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• (1100)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)): I call this meeting to order.

Welcome to meeting number 138 of the House of Commons Standing Committee on Government Operations and Estimates, also known, of course, as the mighty OGGO or the only committee that matters.

Before we start, as always, I have a nagging reminder for you to keep your headphones away from your microphones at all times so that we can protect the hearing of our very valued interpreters.

We are back with Mr. Anderson. Welcome back to OGGO, Mr. Anderson. We'll start you off with a five-minute opening. Hopefully, we'll get you for the whole hour today.

Go ahead, sir.

Mr. John Anderson (As an Individual): Thank you very much, and thank you very much for inviting me to appear here.

Good morning, everybody. My name is John Anderson. I'm a trade union researcher with PIPSC, which is one of the major federal unions. I'm here on my own behalf. I'm not here on behalf of PIPSC at all.

I'm a former policy and government affairs director—

[Translation]

Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ): Excuse me, Mr. Chair. Before the valiant witness goes any further, I'd like to inform you that there is no French interpretation.

[English]

The Chair: Bear with us one moment, Mr. Anderson.

[Translation]

Mr. Sébastien Lemire: The interpreter's microphone is on, but there may be a system-wide problem.

[English]

The Chair: Do you mind testing it, interpreters? It's working for me.

[Translation]

Mr. Sébastien Lemire: There's no background noise. It's as if the system is inactive on the French side.

[English]

The Chair: Mr. Lemire, we're going to try again. Can you let us know if it is working?

[Translation]

Mr. Sébastien Lemire: Very well, but that is still not the case.

[English]

The Chair: Okay.

I'm going to suspend for a moment.

• (1100)

(Pause)

• (1100)

The Chair: I call the meeting back to order.

I apologize, everyone. We are back.

Mr. Anderson, go ahead, please.

Mr. John Anderson: Thank you.

I am a former policy and government affairs director for the Canadian Co-operative Association, which is now called CMC. I was the vice-president of research for the Canadian Council on Social Development and also the former policy director for the federal NDP.

I've written extensively on the post office. In a study I did some 10 years ago for the Canadian Postmasters and Assistants Association, I found that Canada Post had shut down over 1,700 rural post offices since the 1980s. In spite of a 1994 moratorium on rural closures, the shutdowns continued.

I did a survey of 1,635 mayors, reeves and band chiefs where a post office has been closed that documented the effects on communities. While some communities saw their federally run post offices replaced with a franchise outlet, 53% of communities had no postal outlet of any kind. The closure of post offices was singled out by many respondents as another nail in the coffin of rural Canada. At the time, some 24% of communities expressed very high levels of dissatisfaction with the present postal service.

This survey, along with more than 10 years of work on postal issues, is contained in my recent, December 2023 book, *Why Canada Needs Postal Banking*, which is published by FriesenPress. One of the major studies that I did, which was included in this book, was for the Canadian Centre for Policy Alternatives in 2013. It was funded by the Canadian Union of Postal Workers.

The most recent annual report of Canada Post demonstrated that Canada Post has been losing money in recent years. Any quick fixes that involve cutting services will particularly affect rural Canada.

Ian Lee, a Carleton professor, recently had his proposal to fix the financial difficulties of Canada Post published in *The Globe and Mail* on May 28, 2024. His proposal contains a series of ideas linked to cutting delivery days, creating more community mailboxes, and privatizing and selling off government-owned post office outlets.

What's wrong with this proposal?

First, there are no parts of the proposal here to increase the revenue of existing services except by privatization and selling off the facilities or by worsening the delivery situation for millions of citizens and reducing the number of good-quality, unionized postal jobs.

Instead of these measures, we should start by ensuring that more parcel delivery is handled by Canada Post, which has the only Canada-wide delivery system, and less by big, foreign-owned private carriers. This would require agreements with major parcel producers and perhaps legislation, including extending delivery days and times.

Second, there are no proposals here to ensure that Canada Post has more revenue through new services. The Canadian Union of Postal Workers has proposed a whole series of measures from postal outlets and offices such as elder check-ins, community Internet services, food delivery, electric vehicle charging stations, and other community services such as government licences, passports and postal banking.

