, the Committee took a similar approach to that used for executives and deputy ministers and for CEOs of Crown corporations. A differential of 15% was applied between levels. For those positions eligible for performance pay, at-risk pay was set at 10% for the lower levels and rising to 20% at the higher levels to parallel the compensation structures for executives and deputy ministers and CEOs of Crown corporations.

To differentiate this new structure from the current GIC classification and compensation structure, the Committee proposes to name this group of positions, which are eligible for performance pay, the GC Group.

Benchmarking the Level 3 job rate at the median of the comparator market results in a job rate of \$91,800 and the following revised compensation structure for the GC Group. Salary range minima would be set at 85 percent of job rates.

PROPOSED GC JOB RATES AND AT-RISK PAY

	Job Rates \$000	At-Risk Pay
Level 1	69.4	10%
Level 2	79.8	10%
Level 3 (Benchmark)	91.8	10%
Level 4	105.6	10%
Level 5	121.4	10%
Level 6	139.6	15%
Level 7	160.5	15%
Level 8	184.6	15%
Level 9	212.3	20%
Level 10	244.1	20%

ILLUSTRATION 5

The Committee also looked at how best to develop a compensation structure for the majority of the appointees who are not eligible for performance pay, given the quasi-judicial and regulatory nature of their responsibilities. We concluded that the approach followed should be similar to that used for the position of the Governor of the Bank of Canada, another position where performance pay is not appropriate. For that position, two thirds

of maximum at-risk pay was added to the job rate. As noted earlier, this tends to be the average at-risk payment, and the Committee is comfortable adjusting the job rates for positions with quasi-judicial responsibilities accordingly.

To differentiate this new structure from the current GIC classification and compensation structure and from the GC Group, which is eligible for performance pay, the Committee proposes to name this group of positions the GC-Q Group.

This approach would result in the following revised compensation structure for the GC-Q Group. Salary range minima would be set at 85 percent of job rates.

PROPOSED GC-Q JOB RATES

	Job Rates \$000
Level 1	74.0
Level 2	85.1
Level 3	97.9
Level 4	112.6
Level 5	129.5
Level 6	153.6
Level 7	176.5
Level 8	203.1
Level 9	240.6
Level 10	276.6

ILLUSTRATION 6

The following graph compares the recommended total cash compensation for the GC Group – that is, the job rate plus the maximum at-risk pay – to the GC-Q Group and the Hay Canadian Private Sector Market, and shows that the recommendations for the GC and GC-Q Groups remain well below the median above the third level.

PROPOSED TOTAL CASH COMPENSATION – GC-Q AND GC GROUPS COMPARED TO MEDIAN OF HAY CANADIAN PRIVATE SECTOR MARKET

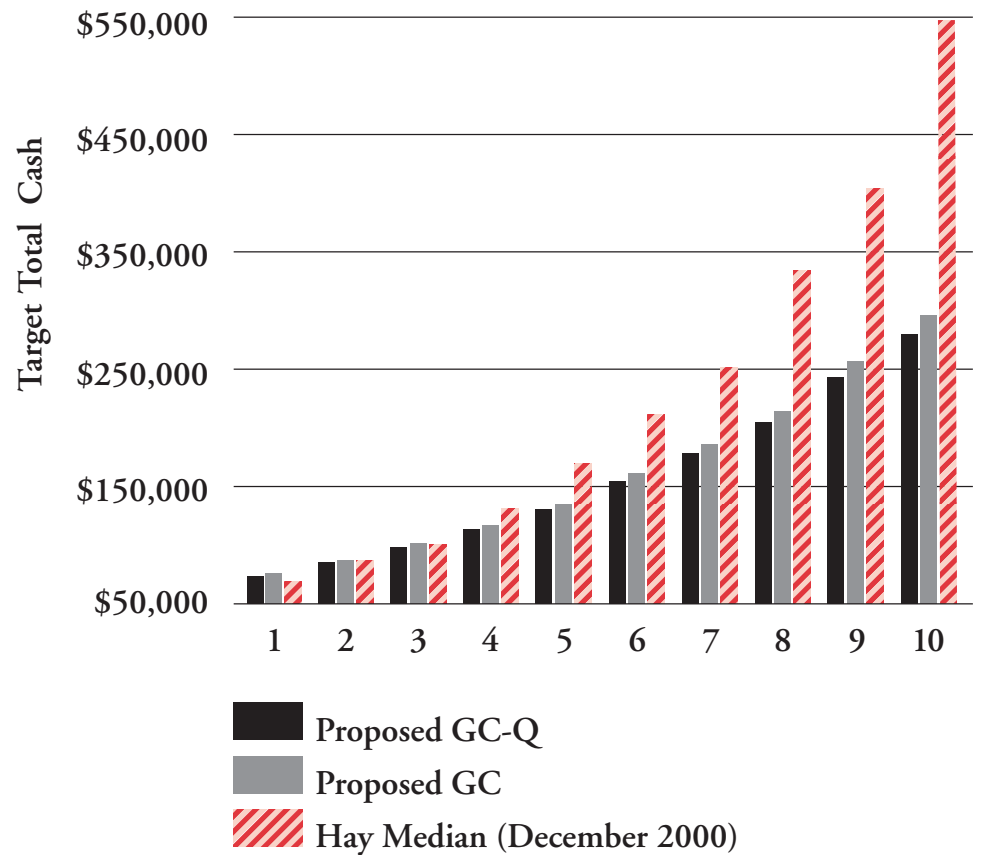


ILLUSTRATION 7

As for executives and deputy ministers and CEOs of Crown corporations, the Committee recommends that future compensation structure adjustments be based on more current information for the comparator group.

This will assist the public service in remaining competitive in an era where there will be greater competition for highly skilled human resources.

IMPLEMENTATION OF THE PROPOSED COMPENSATION STRUCTURE

The Privy Council Office found, in its evaluation of the positions, that the relative worth of some of the positions, in relation to other positions, has changed. This is a result of revisions to the evaluation plan, changes in the responsibilities of the positions and previous classification decisions that were incumbent oriented.

These changes in position evaluations and in relativities between positions result in some positions now being classified at a higher relative level than in the past and some at a lower level. These classification decisions will, in turn, result in some incumbents becoming eligible for a higher job rate and some for a lower job rate.

The Privy Council Office is developing policies to facilitate the conversion and will inform each agency of these policies and how current appointees will be converted to the new classification and compensation structures.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

In summary, we:

- concluded that a distinct classification and compensation structure, separate from those established for executives and deputy ministers and CEOs of Crown corporations, should be established for the GIC population, and recommend that the government approve the revised compensation structures;
- recommend that future adjustments to GC and GC-Q compensation be based on more current information for the comparator group; and
- support the Privy Council Office's plan to develop policies to facilitate the conversion from the GIC classification structure to the GC structure and inform each agency of these policies and how current appointees will be converted to the new classification and compensation structures.

