

Government Orders

same time this two-year measure on increments will reduce costs by some \$400 million.

I might add that even in the years where there were zero increases in the existing legislation for wages the actual wage bill was going up at about 3 per cent because of the increments.

Though Bill C-17 does not allow the government to shorten or lift the freeze—it is not in the wording that we see before us—the government has made a very clear commitment to do so if efficiency savings in operating costs by December 31 of this year warrant it. Therefore we will make the decision on the freeze and our opportunity to lift the freeze, if it can be done, in the run-up to the 1995 budget.

The government is initiating a review of its operations, I think it is important to point out, to generate efficiency savings, reduce overlap and duplication, and eliminate low priority programs. The review for which my ministry will be responsible is intended to produce results by the end of December for use in the planning of the 1995 budget.

The Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal will lead with one component of the review that will focus on government programs, the roles and responsibilities. It will determine what services the government should provide and what services the taxpayer can in fact afford. It will also seek to eliminate overlap and duplication both within the federal government and among other levels of government and to reduce or eliminate programs that are no longer a priority. The efficiency component of the review will concentrate on increasing the efficiency of government operations. The emphasis will be on how to deliver existing services more cheaply.

We have invited public service unions to contribute to the review with a focus on efficiency at two levels: national unions working on issues with the Treasury Board secretariat on governmentwide savings, and local components of the unions working with departmental management on efficiency savings in each department in each locale in the country.

My parliamentary secretary, the hon. member for Ottawa West, is meeting with union representatives this week to explore the most productive ways for them to participate in the review. We hope the review will generate savings over and above the restraint measures that this and previous budgets have put in place.

The added savings from changing government programs will be available for such purposes as reducing the deficit, reallocating funds to other major programs or shortening the length of the wage freeze. The government's decision on what to do with these savings will be part of the 1995 budget.

The government believes that unions, managers and employees share a common desire to serve Canada well. We therefore want to put before the public service unions and the employees a broad range of issues for them to consider at various times and in various forums. The unions have proposed several of these issues for joint resolution. Management will suggest others.

● (1035)

Here are some examples. For years the issue of contracted services has been a bone of contention among public service unions, managers and government. The unions see it as an attack on their members, while others consider it a cost effective way of doing business. We want to look at all aspects of the issue and make the best decisions for the people receiving our services and for taxpayers.

I have made a commitment to provide the Standing Committee on Government Operations with detailed information on contracting for services in the federal government. I have suggested to the committee that it undertake a broad review of the subject, here again opening to members of Parliament the opportunity to be involved in the decision making process.

In announcing the decision I wish to thank my parliamentary secretary, the hon. member for Ottawa West. Through the years of the previous government she and other members from the national capital region kept Parliament's interest in the public service alive. I know they are ready to make a strong contribution to the committee, as will members from across the country. After all, the public service is not just an Ottawa institution. I should point out that two-thirds of its members are located outside the national capital region in all parts of Canada.

The parliamentary committee may wish from time to time to examine other public service issues. The government remains committed to its employees and to their employment security. We intend to stabilize public service employment levels as much as we can. Nevertheless we must have the flexibility to make program adjustments as the needs of Canadians evolve.

Accordingly we will seek to make some modifications to the existing workforce adjustment directive, but we shall do so with the public service bargaining agents through the negotiation process that is now in place. They want changes as well.

Let me deal with pension management for a moment. There are compelling reasons for fundamental reform of major federal public service pension plans. The Public Service Superannuation Act, for example, is more than 40 years old and subject to criticism from several quarters. Plan members seek greater security of benefits. Taxpayers see the unlimited indexing of benefits as overly generous. The Auditor General has advocated changes to the plan's funding arrangements. Public service unions seek a greater voice in designing and managing the plan.