I want to expand on this last proposal of postal banking because of its importance to rural and remote post offices. Worldwide, over 84% of postal services already offer financial services, as a 2023 Universal Postal Union study indicates. There were 2.38 billion postal banking accounts worldwide in 2023, which is up from 1.96 billion in 2016.

To start with, postal banking existed before in Canada, for a hundred years after Confederation. It was actually started by the Conservative government of John A. Macdonald in 1868. It existed until 1968, when Canada and the U.S., which also had postal banking, both terminated postal banking services in that year.

Today, we're in a time when more and more local banking and credit union branches are being closed—many in rural and small-town Canada. We have gone from 7,964—almost 8,000—bank branches in 1990 to 6,300 in 2014, and only 5,600 in 2022. Those are the last figures that are available from the Canadian Bankers Association. It's probably gone down since then. We don't know, because they haven't published the 2023 figures yet.

• (1105)

Credit unions, except for Desjardins, also saw locations decline from 1,890 in 2015 to 1,643 in 2023. Desjardins went from 1,122 in 2015 to only 661 today, so there's been a major decline.

Many can do banking on the Internet, but it's hard to develop a relationship with banking employees to negotiate a mortgage or a

business loan over the Internet or deposit your daily business earnings if the branch is many kilometres away.

In another report that I did, “Why Post Offices—

The Chair: Mr. Anderson, I have to get you to wrap up.

Mr. John Anderson: Okay.

I'll just terminate here on this thing. I found that, in 2,620 small towns and rural communities with post offices, 45% did not have a bank branch.

I will stop here. The rest is contained in the notes that I sent out, and I'd be very happy to answer any questions on this issue. I think it's something that we should be doing in Canada. We should be getting back to it, and I think it's good all around. I don't think it's a partisan issue. I think it's something that is outside of partisan politics.

• (1110)

The Chair: Thanks, Mr. Anderson.

We'll start with Mrs. Block for six minutes, please.

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

I welcome you, Mr. Anderson, to our meeting.

We, too, have noted the continuous closure of rural post offices, despite the moratorium that you referenced in your opening remarks, which, I think, underpins one of the compelling reasons for undertaking this study. I represent a very large rural riding in Saskatchewan, and this is an issue that I'm well aware of. I have many constituents as well as many community leaders who are deeply concerned about the loss of their post office.

Not that I haven't heard about postal banking and the potential of it before, but I am intrigued by your presentation. If Canada Post were to take on the responsibility of postal banking, would every post office that exists in rural Canada and maybe even in urban Canada need the facilities to operate a bank and to operate as a bank? Is that one of your suggestions?

I guess, knowing the infrastructure deficit we have in rural Canada when it comes to post offices and now even retail outlets, it would seem that constructing the infrastructure needed to operate as a bank, such as vaults or teller desks, might be untenable for many communities. Could you address that issue as well?

Mr. John Anderson: I think it's important to note that if you're going to offer postal banking services, they could be introduced region by region, or they could be introduced all at once.

Certainly postal banking as it exists in, say, the United Kingdom or France, which are two of the big examples, is profitable for the postal services offering these financial services. The French postal bank, the Banque Postale, is one of the 50 largest banks in the world.

Certainly post offices right now already have computer hookup. There may be one or two that don't, but the vast majority of them have access to the Internet, and this is really what is needed to offer banking services. That's the prime attribute. Obviously, in the past, before that existed, it would have been more difficult, but now, with that, it is not difficult. In the past, they already offered various services. You could buy financial services. You can still buy a postal money order at a post office, for example. They already have mechanisms to deal with money, with funds, etc. Of course, those mechanisms would have to be enhanced, but I don't think that is a particularly difficult thing to do.

Plus, it's important to note that banking is a very prosperous industry. The big six banks in Canada last year made \$60 billion in profit, so there's money in banking. There's money in offering services in banking. I think that postal banking would be able to offer services at reasonable rates, and it would be able to do this.

I think this is something that can be delivered. Of course, there would have to be upgrading and training, but it's also possible nowadays to have online specialists to answer questions, etc.

Mrs. Kelly Block: Thank you very much.

