Federal Government Structure & Functions

Legislative Process

Canada is a constitutional monarchy, a federation and a democracy. Responsibility for governing at the federal level is shared by the Legislative, Executive and Judicial branches of the federal government.

- The Legislative Branch of government is composed of the Queen and two Houses of Parliament: the House of Commons and the Senate. The House of Commons has 301 seats, held by Members of Parliament elected by their constituents. The 105 Senate seats are appointed by the government of the day and selected from across Canada.

- The Executive Branch is composed of the Prime Minister, Cabinet and the Public Service.

- The Judicial Branch is the court system, with the highest legal authority resting with the Supreme Court.

Together, the Legislative and Executive Branches create the laws of Canada. Ministers propose legislation, which goes through a detailed process of review, debate, examination and amendment through both chambers (House of Commons and Senate) en route to final approval, which is Royal Assent.

Parliamentary Committees

Parliamentary committees are made up of Members of Parliament from all parties of the House of Commons. There are four types of Parliamentary Committees:

- Standing Committees focus on government policy, with each Committee responsible for one or more departments or agencies of government. There are also joint House-Senate committees and specialist standing committees which review overarching, long-term issues that cut across departments (e.g. Public Accounts Committee);
- Special Committees are set up to examine specific issues (e.g. pensions);
- Legislative Committees, although rarely used, are established to examine specific government bills after they have passed a second reading;
- Committees of the Whole are composed of all members from either the House or the Senate and take place in their respective Chambers.

Cabinet controls these Committees because the Chair and majority of members of the Committees are from the governing party. The exceptions are the Public Accounts Committee and the Standing Joint Committee, which are chaired by a member of the Opposition.
Executive Branch

The Executive Branch of government is made up of those who propose policies and bills – the Prime Minister and Cabinet - and those who carry them out - the Public Service.

The Prime Minister is the head of decision-making in the federal government. These decision-making powers are safeguarded by staff in both the Prime Minister’s Office (PMO) and the Privy Council Office (PCO).

The Prime Minister appoints the Cabinet from amongst elected members of his or her party. The current Cabinet is made of 28 ministers whose work is assisted by 11 Secretaries of State. Ministers also have Parliamentary Secretaries assigned to assist in managing the Minister’s House business.

Ministers represent their portfolios in the House and table legislation affecting their departments as necessary. They are accountable to the House for all actions carried out in their names.

The Cabinet Committees make all major policy decisions. Currently, there are Cabinet Committees for Social Union, Economic Union, Government Communications, Treasury Board, Special Committee of Council, and Public Security and Anti-Terrorism. Only the Treasury Board is established by legislation, the others are established at the discretion of the Prime Minister.
Cabinet Committees review proposals from individual Ministers and forward written recommendations to the entire Cabinet for ratification. If ratified proposals have expenditure implications that go beyond the approved budget allocations for a particular department, the proposal must also receive the approval of the Treasury Board.

Two fundamental considerations are built into the decision-making process: collegiality and the scarcity of ministerial time. Once a decision is made in Cabinet, it is supported by all Ministers of the Crown; if not, the dissenting Minister is considered to have violated the principle of collegiality and could be asked to resign from Cabinet.

Two types of documents are presented to Cabinet. A Memorandum to Cabinet requests a decision on an issue and an Aide-Memoire is prepared to inform Cabinet on an issue.

The Public Service is the third largest component of the Executive Branch. Public servants work to translate the declarations and definitions of public policy into actions.

The judiciary in Canada is independent of Cabinet, Parliament or any other state institutions. This impartiality allows the courts to interpret laws vis-à-vis the Constitution and the Charter of Rights and Freedoms.

**Policy Process**

The federal government can be seen as a marketplace for national stakeholders’ interests, including the business, labour, voluntary and institutional sectors and the provinces, as represented by politicians, departments and officials. Like any other healthy marketplace, its vital activities include trading, competing, sharing, collaborating and learning among the participants.