Human Resource Management Policies and Programs

I*n the end, it is important to remember that we cannot become what we need to be by remaining what we are."*
Max De Pree

The previous Committee examined the fundamentals of human resource management in the Public Service and made recommendations related to the need for a long-term human resource strategy and elements that should be part of that strategy. We believe that the Committee's Third Report succinctly identifies the critical challenges facing the Public Service in terms of its leadership cadre.

- The development of effective leaders for the future is absolutely critical to a Public Service that contributes to the economic and social success of Canada.
- The demographics of today's managers indicate that retirements alone will create a significant resource gap, unless sufficient new leaders are being developed to take their place.
- As the federal Public Service moves to address its resource shortages, it can expect to find itself in a talent war with aggressive private sector and broader public sector competition.
- As the supply of talented people shrinks over the next decade, it is clearly wise to keep those people who are adding value today.

These observations were not only the context but also the catalyst for the compensation recommendations we made in the preceding chapters of this report. We expect that the recommended compensation improvements

will contribute to recruiting and retaining the leaders necessary for the future. However, as we said earlier, compensation is only part of a human resource strategy.

DEVELOPMENT

The relationship of training and development to performance and achievement is so fundamental that it should be self-evident. Nevertheless, we learned over the course of our deliberations that despite increased emphasis on continuous learning, the federal Public Service still lags significantly behind the private sector in terms of its commitment to development.

Based on our collective experience, we cannot overstate the need for strong, visible top level commitment to learning and development. We believe that leadership orientation and learning events foster a sense of identity in the leadership cadre and ensure a common understanding of the vision and management issues and initiatives. These programs should be corporately developed and sponsored and senior level representatives of the government and the Public Service should be significantly involved.

The Committee suggests that the Clerk of the Privy Council as Head of the Public Service consider sponsoring a meeting of the corporate leadership of the Public Service (Assistant Deputy Ministers and above) for a few days to a week every year, to discuss the vision, strategic directions, corporate priorities and important program initiatives. This should be a learning event, including case studies and best practices, as well as an opportunity for building networks.

The Committee believes strongly in the need for continuous learning and that learning plans should be included in performance agreements.

We also recommend that the government examine an expanded use of mentoring in the Public Service. Mentoring programs have benefits for all involved. The organization ensures that knowledge and experience is transferred and corporate memory is not lost. In terms of individuals, more experienced executives benefit from the challenge of new ideas and new executives have support while learning the ropes.

Based on our collective experience, we cannot overstate the need for strong, visible top level commitment to learning and development.

The Committee believes strongly in the need for continuous learning and that learning plans should be included in performance agreements.

PERFORMANCE MANAGEMENT

In 1999, the Treasury Board Secretariat introduced a new Performance Management Program. Our Committee believes that the Program is moving in the right direction but effort needs to continue to ensure that it is rigorously and consistently applied. To this end, the Committee is pleased to see that the Secretariat is planning to develop an effectiveness framework for monitoring the success of the Program in the future.

The Committee suggests that the Treasury Board Secretariat consider publishing the results of the Performance Management Program annually. This would have two benefits related to transparency: it would enhance the public's knowledge and confidence in the compensation regime for senior level federal public servants and create a certain amount of 'peer' pressure that would support rigor and consistency. Individual departments would want to be seen to be in line with other departments, providing sufficient justification in terms of demonstrable results for decisions made on performance, and judicious and prudent with 'taxpayers' money'.

One area that concerns us is the bottom end of the performance spectrum. While the proportion of executives judged to have "Surpassed" their targets has declined somewhat as we would expect with increased rigor, it has only served to increase the proportion judged to have "Succeeded". There has been no significant increase in the population deemed not to be meeting their targets. We believe strongly that more attention must be paid to identifying and managing weak or marginal performers.

Despite the large number and wide array of human resource policies in the Public Service, there is currently no explicit policy for dealing with poor performers. We believe that in fairness to individuals and to management, there should be clear expectations regarding performance supported by reasonable and respectful programs and policies for dealing with those who are unable to meet this standard.

It is also clear that the world is changing and that organizations, including the Public Service, must transition to new realities. Not everyone is able to make such transitions effectively. Leadership is critical to the success of any change. Without it, the change process will fail by virtue of weakness within.

The Treasury Board Secretariat has committed to developing a policy for dealing with poor performers. We encourage it to do so. Such a policy should cover the full range of steps and options including training and development, reassignment, and where necessary, termination so that management has the appropriate policies and tools to work through individual circumstances. It should also require performance improvement plans and monitoring for weak performers.

FLEXIBLE BENEFITS

In its First Report the original Advisory Committee recommended that consideration be given to introducing a flexible benefit plan for Public Service executives. The Third Report indicated that they favoured a program with a set of core benefits, which all executives would receive, plus a series of optional benefits that executives might choose to meet their individual needs and lifestyles. The Committee recommended that these core benefits be narrowly defined and the optional elements be as broad as possible.

The Treasury Board Secretariat presented two design options to our Committee. However, flexible benefits is a complex subject. We have requested additional information about costs/benefits and options, which will allow us to consider flexible benefits in relation to total compensation and other priorities.

BEST PRACTICES IN HUMAN RESOURCE MANAGEMENT

We believe that the government is on the right track with a number of initiatives, particularly in relation to learning and development, the reform of human resource structures and processes, and clarifying accountabilities. We recommend very focused and practical approaches, with an emphasis on expeditious implementation. Risk is implicit in management and an 80% solution is better than doing nothing while waiting for the perfect proposal.

It is essential that action be taken on an urgent basis to attract and retain the leadership that the Public Service needs for the future. We have made

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We have made a number of concrete proposals in this report that we believe will make an immediate contribution to achieving these objectives.

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In the future we intend to look at the complete range of senior level human resource policies and programs, beginning with further examination of issues related to the timeliness of compensation adjustments, variable pay as a proportion of total compensation and the effectiveness of performance management.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

In summary,

Regarding development, we:

- believe orientation and learning foster a sense of identity, common understanding and shared purpose in the leadership cadre;
- suggest that the Clerk of the Privy Council consider sponsoring an annual meeting of Assistant Deputy Ministers and above to discuss the Public Service vision, strategic directions, corporate priorities and important program initiatives;
- believe strongly in the need for continuous learning and suggest that learning plans be included in performance agreements; and
- recommend that the government expand the use of mentoring in the Public Service.