You didn't get to the end of your opening remarks. I read them and I'm interested in hearing your opinion on the cancellation of the MyMoney Loan program that Canada Post undertook. I want to give you an opportunity to speak about that.

• (1115)

Mr. John Anderson: I was very disappointed by the rapid cancellation of that program, which only existed for a couple of months, really, as fully operational. Then it was cancelled. There was never a full explanation of why it was cancelled. I don't know whether you've had one here. Certainly, that was a step forward. I would welcome any steps forward by Canada Post in moving in the direction of financial services. I think they're all very important ones, and they're all ones that are going to help rural post offices in particular.

I think it's very important to note that there are so many communities now that do not have a bank branch of any kind anymore. I've interviewed mayors of communities who've said, "Oh, we had a plan to set ourselves up as a retirement community and now that's in danger because we don't have any bank branches anymore. The senior citizen residents we wanted to attract don't want to come here because we don't have a bank branch."

Therefore, I think it was a mistake to cancel that. If there was a problem, it should have been corrected. Canada Post still says it's going to offer more financial services. That's still the plan. We haven't seen those financial services yet, but I hope it moves forward in that direction.

Of course, I think the main thing to do is offer postal banking services. They can be offered in a number of different ways. In the U.K., postal banking services were introduced in a different way—

The Chair: Mr. Anderson, I'm sorry, but we're past our time. I'm sure that you can continue in another round.

Mr. Kusmierczyk, please go ahead, sir.

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

Thank you, Mr. Anderson, for being with us here today. Thank you so much for your testimony on postal banking and rural postal service, which is so incredibly vital and important to communities across Canada.

I had a chance to walk in the Labour Day parade this summer. I had a chance to walk with postal workers. I want to reiterate how incredibly hard-working, dedicated, committed and compassionate our postal workers are. The work they do is absolutely outstanding. I want to begin by sharing my gratitude for their hard work and commitment to delivering the mail and looking after our communities and neighbours.

I also want to add a bit of a high note today. The Bank of Canada and Stats Canada indicated today that the inflation rate has dropped down to 2%. That's eight consecutive months of low inflation within the Bank of Canada's target rate. That is good news for working families and residents across Canada.

Mr. Anderson, I want to ask you about the definition of "rural". We actually don't have a definition of "rural" in the 1994 moratorium. I want to begin by asking you, in your opinion, how we define "rural" when it comes to rural postal service.

Let's start off with some basics.

Mr. John Anderson: Well, I don't have a clear example of that.

It's important to always remember that Canada and Australia are the two countries that have the highest percentage of their citizens living in major urban areas rather than small towns or rural communities. We have a big tendency in Canada, because of that, to forget about the needs of rural citizens—small-town Canada and farm Canada. All of those areas are often forgotten.

That's why postal banking, to me, is a crucial element, particularly in a time when the major banks and credit unions—I worked for the Canadian Cooperative Association in the past, so I was close to credit unions—have both shut down many branches. This is not helpful. Those branches are shut down. Shutting them down is done primarily in small towns and rural communities. That's where the effect of this is the most severe. We have to reverse that. With post offices, we have the locations, the staff and the opportunity to develop postal banking without the kind of massive investment where we have to find a bunch of locations. We have locations. We have staff. We can move forward in that degree much faster than in a lot of other new government policies.

● (1120)

Mr. Irek Kusmierczyk: The reason I ask is that we heard at committee that previous jurisdictions, previous areas—like Milton, for example—were described or defined as rural. I think you'd be hard pressed to find someone defining Milton as a rural community these days, with its growing population.

Is it important, in your opinion, for us to maximize resource allocation to rural communities, and that we first begin with a proper definition of what a rural community is so that we can differentiate communities, like Milton, that were once rural but, I would argue, are now urban and suburban, versus communities, let's say, in other parts of the country that are truly rural? Is it important to have that definition, and can you help us maybe define that?

Mr. John Anderson: I think it's important. In Canada, as I mentioned before, we have to start by looking at the areas of Canada outside of the major CMAs, the major census metropolitan areas, as defined by Statistics Canada. Those are not rural and they take in, as per your example of Milton, that kind of community, but outside of that there is a whole area of Canada that is basically small-town and rural Canada. I think “rural”, of course, has to be defined. We're not talking about purely non-town areas. We're talking about small-town Canada. We're talking about Canada outside and away from these census metropolitan areas.