There is no legislated basis for the federal policy-making process. The Prime Minister and government of the day are free to change the process in any manner. However, the
The fundamental nature of federal decision-making, like most complex processes, has several issues built into it. Power flows from, and is largely centralized with, the Prime Minister who is able to declare a consensus achieved through a Cabinet discussion even if only a few loyal Ministers support his or her view. At the same time, Ministers are expected to represent their department and the interests of its constituencies as are senior bureaucrats whose careers in part depend on how well they help define, advocate and implement their Minister’s agenda.

A policy proposal usually starts out as a concept born of some issue or political principle. It is then developed through a process of research and design and, notably, through negotiation with many stakeholders inside and outside of government. Once Cabinet or a lower level of authority decides upon the policy proposal, it goes through more adjustments to ensure feasibility in the implementation process.

The system is more or less sequential in that there are a series of carefully defined steps through which each new policy or idea must pass in order to be approved and implemented. If Ministers or the Prime Minister feel a sense of urgency, or there is an unplanned window of opportunity in the Cabinet agenda, many critical steps can be taken quickly, skipped over or dealt with at the same time.

The vast majority of federal government decisions are made at the bureaucratic level within a hierarchical framework of policies decided by Cabinet and individual Ministers. Medium-sized and highly political or visible decisions will usually be taken only with the Ministers’ approval. If the decision is important enough, the Prime Minister and/or Cabinet will be involved.

The government’s policy- and decision-making process is not inherently participatory but consultation often takes place on both a formal and informal basis. Most decisions are made behind closed doors, based on the consultations and advice that particular decision-makers choose to seek.
New initiatives require the approval of the Minister, or if they imply a major change in policies or programs, the approval of Cabinet.

The Minister's political staff, senior department officials, related departments and central agency portfolio managers are the key players at this particular stage. Policy research, design and negotiation are usually undertaken by a mixed team of policy and operational staff under the supervision of an Assistant Deputy Minister (ADM) or Director General (DG).

Proposals undergo extensive research, design and redrafting as a result of consultation by the department with other departments, provinces, central agencies and affected stakeholders.

The original department prepares the final draft of the proposal for signature by their Minister, and the final version is submitted to the appropriate Cabinet Committee. If the proposal is not an initiative of the Minister, but comes from within the department or a constituency of the department, the process may take longer.

### Example of Policy Process in Ontario

The formal decision-making process in Ontario is centred on the Executive Council, commonly known as the Cabinet. The Cabinet committee system provides a political structure and process for managing the numerous and complex decisions requiring Cabinet approval. Cabinet committees may be established by legislation or at the direction of the Premier or Cabinet.

The formal policy process is comprised of five distinct stages:

**Setting the Policy Agenda.** Most policy issues are identified through periodic policy planning exercises, initially involving ministries and central agencies, and culminating in Cabinet’s approval of a strategic policy agenda. The desired product and timing for items on the policy agenda are conveyed to ministries, which are then accountable for producing the required Cabinet submission.

**Policy Development.** The responsible ministry develops the policy proposal in consultation with Cabinet Office and the Premier’s Office, consulting with other ministries with an interest in the issue, and following the format and process for a Cabinet submission.

**Policy Review.** Cabinet Office schedules the item on the agenda of one of the Cabinet policy committees (P&P only, or a P&P sub-committee and then to P&P for policy review). A Minister signs the Cabinet submission. The ministry prepares a Cabinet committee presentation to accompany the Cabinet submission. The Minister or ministry representative presents highlights and a proposed course of action to the committee, which in turn makes recommendations to Cabinet for final approval.

**Policy Approval.** At Cabinet, the Premier and Ministers can express their views on an initiative fully and frankly in the process of finalizing the decision. Ministry officials are rarely invited to attend. Under the doctrine of collective responsibility, all Ministers support all decisions taken by Cabinet. The convention of Cabinet confidentiality protects discussions in Cabinet from public disclosure, except where a public statement is expressly authorized.

**Implementation Approvals** Approved policy items with financial or staffing implications return to the ministry for preparation of a Management Board submission for further financial and administrative review. Once approved by Management Board, the proposal proceeds to Cabinet for confirmation.