Regarding Performance Management, we:

- suggest that the Treasury Board Secretariat consider publishing the results of the Performance Management Program annually;
- believe strongly that more attention should be paid to identifying and managing marginal or poor performers; and
- encourage the Treasury Board Secretariat to develop a policy for dealing with poor performers. Such a policy should cover the full range of steps and options including training and development plans, reassignment, and where necessary, termination so that management has the appropriate policies and tools to work through individual circumstances.

Regarding flexible benefits, we have requested additional information and analysis from the Secretariat to assess the feasibility and implications of introducing flexible benefits for executives.

Regarding best practices in human resource management, we:

- concluded that important challenges face the Public Service in terms of its leadership cadre;
- believe it is essential that action be taken on an urgent basis to attract and retain the leadership that the Public Service needs for the future; and
- recommend that the government focus on practical approaches that can be implemented quickly.

Conclusion

"This is an exciting time to be in the Public Service in Canada. Ministers are calling on us for courageous policy advice to deal with complex issues. Canadians are calling on us for improved services, delivered in a timely fashion and in ways they prefer. [It] is not an easy time to be a federal public servant mainly because we are in a time of transition. We are moving into a post-industrial, knowledge-based society and economy. We are in the midst of the changing world of government. This is a world that demands excellence and innovation as never before. The world and Canada demand excellence. We have a duty to serve Canadians with excellence."

Mel Cappe

*Clerk of the Privy Council and Secretary to the Cabinet
to the Association of Professional Executives
of the Public Service of Canada (APEX)*

June 6, 2001

There is an urgent need to modernize and renew the Public Service. At the core of this modernization is the need to have advanced, simple, robust, flexible human resource strategies and policies, programs and infrastructure.

In his message at the APEX Conference in June 2001, Mel Cappe focussed on the leadership challenge for the executive level of the Public Service, and the need for fundamental modernization of human resources management in the Public Service, including infrastructure, policies, programs and bureaucracy. He spoke with urgency and passion about the potential renewal and the impact such renewal will have on Canada and Canadians in the 21st century. He also spoke of the role that leaders in the Public Service must play to assure excellence of people, process, policies and outcomes.

Our Committee agrees. There is an urgent need to modernize and renew the Public Service. At the core of this modernization is the need to have advanced, simple, robust, flexible human resource strategies and policies,

programs and infrastructure. These are ambitious objectives. Much change will be needed. The challenges present both opportunities and threats. The leadership challenge is to embrace the opportunities, and dispel the threats.

In our experience, profound change requires the commitment of courageous leaders. The role of our Committee is to contribute to developing a Public Service led by those committed and courageous leaders through our contributions to vision and strategy, and policies and programs across the broad spectrum of the human resources infrastructure.

In this, our first report, we have made specific recommendations about compensation for all three leadership sectors in the Public Service:

- the EX and DM communities;
- CEOs of Crown corporations; and
- the Governor in Council population in agencies, boards and commissions

Substantial structural changes are proposed for the GIC community, positioning their compensation to better reflect the unique nature of the appointments, and the responsibilities of the positions.

We have also made recommendations related to the development of the leadership cadre to foster common understandings and shared purpose.

We intend to be active advisors to government in the broadest range of senior level human resource policies and programs.

We expect and encourage bold changes to come from the work of The Task Force on Modernizing Human Resource Management in the Public Service, and welcome the opportunity to be one of a network of advisors the Public Service will utilize to drive and effect the changes needed. Our focus in this work will be on the leadership cadre in keeping with our mandate.

Morley Callaghan once said of Canada, "The real friend of this country is the guy who believes in excellence, seeks for it, fights for it, and tries to produce it."

We believe we need a Public Service that is populated with leaders who are "real friends" and our commitment is to help make that happen.

We intend to be active advisors to government in the broadest range of senior level human resource policies and programs.

Appendices

Appendix A

ADVISORY COMMITTEE ON SENIOR LEVEL RETENTION AND COMPENSATION

COMMITTEE MEMBERS (2001-2004)

Carol M. Stephenson, B.A. – Committee Chair
President and CEO, Lucent Technologies, Inc.

Ms. Stephenson was appointed President and Chief Executive Officer of Lucent Technologies Canada in 1999. Prior to this she was President and Chief Operating Officer (The Americas) of BCE Media, Inc.; President and Chief Executive Officer of Stentor Resource Centre Inc.; and Vice-President of Bell Canada. Ms. Stephenson is a graduate of the University of Toronto. She has also completed the Executive program at the Graduate School of Business Administration, University of California at Berkeley, as well as the Advanced Management Program at Harvard University. She also holds an honorary doctorate in engineering from Ryerson Polytechnic University.

Robert E. Brown, B.Sc.
President and CEO, Bombardier Inc.

Mr. Brown was appointed President and Chief Executive Officer of Bombardier, Inc. in 1999. Prior to that he was President and Chief Operating Officer of Bombardier Aerospace; President of the Bombardier Aerospace Group – North America; Senior Vice-President, Corporate Development and Strategic Planning – Bombardier; Vice-President, Corporate Development – Bombardier. In addition, Mr. Brown has held senior federal public service positions, including Associate Deputy Minister, Department of Regional Industrial Expansion. He has also had positions with Atomic Energy Canada, the Public Service Commission, the Treasury Board Secretariat and the Council of Maritime Premiers. Mr. Brown holds a Bachelor of Science degree from the Royal Military College in Kingston and has attended the Advanced Management Program at Harvard Business School.

John L. Fryer, C.M., B.Sc. (Econ.), M.A.
Adjunct Professor, University of Victoria

Adjunct Professor, School of Public Administration, University of Victoria; President Emeritus, National Union of Public and General Employees (NUPGE). Mr. Fryer is a member of the board of directors of the International Centre for Human Rights and Democratic Development; Chair of the Advisory Committee on Labour-Management Relations in the Federal Public Service. Prior to this, he was also General Secretary of the B.C. Government Employees' Union and President of the National Union of Public and General Employees. Mr. Fryer was a member of the Advisory Committee on Senior Level Retention and Compensation (1997-2001), chaired by Lawrence F. Strong.

Monique F. Leroux, M.B.A., F.C.A.
President, Desjardins-Laurentienne Financial Corporation and CEO of its subsidiaries

Ms. Leroux is responsible for developing the activities of Desjardins subsidiaries in the areas of insurance, trust services and investment management. Previously Ms. Leroux was Senior Executive Vice-President and Chief Operating Officer at Quebecor Inc.; Senior Vice-President, Quebec Headquarters of the Royal Bank; Managing Partner at Caron Bélanger Ernst & Young in charge of services to the financial industry for Québec, and partner in charge of auditing and management consulting for national and international companies. She holds a Masters in Business Administration from the Université du Québec and a Chartered Accountant designation.