Mr. Irek Kusmierczyk: Okay.

I'll turn my attention to postal banking. I find the concept interesting, but I want to understand it a little bit better. Can you help me understand? What is postal banking? Are we talking about a full-shop, full-stop bank, like an RBC or Scotiabank that you see around the cities? Can you tell us what postal banking is and what types of services could be offered there?

Mr. John Anderson: In the final analysis, once it has been operating for a while, postal banking would offer all the major services that the traditional banks or credit unions offer. That doesn't mean that, from day one, they have to offer all of those services. Those services can be built up over time to offer those products.

Also, given the fact that we have the possibility of using the Internet, we can offer some services in a postal bank location via the Internet—for those who can get on the Internet but also for those who can go to a post office. I think it's something that.... Obviously, we've seen that in countries all over the world postal banking has been a large success. It's offered in slightly different mechanisms and certainly—

The Chair: I'm sorry, Mr. Anderson, but I'm going to have cut you off again because we're past our time. We have only a certain amount of time.

Colleagues, I ask that everyone leave a bit of extra time for Mr. Anderson to answer.

We go over to Mr. Lemire.

Welcome to OGGO, sir. Go ahead, Mr. Lemire.

[*Translation*]

Mr. Sébastien Lemire: Thank you, Mr. Chair.

I'd first like to thank you for your passion for postal services, Mr. Anderson. I think it's a subject that does indeed deserve the committee's attention and that also deserves more attention from the government.

I found the previous exchange particularly interesting, namely how to define rurality today.

As you know, I'm the Member of Parliament for Abitibi-Témiscamingue. It's a so-called rural region in northern Quebec. It's a six-hour drive from here. One of our challenges is to build a swimming pool in Rouyn-Noranda. It's the same in Ville-Marie, Témiscamingue. There are no federal funds for that.

Yet in Gatineau, just a few kilometres from here, right in the midst of an urban area of 1.6 million inhabitants, I noticed a sign in front of a building stating that it was built in 2010 thanks to the Municipal Rural Infrastructure Fund. This, I thought, was money that could have been invested in the Rouyn-Noranda swimming pool in my own region. The pool was too old, so it remained closed all summer, and my son couldn't train there. We're experiencing a problem stemming from the fact that the current definition of rurality includes cities like Gatineau. This bedroom community right next door to a major Canadian city is recognized as rural. I think that poses a significant problem.

That brings me to my first question. How can we currently highlight the importance of land occupancy, especially for the federal government? If land occupancy is a priority and it's important that the people who occupy that land obtain the services they need, I think the post office is a basic service.

● (1125)

[*English*]

Mr. John Anderson: I think it's really important for us to deliver equal services across the country to both our big, developed urban areas and rural or small-town Canada areas. I think that's extremely important. We have to make sure that everybody is getting equal treatment. In the example you gave, obviously, it seems that there's some confusion in terms of how funds are delivered. If Gatineau gets money out of some rural fund, that doesn't seem to me to be the proper way of using that money.

I think we have to do that. That's why I come back to postal banking and why I'm interested in that topic. As I mentioned, Canada is becoming a country where we have huge numbers of people living in these major cities and not enough people living in small-town Canada. I think this is an issue that other countries, for example European countries, don't have, but we have this issue in Canada. Australia has it even worse than we do, apparently. That's something we want to correct.

If we want to correct it, postal banking is important because we already have those institutions in every town. We already have, according to the last report, around 5,800 postal outlets across Canada, so we have an infrastructure that is already there and we can begin to add the delivery of financial services and allow people to get those kinds of issues.

I would single out small-town Canada, and I would also add to that indigenous Canada. In indigenous Canada, there are many post offices. In the over 600 communities there are hardly any bank branches, but they have post offices, so again, this is something that could help indigenous communities also.