Treasury Board Secretariat

The Treasury Board Secretariat (TBS) manages the government’s financial, personnel and administrative responsibilities. It is responsible for:

- preparing the government’s expenditure budget and monitoring program spending in departments;
- establishing the terms and conditions under which the Public Services attracts and retain the staff it needs to do its works; and,
- providing policy frameworks in accounting, audit and evaluation, contracting, financial management, information technology, real property, and regulatory affairs for the government’s administrative practices and for its assets.

Members of the Treasury Board consist of:

- Hon. Reg. Alcock, President of the Treasury Board and Minister responsible for the Canadian Wheat Board;
- Hon. Ralph E. Goodale, Minister of Finance;
- Hon. Lucienne Robillard, Minister of Industry and Minister responsible for the Economic Development Agency of Canada for the Regions of Quebec;
- Hon. Denis Coderre, President of the Queen’s Privy Council for Canada, Federal Interlocutor for Métis and Non-Status Indians, Minister responsible for La Francophonie, and Minister responsible for the Office of Indian Residential Schools Resolution;
- Hon. Stephen Owen, Minister of Public Works and Government Services; and
- Hon. Stan Kazmierczak Keyes, Minister of National Revenue and Minister of State (Sport)

The Hon. Reg Alcock, President of the Treasury Board of Canada carries out his responsibility for the management of the government by translating the policies and programs approved by Cabinet into operational reality, and by providing departments with the required resources and administrative environments.

The alternate members are:

- Hon. James Scott Peterson, Minister of International Trade
- Hon. Irwin Cotler, Minister of Justice and Attorney General of Canada; and
- Hon Denis Paradis, Minister of State (Financial Institution)

Source: http://www.tbs-sct.gc.ca

Federal Budgetary Process

The fiscal year of the federal government begins on April 1st. The budget planning process begins 12 to 18 months before the beginning of the fiscal year, when the Department of Finance submits economic forecasts to Cabinet.

Cabinet compares Finance’s forecasts with Treasury Board Secretariat projected expenditures to determine budget policy. While doing this, Cabinet must balance pressures from interest groups, other Members of Parliament, the media and the public about the programs and services that government should be funding. Cabinet communicates the broad parameters of the upcoming budget to the Treasury Board (e.g. prepare for cuts, stay the course, or get ready for new spending in the following areas.)
Treasury Board creates a budget letter providing an overview of the fiscal stance that Cabinet is preparing for the fiscal year. This letter is sent to all departments. Each department then enters into negotiation with the Treasury Board Secretariat concerning the spending levels for the upcoming year. As part of the process, each department must submit a business plan to the Treasury Board Secretariat.

These business plans serve as the key communications instruments between departments and the Treasury Board Secretariat. In the past, business plans focused largely upon proposed expenditures for the upcoming year. They now include the department's strategies, goals and targets and measures for program and management changes over a three-year period.

When agreement has been reached between the departments and Treasury Board, the latter prepares the Estimates, called the Blue Book, which constitutes the government's formal request to the House of Commons for funds to operate in the upcoming fiscal year.

Estimates have several components:

- Part I is the government's expenditure plan and provides an overview of federal spending;
- Part II is called the Main Estimates and contains detail about funding requests for all departments and agencies. It lists the resources required to deliver the programs for each department and agency in the upcoming fiscal year. Parts II and I are usually tabled in February.
- Part III of the Estimates is been split into two parts: Reports on Plans and Priorities (RPPs), tabled in the Spring and Departmental Performance Reports (DPRs), tabled in the Fall. This is part of the Improved Reporting to Parliament Project, intended to strengthen planning and accountability.
When approved by Parliament, the Estimates become the Appropriation Act for that year.

**Key Steps in the Federal Budgeting Process**

- March-June: Preparation and review of departmental business plans
- June: Cabinet review of priorities
- September-October: Cabinet review of budget consultation targets and conducting of consultations
- November: Economic Update Statement by the Minister of Finance; Tabling of departmental Performance Reports
- December-January: Cabinet review of budget strategy
- January-February: Final Cabinet decision on budget
- February-March: Budget speech and tabling of Estimates

**Caucus**

Once members of a recognized political party are elected (or appointed, in the case of the Senate), they become part of a national caucus.