Gaétan Lussier, O.C., B.Sc. (Agr.), M.Sc., Ph.D.
President, Gaétan Lussier and Associates

Past Assistant Deputy Minister and Deputy Minister, Québec Ministry of Agriculture; Past Deputy Minister of Agriculture Canada; Past Deputy Minister and Chairman, Employment and Immigration Canada; Past President, Les Boulangeries Weston Québec Inc.; Past President and Chief Executive Officer Culinar Inc. Mr. Lussier was a member of the Advisory Committee on Senior Level Retention and Compensation (1997-2001), chaired by Lawrence F. Strong.

Sarah E. Raiss, B.Sc., M.B.A.

Executive Vice-President, Corporate Services, TransCanada Pipelines

Sarah Raiss is currently Executive Vice-President of Corporate Services and is responsible for human resources, information services, government relations, community investment and communications. Prior to this position with TransCanada Pipelines Limited, she was President, of S.E. Raiss Group, Inc.; Vice President of Customer Service, Training and IT Support at Ameritech; Senior Consultant at Metzler & Associates; as well as holding various positions with Michigan Bell. Ms. Raiss holds a Bachelor of Science in Applied Math and a Masters of Business Administration in Strategic Marketing and Organization Behaviour from the University of Michigan.

Tom Traves, B.A., M.A., Ph.D.

President, Dalhousie University

Dr. Traves has been the President of Dalhousie University since 1995. He serves on the Boards of the Directors of the Maritime Life Assurance Company, the Atlantic Canada Petroleum Institute, the Technology Applications Research Alliance, InNOVAcorp, Greater Halifax Partnership, International Ocean Institute, the Association of Universities and Colleges of Canada, and the Association of Commonwealth Universities. He is Chair of the Atlantic Association of Universities, of the Association of Universities and Colleges of Canada Standing Committee on Educational Issues and Funding and of the Academic Advisory Committee of the Institute of Canadian Bankers. Previously, he served as Vice-President (Academic) at the University of New Brunswick in Fredericton and as Dean of Arts at York University in Toronto. Dr. Traves has a B.A. from the University of Manitoba, an M.A. and Ph.D. from York University and an honorary doctorate from Umea University in Sweden in 1997.

Appendix B

COMMITTEE MANDATE

To provide independent advice and recommendations to the President of the Treasury Board concerning executives, deputy ministers and other Governor-in-Council appointees of the federal Public Service and public sector on:

- developing a long-term strategy for the senior levels of the Public Service that will support the human resource management needs of the next decade,
- compensation strategies and principles, and
- overall management matters comprising among other things human resource policies and programmes, terms and conditions of employment, classification and compensation issues including rates of pay, rewards and recognition.

To present recommendations in a report to the President of the Treasury Board. The report will be made public by the President of the Treasury Board.

Appendix C

CROWN CORPORATIONS BY GROUP

GROUP 1

Atlantic Pilotage Authority
Great Lakes Pilotage Authority

GROUP 2

Canadian Race Relations Foundation
Enterprise Cape Breton Corporation
Laurentian Pilotage Authority
Pacific Pilotage Authority

GROUP 3

Defence Construction (1951) Limited
Federal Bridge Corporation Limited
Freshwater Fish Marketing Corporation
Standards Council of Canada

GROUP 4

Canadian Dairy Commission
Canadian Film Development Corporation
Canadian Museum of Nature
National Arts Centre Corporation
National Gallery of Canada
National Museum of Science and Technology Corporation

GROUP 5

Canada Council
Canada Lands Company Limited
Canadian Commercial Corporation
Canadian Museum of Civilization Corporation
Canadian Tourism Commission
Marine Atlantic Incorporated
National Capital Commission

GROUP 6

Canada Deposit Insurance Corporation
Cape Breton Development Corporation
Farm Credit Corporation
International Development Research Centre

GROUP 7

Business Development Bank of Canada
Export Development Corporation
Royal Canadian Mint
Via Rail Incorporated

GROUP 8

Atomic Energy of Canada Limited
Canada Mortgage and Housing Corporation

GROUP 9

Bank of Canada
Canadian Broadcasting Corporation

GROUP 10

Canada Post Corporation

Appendix D

GC POSITIONS BY LEVEL

GC – 1

No positions at this time

GC – 2

No positions at this time

GC – 3

Secretary

National Battlefields Commission

Usher of the Senate

Senate

GC – 4

Chief Executive Officer

Canadian Centre on Substance Abuse

Secretary

Canadian Intergovernmental Conference Secretariat

Chairperson

Canadian Polar Commission

Secretary

Canadian Secretariat – North American Free Trade Agreement

Associate Parliamentary Librarian

Library of Parliament

Vice-Chairman and Member

National Farm Products Council

GC - 5

President

Canadian Centre for Occupational Health and Safety

Commissioner for Aquaculture Development

Department of Fisheries and Oceans

Clerk Assistant

House of Commons

Sergeant at Arms

House of Commons

Assistant Chief Electoral Officer

Office of the Chief Electoral Officer

Commissioner

Office of the Commissioner for Federal Judicial Affairs

GC – 6

Secretary

Governor General's Office

Chairman and Member

National Farm Products Council

Parliamentary Librarian

Library of Parliament

Deputy Clerk

House of Commons

Law Clerk and Parliamentary Counsel

House of Commons

GC – 7

President and Chief Executive Officer

Canadian Environmental Assessment Agency

President

International Centre for Human Rights and Democratic Development

President

Law Commission of Canada

Executive Director

National Round Table on the Environment and the Economy

National Librarian

National Library

Director

Financial Transactions and Reports Analysis Centre of Canada

Coordinator

Office of the Coordinator (*Status of Women Canada*)

Clerk of the Senate and Clerk of the Parliaments

Senate

GC – 8

Clerk of the House of Commons

House of Commons

National Archivist

National Archives of Canada

Chairman and Government Film Commissioner

National Film Board

GC – 9

President

Natural Sciences and Engineering Research Council

President

Social Sciences and Humanities Research Council

GC – 10

President

National Research Council of Canada

President and Chairperson

Canadian Institutes of Health Research

Appendix E

GC-Q POSITIONS BY LEVEL

GC-Q – 1

No positions at this time

GC-Q – 2

Member

Canadian Forces Grievance Board

Assistant Commissioner

Canadian Grain Commission

Citizenship Judge

GC-Q – 3

Member

Canadian Artists and Producers Professional Relations Tribunal

Vice-Chairperson

Canadian Forces Grievance Board

Vice-Chairman

Civil Aviation Tribunal

Coordinating Member

Immigration and Refugee Board

Member (*Convention Refugee Determination Division*)