Certainly, people need to have a bank branch. It's all very well to say you can do everything on the Internet, but if you want to get a mortgage, if you want to get a loan for your business, if you want to put cash you have through some business that you're operating into your account and if you don't have one in your community, that is a big difficulty.

I think this is something we should be doing and can do. We can encourage Canada Post to do much more than it is doing now as far as financial services are concerned.

[*Translation*]

Mr. Sébastien Lemire: I let you continue because I found it particularly interesting, but I would have liked to comment on several points. Let me just briefly mention them.

First, I met with the people from the postal union a few years ago to put forward another idea that would help diversify revenues and, above all, expand services in rural areas. Canada Post's truck fleet is probably the largest commercial fleet in Canada. If we were to electrify this truck fleet, not only would it be of great environmental benefit, but we'd also have charging stations in villages all over Quebec and Canada, making them accessible to tourists and other road users. As the user of an electric vehicle myself in Abitibi-Témiscamingue, I can tell you that this would be a considerable advantage.

As I'm almost out of time, I will ask a follow-up question about something I raised earlier.

You know how parliamentary committees work. Should we ask the government to consider a new definition of rurality and land occupancy in Canada to ensure better services? Would you make a formal recommendation?

[*English*]

Mr. John Anderson: I'm sure you have a recommendation around those issues, but certainly we have to have clear definitions of what is rural and what is urban.

As I said, in Canada it's not that difficult because we have these large CMAs, which you can name on the fingers of your hands, where most people, the vast majority of people, are living. They're not living in the small towns, and yet we're not growing small-town Canada and we're not providing it with the services that it needs. One of those services is postal banking, but that's also the case in some of the big urban areas, because in some of the big urban areas we have closed down the bank branches too.

• (1130)

The Chair: Thanks very much.

Mr. Bachrach, it's over to you for six minutes, please.

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): Thank you, Mr. Chair, and thank you, Mr. Anderson, for being with us for this study and bringing your experience.

I want to set aside the concept of postal banking for a second. It's a fascinating one, and I agree with your suggestion that it would be a great benefit to small communities, including indigenous communities, across the country. However, I'm interested in the trend when it comes to the closure of rural and remote post offices. What I've seen over the past couple of years in northwest B.C. is this trend from full-service post offices with Canada Post staff to franchises, to community mailboxes. That is the way Canada Post has essentially managed its budget, or cut its budget, on the backs of rural communities.

Is that a fair assessment of the trend that we're seeing? Canada Post claims to be respecting this moratorium, and yet we see hundreds of rural post offices closing. How is that possible?

Mr. John Anderson: You bring up an excellent point of the direction that Canada Post has been going in. It has not been reinforcing its Canada Post-owned post offices. One of the greatest examples is right here in Ottawa's Glebe neighbourhood, where you have a major post office, and then literally right across the street you have a post office in a pharmacy. The pharmacy's hours for the post office are very substantial. The post office hours for the Canada Post-owned post office are very small. Their hours are not extensive. You can't get service in the evenings, that kind of thing.

We have to go back on those issues, and we have to look at providing more and better services. We have to ensure that we don't close down post offices and we don't reduce the services that they're offering. What I'm proposing is that we offer more services in the post office in all kinds of outlets, whether they're owned by Canada Post directly or not. Obviously, the ones owned directly by Canada Post are important because usually they're substantial buildings, stand-alone buildings. They can easily have the place to increase the infrastructure and to offer banking services.

Mr. Taylor Bachrach: Canada Post has a revenue-neutral mandate. They essentially are given the mandate by the government to cover their costs through their operations. I think it's fair to say that in remote communities and very small rural communities, it's very difficult to imagine how the service could possibly pay for itself just on the basis of population and the volume of parcels. There are some fixed costs in operating a post office that probably can't be justified based on the volume.

Is one of the solutions to think about rural and remote communities differently from the rest of Canada Post's services? Should there be a different mandate for rural delivery in Canada where we think about it more as an essential service and less as something that has to recover 100% of its costs?