Each of the parties has a national caucus, consisting of all Members of Parliament in the party. There are also sub-caucuses within the full caucus, such as provincial or regional, women’s, rural Toronto and Montreal caucuses etc. The variety of sub-caucuses varies by party. Policy positions, draft legislation, political strategy and other topics related to the work of Members of Parliament are all discussed in caucus.

Government members discuss all policy issues quite frequently, during informal sessions among members, with ministers in formal and informal settings, and in party caucuses. Caucus members initiate strategies and develop policies, including directing the work of Party Research Offices. Research is an essential component of the caucus function.

The structure of the caucus is quite important. Backbenchers who chair internal committees of the caucus are often on their way to more important positions and tend to have the ear of the Ministers. Cabinet will often present an issue to caucus for discussion, in preparation for bringing in legislation, or for a major decision even if no legislation is required. Officials (bureaucrats) do not attend caucus, so the discussion can be quite freewheeling. Caucus is also an occasion for Members of Parliament to raise concerns or questions with Ministers or register the views of their constituents.

Members of Parliament who can swing key ridings or a group of ridings tend to have more influence than backbenchers with safe seats. Regional Members of Parliament may have particular influence in certain policy areas of a regional nature, (e.g. the appointment of regional representatives to government boards, advisory councils, etc.)

Example of a Government Caucus

The Government Caucus on Post-Secondary Education and Research works within the National Caucus on Social Policy and is comprised of a group of Members of Parliament and Senators who have a special interest in federal involvement in post-secondary education. The Caucus meets and corresponds with post-secondary and research interest groups and assists them in communicating their views within the federal system. The Government Caucus Chair on Post-Secondary Education and Research is Mr. Peter Adams, Member of Parliament (Peterborough).

Party Caucuses

http://www.liberal.ca
http://www.canadianalliance.ca
http://www.pc.parl.gc.ca
http://www.ndp.ca
http://www.blocquebecois.org

Departments and Agencies

The number of departments and agencies in the federal government fluctuates largely at the will of the Prime Minister, with the consent of Parliament. There are presently over 60 different organizations, with most departments or agencies responsible for designing policies, delivering programs to the public and managing the regulatory aspects of government. Some, such as Public Works & Government Services, provide internal services to government.

Source: http://www.edu.psc-cfp.gc.ca/tdc/learn-apprend/psw/hgw/how-gov3_e.htm

Central Agencies

The Privy Council Office (PCO) supports the Prime Minister and acts both as advisor on major issues of the day and as secretariat support for decision-making by Cabinet and Cabinet Committees. The Prime Minister’s Office (PMO) and the PCO complement each other: The PMO is partisan, politically oriented, and yet operationally sensitive while the PCO is non-partisan, operationally oriented, and yet politically sensitive. The Clerk of the Privy Council, who is the most senior Public Servant, heads the PCO and functions as Deputy Minister to the Prime Minister, Secretary to Cabinet and Head of the Public Service.

Source: http://www.pco-bcp.gc.ca

The Department of Finance Canada is responsible for providing the government with analysis and advice on the broad economic and financial affairs of Canada. Its responsibilities include preparing the federal budget; preparing tax and tariff legislation; managing federal borrowing on financial markets; administering major federal transfers to provinces and territories; developing regulatory policy for the financial sector; and, representing Canada within international financial institutions.

Source: http://www.fin.gc.ca
A **Crown Corporation** is a government-owned company whose mandate usually relates to industrial, commercial or financial activities. The first type of crown corporation includes corporations that are commercial but without direct competitors, or those that are not self-sufficient and therefore receive government funding (such as the National Capital Commission). The second type is made up of corporations that operate competitively and are not ordinarily dependent on government funding for operating purposes and are expected to pay dividends to government (e.g. Canada Post and the Royal Canadian Mint).