Immigration and Refugee Board

Member (*Immigration Appeal Division*)
Immigration and Refugee Board

Member
Military Police Complaints Commission

Member (full-time)
Public Service Staff Relations Board

Permanent / Temporary Member
Veterans Review and Appeal Board

GC-Q – 4

Commissioner (*Workers / Employers*)
Canada Employment Insurance Commission

Vice-Chairperson
Canadian Artists and Producers Professional Relations Tribunal

Member
Canadian Transportation Accident Investigation and Safety Board

Member
Copyright Board

Member (*Employer/Employee*)
Canada Industrial Relations Board

Senior Citizenship Judge

Assistant Deputy Chairperson and Member (*Convention Refugee Determination Division*)
Immigration and Refugee Board

Assistant Deputy Chairperson Immigration and Refugee Board and Member (*Immigration Appeal Division*)
Immigration and Refugee Board

Member (*Regional Division*)
National Parole Board

Member (*Appeal Division*)

National Parole Board

Deputy Chairperson

Public Service Staff Relations Board

Vice-Chairman

Royal Canadian Mounted Police Public Complaints Commission

Deputy Chairperson / Member

Veterans Review and Appeal Board

GC-Q – 5

Chairperson

Administrative and Monetary Penalties Review Tribunal

Chairperson

Canadian Forces Grievance Board

Commissioner

Canadian Grain Commission

Assistant Chief Commissioner

Canadian Grain Commission

Member

Canadian Human Rights Tribunal

Permanent / Temporary Member

Canadian International Trade Tribunal

Permanent Member

Canadian Nuclear Safety Commission

Member (*Regional*)

Canadian Radio-television and Telecommunications Commission

Chairperson

Military Police Complaints Commission

Chairman

Civil Aviation Tribunal

Lay Member

Competition Tribunal

Vice-Chairman

Copyright Board

President

Hazardous Materials Information Review Commission

Deputy Chairperson and Member (*Immigration and Refugee Board*)**Vice-Chairperson and Member** (*Regional Division*)

National Parole Board

Vice-Chairperson and Member (*Appeal Division*)

National Parole Board

Correctional Investigator

Office of the Correctional Investigator

Vice-Chairperson

Public Service Staff Relations Board

Chairman

Royal Canadian Mounted Police External Review Committee

Deputy Registrar

Supreme Court of Canada

GC-Q – 6**Superintendent**

Bankruptcy

Vice-Chairperson

Canada Industrial Relations Board

Chairperson

Canadian Artists and Producers Professional Relations Tribunal

Vice-Chairperson

Canadian Human Rights Tribunal

Vice-Chairperson

Canadian International Trade Tribunal

Chairperson and Member

Canadian Transportation Accident Investigation and Safety Board

Member

Canadian Transportation Agency

Inspector General

Department of the Solicitor General

Deputy Chairperson and Member (*Convention Refugee Determination Division*)

Immigration and Refugee Board

Commissioner

International Joint Commission

Member

National Energy Board

Executive Vice-Chairperson and Member

National Parole Board

Ombudsman

Office of the Ombudsman for the Department of National Defence and the Canadian Forces

Commissioner

Public Service Commission

Chairman

Royal Canadian Mounted Police Public Complaints Commission

Registrar

Supreme Court of Canada

Chairperson and Member

Veterans Review and Appeal Board

GC-Q – 7**Chief Commissioner**

British Columbia Treaty Commission

Vice-Chairman and Member

Canadian Radio-television and Telecommunications Commission

Vice-Chairperson and Member

Canadian Transportation Agency

Chairman and Commissioner

International Joint Commission

Vice-Chairman and Member

National Energy Board

Commissioner

Office of the Treaty Commissioner in Saskatchewan

Commissioner Registrar of Trade-marks

Patents and Trade-marks

Chairperson

Public Service Staff Relations Board

GC-Q – 8**Chairperson**

Canada Industrial Relations Board

Chief Commissioner

Canadian Grain Commission

Chief Commissioner

Canadian Human Rights Commission

Chairperson

Canadian Human Rights Tribunal

President and Member

Canadian Nuclear Safety Commission

Chairperson

Canadian International Trade Tribunal

Chairperson

Immigration and Refugee Board

Chairperson and Member

National Parole Board

GC-Q – 9

Chairman and Member

Canadian Radio-television and Telecommunications Commission

Chairperson and Member

Canadian Transportation Agency

Chairman and Member

National Energy Board

Commissioner

Office of the Commissioner of Competition

Superintendent

Office of the Superintendent of Financial Institutions

GC-Q – 10

No positions at this time

Appendix F

AGENCIES, BOARDS AND COMMISSIONS

(\$ Millions)

Administrative Monetary Penalties Review Tribunal

MANDATE To provide a prompt review and appeal process for those who have been adjudged to have committed a violation of federal legislative provisions relating to agriculture or agri-food.

Employees	Revenues	Budgetary Appropriations
3	\$0.0	\$0.5

British Columbia Treaty Commission

MANDATE To facilitate treaty negotiations among Canada, British Columbia and First Nations in British Columbia and to oversee the treaty negotiations process to ensure the parties are being effective.

Employees	Revenues	Budgetary Appropriations
14	\$0.0	\$1.9

Canada Employment Insurance Commission

MANDATE To ensure the interests, concerns and positions of Canadian employers/workers are taken into account in the implementation of the Canada Employment Insurance Commission's mandate to administer legislation and develop and implement policy.

Employees	Revenues	Budgetary Appropriations
5	\$0.0	\$0.6

Canada Industrial Relations Board

MANDATE To contribute to and promote effective industrial relations in any work, undertaking or business that falls within the authority of the Parliament of Canada, i.e. some 700,000 employees engaged in federal jurisdiction industries and to private sector employees in the three territories.

Employees	Revenues	Budgetary Appropriations
97	\$0.0	\$9.1

Canadian Artists and Producers Professional Relations Tribunal

MANDATE To define the sectors of cultural activity subject to federal jurisdiction that are suitable for collective bargaining; to certify artists' associations to represent independent entrepreneurs working in these sectors; to hear and decide complaints of unfair practices filed by artists, artists' associations and producers; and to prescribe appropriate remedies for contravention of the Act.

Employees	Revenues	Budgetary Appropriations
10	\$0.0	\$1.7

Canadian Centre for Occupational Health and Safety

MANDATE To promote the fundamental right of Canadians to a healthy and safe working environment by creating a national institute concerned with the study, encouragement and co-operative advancement of occupational health and safety for the benefit of all working Canadians.