Mr. John Anderson: Well, I think that Canada Post has to look at itself as one entity, and it has to pay particular attention to rural and remote post office locations. Certainly, that's why I'm proposing postal banking, because postal banking is a very profitable business. For example, in 2023, La Banque Postale in France made \$1.4 billion Canadian in profit. I think that this would help. Offering postal banking services would help to have the money to fund services right across the board in communities where just delivering the services might not pay for all the operations. We have to look at the whole structure and see how we can look at new revenue-earning systems and functions that can help us deliver good-quality postal services in large cities and in small towns and rural areas.

• (1135)

Mr. Taylor Bachrach: Is that the only hope for rural postal service, that Canada Post has to find ways to generate more revenue? I'm thinking about rural transportation as the other analogous service where, instead of thinking about rural transportation as an essential service that's required in order for rural Canada to be part of the fabric of our country, the government keeps trying to find private sector partners that are somehow going to deliver money-losing services to sparsely populated regions.

Is something like postal banking the only hope for rural postal service?

The Chair: In 30 seconds, Mr. Anderson, please solve all of our problems.

Mr. John Anderson: It's not the only hope, but it's an important hope. Certainly, the government has to guarantee postal services to everybody. That has to be a guarantee whether Canada Post makes a profit or not.

The Chair: Thanks, Mr. Bachrach.

Thank you, Mr. Anderson.

We're now going to our five-minute rounds.

Mrs. Kusie, please go ahead.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you very much, Mr. Chair.

Thank you very much, Mr. Anderson, for being here with us today.

My questions today will be around the security of postal banking. Canada has some of the strongest regulations when it comes to

ensuring that its banking system remains secure. In your opinion, how could Canada's post offices be able to meet those regulations and ensure the continued safety of Canada's financial institutions?

Mr. John Anderson: I would give you the example of the United Kingdom, where it has only been a very short time—less than a couple of decades—since postal banking services were introduced in the United Kingdom and through all their post offices. I think they have managed to do that. As I said in the brief, when I was talking to one of the heads of the money services for the post office, he said, "I'd be very happy to come over here and show you how to do it." That's what he told me in an interview I did with him. I don't think we need to ask somebody from the United Kingdom to come over and show us how to do that in the post office, but we can look at how they've done it.

Certainly, what is also important to note is that the federal government has a number of banking services. The federal government has many banking institutions already, such as BDC, EDC, Farm Credit Canada, etc. It has many banking services and many highly trained and specialized people in banking services and security services, etc., so it's not that we can't find them; they're employed by the federal government through these institutions. Certainly, in setting up those services, the postal bank could use some of that expertise to ensure that we have a secure banking system.

Mrs. Stephanie Kusie: In your opinion, do post offices currently have the supplies, expertise and security to properly complete transactions and secure the money of Canadians?

Mr. John Anderson: I think they are already doing that. As I said, it obviously depends on the postal office location, but they do postal money orders and secure cash. In that situation, they're doing that already. For us to move to a more advanced system offering more services, it is possible. We were going to do that with the loans-based program, which was cancelled, so obviously they had thought about how they were going to deliver that, and they still have not explained why that program was cancelled.

It's possible to introduce those programs in a secure fashion. I believe we have the expertise. Sure, we are going to have to train people and upgrade people's training, but we already have employees we can do that with and we can introduce the services gradually so that we are able to handle those services. As I said, it has been done in other countries. These aren't the only places. New Zealand recently introduced a postal banking system, and many countries have had them for a longer period of time.

I believe we can do that. It's not something different. The federal government has huge financial services and has expertise in financial services, and certainly those services can be used to help structure postal banking services as well.

• (1140)

Mrs. Stephanie Kusie: Thank you for that.

You mentioned these services. For example, Canada Post is currently partnered with TD Bank, but going back to the security aspect, TD Bank in the United States was fined \$9 million for fraudulent transactions, with the potential of \$4 billion being involved in these fraudulent transactions. You point to bringing in the United Kingdom, but as I understand it, the United Kingdom is currently 90% privatized. Both Royal Mail and, if we look at France, La Poste are privatized.

In building on this idea of incorporating other countries where the banking is largely privatized, and considering the current security threats that exist, as indicated in the TD example that I gave, would you expect Canada Post to create more partnerships with Canada's banks or work independently?