Source: http://www.tbs-sct.gc.ca/ccpi-pise/polgui_e.asp

**Arms Length Agencies and Partnerships** were created to provide better programs and services to Canadians. Alternate service delivery (ASD) is the current umbrella term for this quest. Possibilities are now opening up for private-public or community-state partnerships, for operational divisions that do not need to be part of a department, and for services that can be performed more efficiently at arms length to government (e.g. the Canadian Food Inspection Agency and NavCanada)

Source: http://www.evergreen.edu/library/govdocs/canagency.html

---

**Ministries**

**Industry Canada**

Industry Canada ([http://www.ic.gc.ca/cmb/welcomeic.nsf/icPages/DepartmentStructure](http://www.ic.gc.ca/cmb/welcomeic.nsf/icPages/DepartmentStructure)) has jurisdiction over policy issues regarding: industry; trade and commerce; science; consumer affairs; corporations and corporate securities; competition and restraint of trade, including mergers and monopolies; bankruptcy and insolvency; intellectual property; telecommunications; investment; small business; and regional economic development across Canada. The Minister is also responsible for the economic elements of Canada’s Innovation Strategy.

Industry Canada delivers approximately 150 programs, services and regulations designed to benefit a diverse client base across Canada. Industry Canada Portfolio Programs include the Atlantic Canada Opportunities Agency (ACOA), the Business Development Bank of Canada (BDC), Canada Economic Development for Quebec Regions (CED), Western Economic Diversification Canada (WD), Social Science and Humanities Research Council of Canada (SSHRC), and the Federal Economic Development Initiative for Northern Ontario (FedNord).

**ACOA** works with its many partners to help entrepreneurs in Atlantic Canada access the capital they need to start-up or expand a business. ACOA also coordinates programs designed to stimulate the development and commercialization of new technologies and the climate for business growth generally in the region. These programs include the: Business Development Program; Community Business Development Corporations; Atlantic Innovation Fund; Strategic Community Investment Fund; and, the International Business Development Agreement.

The **Business Development Bank of Canada (BDC)** plays a lead role in delivering financial and consulting services to Canadian small business, with a particular emphasis on technology and exporting. Programs include the Micro Business Program, the Young Entrepreneur Financing Program, the IDEA-SME Fund, Student Business Loans Program, Growth Capital for Aboriginal Business, and NEXPRO.
Canada Economic Development for Quebec Regions (CED) programs include IDEA-SME, Regional Strategic Initiatives (RSI), Community Futures Program, Canadian Rural Partnership, Program for Export Market Development (PEMD), Multimedia Experimentation Fund, and regional initiatives.

The mandate of Western Economic Diversification Canada (WED) is to promote the development and diversification of the economy of Western Canada and to advance the interests of the West in national economic policy. WED is involved in several new innovative partnerships with both the public and private sectors to address the information and financing needs of small and medium-size businesses in Western Canada.

The Federal Economic Development Initiative for Northern Ontario (FedNor) promotes economic growth, diversification, job creation and sustainable, self-reliant communities in Northern Ontario by working with community partners and other organizations to improve small business access to capital, information and markets. FedNor is also committed to helping traditionally under-represented populations (i.e.: Aboriginals, Francophones, women and youth) participate more fully in economic development.

The National Research Council Canada Industrial Research Assistance Program (NRC-IRAP) provides value-added technological and business advice, financial assistance and a range of other innovation assistance to Canadian small- and medium-size enterprises.

The Natural Sciences and Engineering Research Council of Canada (NSERC) supports research in universities and colleges and research-based innovation. It awards scholarships and research grants through peer-reviewed competition, and by building partnerships among universities, colleges, governments and the private sector.

The Infrastructure Canada Program (ICP), in partnership with provincial, territorial and local governments, First Nations and the private sector, helps to renew and build infrastructure in rural and urban municipalities across Canada.

The Prime Minister appoints Parliamentary Secretaries to assist the Minister. The Parliamentary Secretaries are:

- Hon. Joseph McGuire, Minister of Atlantic Canada Opportunities Agency;
- Hon. Lucienne Robillard, Minister responsible for the Economic Development Agency of Canada for the Regions of Québec;
- Hon. Rey D. Pagtakhan, Minister of Western Economic Diversification;
- Hon. Joseph Comuzzi, Minister of State (Federal Economic Development Initiative for Northern Ontario

Human Resources Development Canada (HRDC)

On December 12, 2003, the Prime Minister announced a new federal cabinet structure. In support of the new structure, the Department of Human Resources Development Canada was divided into two new entities:

Department of Social Development and the Department of Human Resources and Skills Development.
Service to Canadians will be uninterrupted during this time of transition. We will continue
to deliver all our services, and clients can continue to access all our programs and
services as they have in the past—by telephone, through this Web site, and by contacting
our 320 offices across the country.