Employees	Revenues	Budgetary Appropriations
87	\$5.8	\$2.3

Canadian Centre on Substance Abuse

MANDATE To provide a national focus for efforts to reduce health, social and economic harm associated with substance abuse and addictions.

Employees	Revenues	Budgetary Appropriations
23	\$1.9	\$0.6

Canadian Environmental Assessment Agency

MANDATE To administer the federal environmental assessment process established by the Act and its regulations; to provide administrative and advisory support for environmental assessment review panels, comprehensive studies and mediators; to promote the uniformity and harmonization of environmental assessment activities across Canada at all levels of government; and to ensure opportunities for meaningful public participation in the federal environmental assessment process.

Employees	Revenues	Budgetary Appropriations
95	\$3.5	\$11.6

Canadian Forces Grievance Board

MANDATE To determine the relevance and validity of grievances referred to it by the Chief of the Defence Staff by conducting investigations, summoning witnesses and holding hearings.

Employees	Revenues	Budgetary Appropriations
67	\$0.0	\$9.0

Canadian Grain Commission

MANDATE To represent the interests of Canadian grain producers, to establish and maintain standards of grain quality and regulate grain-handling in Canada to ensure a dependable commodity for domestic and export markets; and to respond to and resolve producer and industry concerns.

Employees	Revenues	Budgetary Appropriations
805	\$41.7	\$20.7

Canadian Human Rights Commission

MANDATE To promote equality of opportunity and to protect individuals from discrimination based on race, national or ethnic origin, colour, age, religion, sex, sexual orientation, marital status, family status, disability, or conviction for an offence for which a pardon has been granted; and to achieve equality in the workplace and to correct the conditions of disadvantage in employment experienced by women, Aboriginal peoples, persons with disabilities, and members of visible minorities.

Employees	Revenues	Budgetary Appropriations
223	\$0.0	\$17.5

Canadian Human Rights Tribunal

MANDATE To inquire into complaints of discrimination and to decide if particular practices have contravened the *Canadian Human Rights Act*.

Employees	Revenues	Budgetary Appropriations
17	\$0.0	\$2.9

Canadian Institutes of Health Research

MANDATE To deliver federal support for health research conducted across Canada, to foster use of research results and to provide leadership in the coordination of national research resources and response to Canadian health research issues.

Employees	Revenues	Budgetary Appropriations
172	\$1.0	\$430.5

Canadian Intergovernmental Conference Secretariat

MANDATE To provide administrative services for the planning and conduct of First Minister, Minister and Deputy Minister level federal-provincial-territorial and provincial-territorial conferences.

Employees	Revenues	Budgetary Appropriations
30	\$1.1	\$3.7

Canadian International Trade Tribunal

MANDATE To conduct investigations and inquiries and to make findings and, as directed, recommendations on matters affecting Canada's commerce and international trade, and to decide on taxpayers' appeals from government customs and excise tax assessments and determinations.

Employees	Revenues	Budgetary Appropriations
94	\$0.0	\$8.7

Canadian Nuclear Safety Commission

MANDATE To regulate the development, production and use of nuclear energy in Canada; the production, possession, use and transport of nuclear substances; the production, possession and use of prescribed equipment and prescribed information; to implement measures respecting international control of the development, production, transport and use of nuclear energy and nuclear substances, including measures respecting the non-proliferation of nuclear weapons and nuclear explosive devices, and to disseminate scientific, technical and regulatory information concerning the activities of the Commission and the effects, on the environment and on the health and safety of persons, of the development, production, possession, transport and use referred to above.

Employees	Revenues	Budgetary Appropriations
482	\$37.1	\$49.1

Canadian Polar Commission

MANDATE To monitor, promote and disseminate knowledge of the polar regions; contribute to public awareness of the importance of polar science to Canada; to enhance Canada's international profile as a circumpolar nation; and to recommend policy direction to government.

Employees	Revenues	Budgetary Appropriations
5	\$0.0	\$1.0

Canadian Radio-television and Telecommunications Commission

MANDATE To regulate and supervise all aspects of the Canadian broadcasting system, as well as the telecommunications services providers and common carriers that come under federal jurisdiction; and to ensure that Canadians have access to integrated communications services and to the resulting economic, social and cultural benefits, through balanced regulation, monitoring and dialogue with the public, in accordance with the *Broadcasting Act*, the *Telecommunications Act* and related legislation.

Employees	Revenues	Budgetary Appropriations
405	\$30.6	\$39.0

Canadian Secretariat-North American Free Trade Agreement

MANDATE To implement the dispute settlement provisions of the North American Free Trade Agreement, the Canada-Israel Free Trade Agreement, and the Canada-Chile Free Trade Agreement, by providing support to panels established under the relevant agreements and by maintaining a court-like registry system relating to panel, committee and tribunal proceedings of the relevant agreements.

Employees	Revenues	Budgetary Appropriations
13	\$0.3	\$2.3

Canadian Transportation Agency

MANDATE To make decisions on a wide range of matters affecting Canadian transportation; to license rail and air carriers; to resolve transportation rate, service and other complaints in the rail, air and marine modes; to remove undue obstacles to the mobility of persons with disabilities who use the federally regulated transportation network; to implement transportation policy as established by Parliament; and to be the aeronautical authority for Canada on matters related to the economic regulation of air carriers.

Employees	Revenues	Budgetary Appropriations
271	\$0.0	\$24.3

Citizenship Judges

MANDATE To ensure that applicants for citizenship can exercise their right to become citizens; to render decisions regarding applications for citizenship; to promote the concepts and values of citizenship; and to preside at citizenship ceremonies.

Employees	Revenues	Budgetary Appropriations
19	\$0.0	\$1.9

Civil Aviation Tribunal

MANDATE To hold review and appeal hearings at the request of interested parties with respect to certain administrative actions taken by the Minister of Transport that may include the imposition of monetary penalties or the suspension, cancellation, or refusal to renew a Canadian aviation document on medical or other grounds.

Employees	Revenues	Budgetary Appropriations
8	\$0.0	\$1.0

Commissioner for Aquaculture Development

MANDATE To provide recommendations and advice on how Canada can increase its aquaculture production through environmentally sustainable use of aquatic resources and the production of high quality and safe fish and seafood with a view to generating wealth and employment for Canadians.

Employees	Revenues	Budgetary Appropriations
11	\$0.0	\$1.0

Competition Tribunal

MANDATE To hear applications and issue orders related to the civil reviewable matters set out in Parts VII.1 and VIII of the *Competition Act*, whose purpose is to maintain and encourage competition in Canada, and to ensure that firms compete fairly and markets operate efficiently.