Mr. John Anderson: Well, my personal—

The Chair: Mr. Anderson, I apologize, but there is not enough time left for a response, so perhaps you can get to it—

Mrs. Stephanie Kusie: There are seven seconds remaining.

The Chair: Mrs. Atwin, go ahead.

Mrs. Jenica Atwin (Fredericton, Lib.): Thank you, Mr. Chair.

Please feel free to answer Mrs. Kusie's question, if you can.

Mr. John Anderson: Personally, I think that the French postal banking system is the model I would prefer; however, a lot of the measures they undertook in the United Kingdom and in other places are partnerships they have done with private banks to deliver certain services.

I think that moving in the direction of postal banking services is what is key. There are different ways of doing it, but I think we can move in those directions. Certainly the partnership with TD could have been an interesting one; however, it was cancelled.

I think that any moves toward more financial services being delivered through the post office, with the post office controlling how they're delivered.... How those partnerships exist, of course, is up to decisions at a particular time of what can be done.

Mrs. Jenica Atwin: You mentioned moving toward this, but you also mentioned that, up until 1968, Canada and the U.S. had postal banking services.

Can you speak a bit about what that looked like in operation and perhaps your opinion on why we moved away from it in 1968?

Mr. John Anderson: I think that's a Ph.D. thesis there, a doctoral thesis for somebody, as to why Canada and the U.S. dissolved their postal banking services in the same year. Obviously, there were a lot of private sector financial institutions that were not happy with postal banking being delivered at all, so it was ended fairly abruptly. I don't think that was a good measure, but it was done at that time.

It's interesting to know that in the United States as well—it's not just in Canada—there's been a revival of postal banking issues. In fact, I went to the United States and heard Senator Elizabeth Warren and Senator Bernie Sanders, who are both advocates, as are many others, around postal banking issues in the United States. There's a move to reconstitute that, for the exact same reasons that we're talking about here: closure of rural banking branches and the

fact that you can't get banking services in large parts of the United States in the same way as you used to.

Mrs. Jenica Atwin: Thank you.

You mentioned your preference for the Banque Postale model versus the U.K. post office. There are also other examples, such as Japan, Bulgaria, the Netherlands and Brazil. Many have been privatized or shut down.

Can you explain the mixed success of postal banking internationally and why the introduction of postal banking has often led to privatization?

Mr. John Anderson: I think that postal banking is still an extremely fast-growing phenomenon worldwide. The latest report shows that, so it's not something that is shrinking; it's growing worldwide in terms of the number of banking accounts, etc.

How a postal bank is managed, and whether it is managed in terms of a partnership with the private sector or a state-owned institution, depends a lot on the politics of the day in that particular country and how people see those developments.

As I said, we've seen very successful postal banking. I point to the French model simply because, obviously, Canada has a particular affinity with France and looks at what's happening in France for good reasons. That is one place where it has been very successful.

Even in the U.K., where it's not as extensive a model and where they've had private sector banks run the services for the post office, it's still a situation where you can go into any post office in the U.K. and deposit money, withdraw money, open savings accounts and all kinds of things like that, which is extremely important and which you cannot do in Canada.

I think we can do it in a number of different ways. Which is the best way to do it? I said that I have my preference, but I think that any step forward in terms of postal banking is important. It's important mainly for small-town and rural Canada, but also even in big cities where we have banking deserts. You have to go to the downtown or the central area of many Canadian cities, and you will find very few banking branches anymore.

• (1145)

The Chair: Thank you very much.

Mr. Lemire, go ahead, please.

[*Translation*]

Mr. Sébastien Lemire: Thank you, Mr. Chair.

Mr. Anderson, I would like to continue discussing rurality and the impact of postal services in Canada.

One consideration, when looking at how to operate postal outlets, is the decentralization of services. The link seems obvious to me. You have to trust people in the regions to provide a multitude of services to ensure the survival of a postal outlet. In this context, a convenience store could enhance its services by also serving as a postal outlet, for example. According to your study, that would improve the postal services' profitability.

