



OFFICE OF THE
PARLIAMENTARY
BUDGET OFFICER
BUREAU DU DIRECTEUR
PARLEMENTAIRE DU
BUDGET

**Cost Estimate for Bill
S-209: An Act to
amend the Official
Languages Act
(communications
with and services to
the public)**

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www.pbo-dpb.gc.ca

The mandate of the Parliamentary Budget Officer (PBO) is to provide independent analysis to Parliament on the state of the nation's finances, the Government's estimates and trends in the Canadian economy; and, upon request from a committee or parliamentarian, to estimate the financial cost of any proposal for matters over which Parliament has jurisdiction.

The Finance Committee of the House of Commons has directed the PBO to prepare cost estimates of all private member's bills placed on the order of precedence, that have been deemed fiscally material by the PBO.

This cost estimate was prepared by the staff of the Parliamentary Budget Officer. Please contact pbo-dpb@parl.gc.ca for further information.

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1. Background

This private member's Bill amends Part IV (Communications with and services to the Public) of the *Official Languages Act*. The objective of this legislation is to better align the Regulations of the Act with the "fundamental purpose of the Official Languages Act, which is to enhance the vitality and protect the rights of official language minority communities".¹ It requires an increase in the availability of bilingual federal services and communications by broadening the basis for determining whether there is significant demand. It does this by requiring services to those members of the public who are *able to communicate* in the minority official language rather than only those whose First Official Language Spoken² is the minority official language. The enactment also specifies locations where federal institutions have a duty to provide communications and services in both official languages, and provides for a review of the regulations enacted under Part IV of the Act after every decennial census.

This cost estimate deals only with Part 3 of the Bill, changes in the definition of significant demand. While there are costs associated with implementing the other parts of the Bill, the PBO has deemed that they are not material.

The *Official Languages Act* ensures equality of status and equal rights and privileges for the use of English and French in all federal institutions, including in communicating or providing services to the public and in carrying out the work of federal institutions.³ Specifically, it gives members of the public the right to communications with and receive services from institutions in the official language of their choice in the National Capital Region; at the head office of institutions; where the nature of the office justifies bilingual services; and where there is significant demand. S. 32 of the Act permits the government to make regulations prescribing how and where federal institutions must provide services in one or both official languages, including the circumstances in which there is significant demand.

Significant demand is determined using the official language minority population census data of a place where an office is located, using a methodology for estimating the First Official Language Spoken (FOLS). The FOLS is calculated by Statistics Canada giving consideration, first, to the knowledge of official languages, second, to the mother tongue, and third, to the language spoken at home. Statistics Canada also distributes equally, between French and English, the number of people for whom it is not possible to determine if French or English is the First Official Language Spoken.

Based on the latest decennial census, Statistics Canada presents this information in a series of tables that show the linguistic minority population by different geographical categories.⁴

2. Methodology

2.1. Baseline

After each decennial census, federal institutions are required to review the updated linguistic minority data and apply the rules prescribed in the Regulations to calculate any changes to the number of bilingual points of service.

In 2011, the linguistic minority population of Canada was 2,065,830. This population is then subdivided into geographic regions (provinces, census metropolitan areas, and census subdivision areas). Institutions use the demographics and language data of these geographical divisions to assist them in determining which of their existing points of service need to be bilingual.

2.2. Changes

Among other requirements, the Bill encourages the government to modify its definition of 'significant demand' from the official language minority as determined above, to all those who can communicate in the minority language (even if it isn't their mother tongue).

According to the 2011 census, 5,795,575 people in Canada had knowledge of both English and French. This is almost triple the number of people who have identified a minority language as their First Language Spoken.

If the provisions of this Bill related to communications in the minority language were fully implemented via the Regulations, it would result in a significant increase in the number of bilingual offices of federal institutions.

The Office of the Chief Human Resources Officer (OCHRO) at the Treasury Board Secretariat (TBS) maintains a Regulations Management System and Burolis, the federal government database which lists the language requirements of all federal points of service. After each decennial census, departments work with OCHRO to review the language obligations of their points of service. Institutions are then responsible for implementing these obligations.

It should be noted that the PBO did not undertake an independent cost assessment of this Bill. PBO considers the estimates provided by TBS to be reasonable.

In order to provide the PBO with a cost estimate of the Bill, the OCHRO ran simulations based on the 2011 Census data to estimate the number of offices subject to demographic rules that would be newly designated bilingual if “number of persons capable of communicating in the official language of the minority” was substituted to “first official language spoken” for the application of the Official Languages (Communications with and Services to the Public) Regulations.

The results of the simulation are shown below, as are the results of the cost estimate. The cost estimate is divided between implementation costs and ongoing costs. The basis of the implementation costs includes second language training for existing employees of certain offices, salary costs for employees to backfill those who are on training, signage, translation and publication costs. Ongoing costs include bilingual bonuses and training to maintain the second language capacity.