Employees	Revenues	Budgetary Appropriations
14	\$0.0	\$1.5

Copyright Board

MANDATE To establish the royalties to be paid for the use of copyrighted works, when the administration of such copyright is entrusted to a collective-administration society; to supervise agreements between users and licensing bodies, to issue licenses when the copyright owner cannot be located; and to determine the compensation to be paid by a copyright owner to a user when there is a risk that the coming into force of a new copyright might adversely affect the latter.

Employees	Revenues	Budgetary Appropriations
10	\$0.0	\$1.9

Financial Transactions and Reports Analysis Centre of Canada

MANDATE To implement specific measures to detect and deter money laundering and to facilitate the investigation and prosecution of money laundering offences; to respond to the threat posed by organized crime by providing law enforcement officials with the information they need to deprive criminals of the proceeds of their criminal activities while ensuring the appropriate safeguards are in place to protect personal privacy; and to assist in fulfilling Canada’s international commitments in the fight against transnational organized crime.

Employees	Revenues	Budgetary Appropriations
100	\$0.0	\$22.5

Governor General’s Office

MANDATE To provide optimal support to the Governor General in the fulfillment of constitutional, institutional and ceremonial roles and responsibilities as Canada’s Head of State.

Employees	Revenues	Budgetary Appropriations
158	\$0.0	\$16.5

Hazardous Materials Information Review Commission

MANDATE To provide a trade secret protection mechanism within the Workplace Hazardous Materials Information System (WHMIS) at the federal, provincial and territorial levels. WHMIS is a nation-wide program created through a consensus of labour, industry and government and is designed to provide Canadian workers with the information they need to protect themselves from the harmful effects of hazardous (or potentially hazardous) materials used in the workplace, while minimizing any adverse effects on industry and the economy's capacity to generate wealth and employment.

Employees	Revenues	Budgetary Appropriations
34	\$0.6	\$2.9

House of Commons

MANDATE The House of Commons is Canada's major law-making body.

Employees	Revenues	Budgetary Appropriations
1,400	\$0.0	\$275.0

Immigration and Refugee Board

MANDATE To make determinations on refugee claims made in Canada; to act as an appeal tribunal for appeals from sponsorship refusals, from removal orders, and appeals by the Minister in the course of an inquiry; and to adjudicate immigration inquiries and detention reviews.

Employees	Revenues	Budgetary Appropriations
250	\$0.0	\$37.8

Inspector General of the Canadian Security Intelligence Service

MANDATE To provide independent advice to the Solicitor General about the legality and appropriateness of the Canadian Security Intelligence Service's operational activities and its compliance with operational policies.

Employees	Revenues	Budgetary Appropriations
9	\$0.0	\$0.7

International Centre for Human Rights and Democratic Development

MANDATE To defend and promote the universal value of human rights and democracy, and to emphasize advocacy and capacity building with a focus on democratic development, women's rights, indigenous people's rights and globalization and human rights.

Employees	Revenues	Budgetary Appropriations
27	\$0.0	\$5.3

International Joint Commission

MANDATE To prevent and resolve disputes between Canada and the United States of America concerning transboundary water and environmental issues pursuant to the Boundary Waters Treaty of 1909.

Employees	Revenues	Budgetary Appropriations
37	\$0.0	\$7.4

Law Commission of Canada

MANDATE To study and keep under systematic review, in a manner that reflects the concepts and institutions of the common law and civil law systems, the law of Canada and its effects.

Employees	Revenues	Budgetary Appropriations
11	\$0.0	\$3.0

Library of Parliament

MANDATE To ensure the provision of comprehensive and reliable information, documentation, research and analysis to Parliamentarians on a non-partisan, timely and confidential basis.

Employees	Revenues	Budgetary Appropriations
208	\$0.0	\$22.8

Military Police Complaints Commission

MANDATE To monitor and review complaints about the conduct of the military police in the performance of their policing duties or functions, and to deal with complaints of interference in military police investigations.

Employees	Revenues	Budgetary Appropriations
24	\$0.0	\$3.0

National Archives of Canada

MANDATE To serve both the Government of Canada, as a centre of expertise in the management of essential records of governance, and Canadians, by conserving and facilitating access to private and public records of national significance. The Archives also serves Canadians as it strives to be a centre of leadership in client-focussed and service-oriented archival development, nationally and internationally.

Employees	Revenues	Budgetary Appropriations
614	\$0.1	\$50.8

National Battlefields Commission

MANDATE To conserve and develop the historic and urban parks that make up the National Battlefields in the city of Quebec and to promote and provide quality services to visitors.

Employees	Revenues	Budgetary Appropriations
50	\$0.9	\$7.1

National Energy Board

MANDATE To regulate, in the public interest, those areas of the oil, gas and electricity industries relating to: the construction and operation of pipelines and of international and designated interprovincial power lines; traffic, tolls and tariffs of pipelines; exports of oil, gas and electricity and imports of gas and oil; oil and gas activities on frontier lands not subject to a federal/provincial accord.

Employees	Revenues	Budgetary Appropriations
286	\$30.6	\$29.9

National Farm Products Council

MANDATE To review the operations of four farm product marketing agencies and to dovetail federal/provincial/territorial authority over farm product marketing granted to agriculture groups.

Employees	Revenues	Budgetary Appropriations
17	\$0.0	\$2.2

National Film Board

MANDATE To initiate and promote the production and distribution of films in the national interest and, in particular, to produce and distribute and to promote the production and distribution of films designed to interpret Canada to Canadians and to other nations; to engage in research in film activity and to make available the results thereof to persons engaged in the production of films; to advise the Governor in Council in connection with film activities; and to discharge such other duties relating to film activity as the Governor in Council may direct the Board to undertake.

Employees	Revenues	Budgetary Appropriations
490	\$8.9	\$60.6

National Library

MANDATE To develop, preserve and make accessible collections to support its own services and those of other Canadian libraries; to create and maintain a national resource sharing database listing the holdings of Canadian libraries; to compile and publish the national bibliography; to coordinate federal library services; to transfer and dispose of surplus library materials from other federal departments; and to enter into agreements relating to library services with other institutions.

Employees	Revenues	Budgetary Appropriations
425	\$0.0	\$36.2

National Parole Board

MANDATE To make decisions about the timing and conditions of release of offenders to the community on various forms of conditional release, and to make pardon decisions, and recommendations for clemency through the Royal Prerogative of Mercy.

Employees	Revenues	Budgetary Appropriations
381	\$0.6	\$27.9

National Research Council of Canada

MANDATE To create, exploit and disseminate scientific and technical knowledge and build Canada's system of innovation in order to improve the social and economic well being of Canada.