**The Department of Social Development**

The Department of Social Development is mandated with breaking down barriers to
equality of opportunity for Canadians. Among other things, we are responsible for
helping families with children, supporting people with disabilities and ensuring that
seniors can fully participate in their communities. We provide the policies, services and
programs for Canadians who need assistance in overcoming challenges they encounter
in their lives and their communities. This includes income security programs, such as the
Canada Pension Plan. We are a client-centred organization, committed to continually
improving service delivery for Canadians.

**The Department of Human Resources and Skills Development**

The Department of Human Resources and Skills Development (HRSD) is responsible for
providing all Canadians with the tools they need to thrive and prosper in the workplace
and community. We support human capital development, labour market development
and are dedicated to establishing a culture of lifelong learning for Canadians. Among our
clients are employees, employers, individuals receiving Employment Insurance benefits,
students and those who need focused support to participate in the workplace. HRSD
provides federal-level management of labour and homelessness issues, and supports
students and communities through the Canada Student Loans Program and Community
Economic Development initiatives.

- Hon. Joseph Volpe, Minister of Human Resources and Skills Development

**The Secretariat, Official Language Minority Communities (SOLMC)** is mandated to
coordinate the efforts of HRDC in implementing section 41 of Part VII of the Official
Languages Act. HRDC consults minority language communities on an ongoing basis
through SOLMC, which ensures close cooperation among the regions, various divisions
at National Headquarters and other departments to support local projects.

The **Aboriginal Relations Office (ARO)** is responsible for HRDC’s Aboriginal
Programs. ARO is committed to working in partnership with Aboriginal peoples and their
communities to increase their members’ employability and to create job opportunities -
on reserves, as well as in rural and urban areas across the country. The Aboriginal
Human Resources Development Strategy (AHRDS) is a five-year, $1.6 billion initiative
which came into effect in April 1999. The Strategy allows Aboriginal organizations across
the country to design and implement labour market programs and services for Aboriginal
people in their communities. Aboriginal organizations are able to deliver not only labour
market programs, but programs for youth, persons with disabilities and child care for
First Nations and Inuit as well. The Strategy also allocates $30 million, over five years,
for capacity-building efforts. It also includes a $28.5 million youth component with an
emphasis on Aboriginal and Inuit Youth facing multiple barriers to employment.
**Agriculture and Agri-Food Canada**

The Minister of Agriculture and Agri-food is responsible for all matters relating to agriculture. This includes supporting agricultural productivity and trade, stabilizing farm incomes, encouraging research and development, and being responsible for the inspection and regulation of animals and plant-life forms. The Minister has been assigned responsibility for coordinating rural development and enhancing the quality of rural life.

Six organizations fall within the portfolio of the Minister of Agriculture and Agri-Food:

- The Department of Agriculture and Agri-food Canada (AAFC)
- The Canadian Dairy Commission (CDC)
- The Farm Credit Canada (FCC)
- The Canadian Food Inspection Agency (CFIA)
- The National Farm Products Council (NFPC)
- The Canadian Grain Commission (CGC)

The **Rural Secretariat** is a focal point for the Government of Canada to work in partnership with Canadians in rural and remote areas to build strong, dynamic communities. Located in Agriculture and Agri-Food Canada, the Rural Secretariat:

- provides leadership and coordination for the Canadian Rural Partnership;
- facilitates liaison and creation of partnerships around rural issues and priorities; and
- promotes dialogue between rural stakeholders and the federal government.

The **Canadian Rural Partnership** is designed to support rural community development by adopting new approaches and practices to respond to rural development issues and concerns. There is a **Rural Team** in each province, and three territories, made up of representatives from federal departments and agencies. The Rural Team Canada approach invites all stakeholders to be part of building partnerships, networks and alliances to address key rural issues.

The **Canadian Rural Information Service** was developed to help people in remote and rural communities locate Government of Canada programs and services, through the Internet, toll-free telephone access and in-person access centers across Canada. For more information visit the Pocket Directory of Rural Programs and Services.