It should be noted that there are offices which are bilingual under rules other than demographic rules. The total universe of federal offices in 2015 was about 11,400. Approximately 4,000 were bilingual. This number includes offices which are bilingual based on the location or the nature of the office, such as offices in the National Capital Region, head offices or toll-free telephone numbers, but also all those offices that are designated bilingual under other rules, including demographic rules.

3. Results

The incremental cost of the implementation of the provisions related to the ability to communicate in the minority language contained in Bill S-209 is approximately \$146 million for one-time expenses, and approximately \$9 million ongoing, for the federal government. The cost to Canada Post is over and above this amount and is not available for public release.

3.1. Number of Bilingual Offices by Region

Region	Number of newly bilingual offices (KMOL) - demographic rules	Number of existing bilingual offices (FOLS) - demographic rules	Total number of bilingual offices after implementation of the Bill
Quebec	737	455	1192
Newfoundland and Labrador	60	18	78
Prince Edward Island	27	31	58
Nova Scotia	83	160	243
New Brunswick	40	271	311
Ontario	220	490	710
Manitoba	58	124	182
Saskatchewan	50	80	130
Alberta	97	157	254
British Columbia	279	192	471
Yukon	4	2	6
Northwest Territories	8	2	10
Nunavut	1	2	3
Total	1,664	1,984	3,648

Sources: Regulations Management System data as of January 20, 2016 and Canada Post data as of March 2015.

3.2. Number of bilingual offices by most affected institutions

Institutions most affected by the knowledge of the minority official language criterion	QUEBEC			REST OF CANADA			CANADA		
	Number of newly bilingual offices (KMOL) - demographic rules	Number of existing bilingual offices (FOLS) - demographic rules	Total number of bilingual offices after implementation of	Number of newly bilingual offices (KMOL) - demographic rules	Number of existing bilingual offices (FOLS) - demographic rules	Total number of bilingual offices after implementation of	Number of newly bilingual offices (KMOL) - demographic rules	Number of existing bilingual offices (FOLS) - demographic rules	Total number of bilingual offices after implementation of
Canada Post Corporation	659	195	854	470	379	849	1,129	574	1,703
Royal Canadian Mounted Police	1	15	16	180	162	342	181	177	358
Employment and Social Development Canada	37	35	72	74	109	183	111	144	255
Canadian Food Inspection Agency	2	17	19	34	56	90	36	73	109
Fisheries and Oceans Canada	3	12	15	33	54	87	36	66	102
Correctional Services Canada	8	24	32	24	77	101	32	101	133
Farm Credit Canada	4	10	14	25	28	53	29	38	67
Canada Border Services Agency	2	10	12	25	35	60	27	45	72
Business Development Bank of Canada	9	9	18	17	35	52	26	44	70
Canada Broadcasting Corporation	4	5	9	6	19	25	10	24	34
Defense Construction Limited	1	4	5	7	17	24	8	21	29
Atlantic Canada Opportunities Agency	0	0	0	7	17	24	7	17	24
Total in most affected institutions	730	336	1,066	902	988	1,890	1,632	1,324	2,956
Total in other affected institutions	7	119	126	25	541	566	32	660	692
Total for Canada	737	455	1,192	927	1,529	2,456	1,664	1,984	3,648

Sources : Regulations Management System data as of January 20, 2016 and Canada Post data as of March 2015.

3.3. Estimate of Incremental Costs from implementation of S-209

Distribution of costs for the results of the simulation of the application of the Regulations using the knowledge of the minority official language criteria for offices subject to demographic rules

		Implementation Costs (One-time)					Ongoing Costs (Yearly)		
Number of Newly Bilingual Offices*		Second Language Training (3 employees for 1,400 hrs)	Replacement Salary (1 FTE for approx. 12months)	Second Language Evaluation	Translation, Signage and Publications	Sub-total (sum multiplied by number of offices)	Bilingual Bonus (3 employees)	Training to Maintain Second Language (3 employees)	Sub-total (sum multiplied by number of offices)
In RMS**	499	\$130,200	\$80,000	\$950	\$2,000	\$106,361,850	\$2,400	\$7,200	\$4,790,400
DFO***	36					\$39,908,967			\$4,147,200
TOTAL	535					\$146,270,817			\$8,937,600

*Based on a 2016 simulation (Source: RMS data as of January 20, 2016 and Canada Post data as of March 2015)

**Regulations Management System (RMS)

***Fisheries and Oceans

Notes

¹ http://www.parl.gc.ca/Content/Sen/Chamber/421/Debates/033db_2016-05-05-e.htm?Language=E#47

² As defined by Statistics Canada, see below

³ <http://lois-laws.justice.gc.ca/eng/acts/O-3.01/page-1.html#h-2>

⁴ <http://www.tbs-sct.gc.ca/psm-fpfm/ve/ol-lo/mpol-pmlo/mpol-pmlopr-eng.asp>