Employees	Revenues	Budgetary Appropriations
2,180	\$56.6	\$544.1

National Round Table on the Environment and the Economy

MANDATE To play the role of catalyst in identifying, explaining and promoting, in all sectors of Canadian society and in all regions of Canada, principles and practices of sustainable development.

Employees	Revenues	Budgetary Appropriations
28	\$0.0	\$5.4

Natural Sciences and Engineering Research Council

MANDATE To promote and assist research in the natural sciences and engineering, other than the health sciences; and to advise the Minister in respect of such matters relating to such research as the Minister may refer to the Council for its consideration.

Employees	Revenues	Budgetary Appropriations
264	\$0.5	\$606.9

Office of the Chief Electoral Officer

MANDATE To be prepared at all times to conduct federal general elections, by-elections and referendums; to carry out public education and information programs; and to provide support to the federal electoral boundaries commissions.

Employees	Revenues	Budgetary Appropriations
210	\$0.0	\$36.5

Office of the Commissioner of Competition

MANDATE To promote and maintain competition in the market place.

Employees	Revenues	Budgetary Appropriations
382	\$7.5	\$22.3

Office of the Commissioner of Federal Judicial Affairs

MANDATE To administer Part I of the *Judges Act* by providing judges with salaries, allowances and annuities in accordance with the *Judges Act*; to prepare budgetary submissions for the requirements of the Federal Court of Canada, the Tax Court of Canada and the Canadian Judicial Council; to provide administrative services to the Canadian Judicial Council; and to undertake such other missions as the Minister may require in connection with any matters falling, by law, within the Minister's responsibilities for the proper functioning of the judicial system in Canada.

Employees	Revenues	Budgetary Appropriations
45	\$11.7	\$273.2

Office of the Coordinator (Status of Women Canada)

MANDATE To coordinate policy with respect to the status of women and administer related programs.

Employees	Revenues	Budgetary Appropriations
116	\$0.0	\$21.2

Office of the Correctional Investigator of Canada

MANDATE To function as an ombudsman for federal offenders.

Employees	Revenues	Budgetary Appropriations
19	\$0.0	\$2.0

Office of the Ombudsman for the Department of National Defence and the Canadian Forces

MANDATE To provide a neutral, independent oversight mechanism to address issues or complaints received from current and former military members and civilian defence employees and their families.

Employees	Revenues	Budgetary Appropriations
55	\$0.0	\$5.4

Office of the Superintendent of Bankruptcy

MANDATE To supervise the administration of all estates and matters to which the Bankruptcy Insolvency Act applies.

Employees	Revenues	Budgetary Appropriations
265	\$21.0	Part of appropriations for Industry Canada.

Office of the Superintendent of Financial Institutions

MANDATE To regulate and supervise all banks, and insurance, trust, loan and cooperative credit societies that are licensed or registered by the federal government; to supervise federally regulated private sector pension plans; and to provide actuarial and other services to the Government of Canada.

Employees	Revenues	Budgetary Appropriations
443	\$56.5	\$1.7

Office of the Treaty Commissioner in Saskatchewan

MANDATE To facilitate and coordinate effective, efficient, and orderly discussions on a range of treaty issues in a bilateral process between the Government of Canada and the Federation of Saskatchewan Indian Nations.

Employees	Revenues	Budgetary Appropriations
6	\$0.0	\$0.6

Patents and Trade-marks

MANDATE To grant Canadian patents and ensure that information is made available to promote the exploitation of innovative technologies; to maintain the quality of the Trade-mark Register; and to encourage the disclosure of trade-mark information.

Employees	Revenues	Budgetary Appropriations
620	\$80.0	\$0.0

Public Service Commission

MANDATE To safeguard the values of a professional Public Service: competence, non-partisanship and representativeness; to ensure the appointment of qualified persons to and within the Public Service; to provide recourse and review; and to deliver training and development programs.

Employees	Revenues	Budgetary Appropriations
1,329	\$11.7	\$111.2

Public Service Staff Relations Board

MANDATE To effectively and efficiently administer the systems of collective bargaining and grievance adjudication established under the *Public Service Staff Relations Act* and the *Parliamentary Employment and Staff Relations Act*, as well as certain provisions of Part II of the Canada Labour Code concerning occupational safety and health applicable to employees in the Public Service; and to administer the *Yukon Public Service Staff Relations Act* and Part 10 of the *Yukon Education Act*.

Employees	Revenues	Budgetary Appropriations
55	\$0.0	\$5.8

Royal Canadian Mounted Police External Review Committee

MANDATE To provide external review of appeals of formal discipline, appeals of discharge or demotion, and certain types of grievances referred to it by the Royal Canadian Mounted Police.

Employees	Revenues	Budgetary Appropriations
5	\$0.0	\$0.8

Royal Canadian Mounted Police Public Complaints Commission

MANDATE To receive complaints from the public about the conduct of RCMP members; to conduct reviews when complainants are not satisfied with the RCMP's disposition of their complaints; to hold hearings and investigations; and to report findings and recommendations.

Employees	Revenues	Budgetary Appropriations
34	\$0.0	\$3.8

Senate

MANDATE The Senate can initiate bills and can amend or reject bills; and it investigates and reports on important public issues.

Employees	Revenues	Budgetary Appropriations
630	\$0.0	\$52.5

Social Sciences and Humanities Research Council

MANDATE To promote and assist research and scholarship in the social sciences and humanities; to advise the Minister of Industry regarding such matters related to research as the Minister may refer to the Council for its consideration.

Employees	Revenues	Budgetary Appropriations
135	\$0.4	\$160.8

Supreme Court of Canada

MANDATE To provide a general Court of Appeal for Canada that reviews cases coming from the provincial and territorial appellate courts and the Federal Court of Appeal in civil, criminal, constitutional and administrative law matters.

Employees	Revenues	Budgetary Appropriations
156	\$0.0	\$18.4

Transportation Safety Board of Canada

MANDATE To provide for the advancement of transportation safety in the federally regulated elements of the marine, rail, pipeline, and air transportation systems; to conduct independent investigations including, when necessary, public inquiries into transportation occurrences; and to make findings as to the causes and contributing factors of the occurrences and to identify safety deficiencies which in turn may result in recommendations designed to improve safety and reduce or eliminate risks to people, to property and to the environment.

Employees	Revenues	Budgetary Appropriations
235	\$0.0	\$24.1

Veterans Review and Appeal Board

MANDATE To hear, determine and deal with all applications for review and appeal that may be made to the Board under the *Pension Act*, the *War Veterans Allowance Act* and other Acts of Parliament; and to render decisions on reviews and appeals of disability pensions and final appeals on war veterans allowances.

Employees	Revenues	Budgetary Appropriations
135	\$0.0	\$10.6