I'd like to mention a case I observed in my region, in Abitibi-Témiscamingue. A firm like SNC-Lavalin is awarded the contract to clear snow from post office boxes just about everywhere in Quebec. This has been the case for the past 10 years, at least in Abitibi-Témiscamingue. However, some mailboxes are not being cleared because the contractor acting as subcontractor has not been paid for nearly two years. Residents are the ones being penalized, as they can't pick up their mail. This impacts both residents and postal employees, such as letter carriers and postmasters.

This is the kind of reality we're experiencing in the regions since we no longer have lively, bustling postal outlets in every village. How can we provide these people with better services and ensure that they have access to their mail?

I'm also thinking of indigenous communities that can't access everything on the Internet because no delivery services are offered right to their homes.

Moreover, there are not enough post office boxes and in many cases, and Canada Post refuses to add any.

This is the kind of highly frustrating situation we face in the regions.

How could we ensure that people on the ground have a greater capacity to receive services and, ultimately, offer quality service to citizens?

Mr. John Anderson: Thank you very much for the question.

[English]

I think we have to ensure that we offer equal services to citizens in small-town and rural Canada. I'm interested in talking particularly about postal banking and other services the post office could offer because we already have that infrastructure. We don't have to create the infrastructure of the post office. It's already there. We have 5,800 postal outlets across Canada. They say it's dropped below 5,800, but let's say it's almost 5,800. That's a lot. I think McDonald's has like, I don't know, 1,600 burger shops in Canada. Canada Post probably has the largest number of retail outlets of anything in Canada or in Quebec—it doesn't matter where in Canada—so we can use those to offer these other services. We don't have to ask, how are we going to do that? Where are we going to put this service? No, we can build up those services and offer them through the post office, which already exists.

That's why I think it's something that we should go ahead with, because we can offer the services and we can see which ones are going to work and which ones are not going to work. We can test them out in different regions and then move on, on that basis.

The Chair: Thank you, Mr. Anderson.

Mr. Bachrach, go ahead, please.

• (1150)

Mr. Taylor Bachrach: Thank you, Mr. Chair.

A lot of the post offices in Canada are operated under Canada Post's "postmaster-provided" facility model, whereby the postmaster hired by Canada Post has to secure a facility themselves and provide it for Canada Post's use, and Canada Post pays a small stipend in lieu of rent, usually less than \$500 per month. The postmaster is required to insure the space, shovel the snow and deliver postal services.

I'm wondering about the compatibility of that model with postal banking, because right now what we're seeing is that the postmasters in these circumstances are very poorly compensated. When one of them passes away or for some reason leaves the position, Canada Post has a very difficult time recruiting new rural postmasters to fill those spots.

Thinking about postal banking, is that also not a rationale to return to the retail outlet model whereby Canada Post operates a post office that's owned by Canada Post, with Canada Post unionized staff, which provides services other than postal services, including postal banking and electric vehicle charging, that kind of thing? Do we need to look more at that model for small communities?

Mr. John Anderson: Definitely. I think we have to look at delivering equal services. If the model we have in terms of how the postal outlets are run is putting in danger those services, we have to try to correct that. I think that's obviously the case.

People have to be able to get the same kinds of equal services, and we have to make sure that postmasters who are running these services are treated equally. We've already seen the terrible crisis that occurred in the U.K. around that issue in terms of how some people were treated. However, I think that we can do this and make sure that we are funding adequately the delivery of rural services. Also, as I said, postal banking can help that because it can bring in additional revenue, which will allow the post office to have the ability to make sure that rural services are delivered in an equal fashion.

The Chair: Thank you, Mr. Bachrach.

We'll go to Mr. Brock, and then we'll finish with Mr. Bains.

Mr. Larry Brock (Brantford—Brant, CPC): Thank you, Chair.

Thank you, Mr. Anderson, for your attendance and your contribution to this study.

I have a couple of questions. I may not use all of my five minutes, but I'm going to read all the questions out to you and give you as much time as possible for your response.

I'm curious as to how the post office itself would compete with large Canadian banks across the country that already have the infrastructure and the name recognition and are well established. That's one question.

Would the new postal banking service rely on public funding? If the post office were offering loans while it is losing \$750 million a year, what funds would it be relying on to fund those loans?

Lastly, how much would it cost to set up the infrastructure required for postal banking?

Mr. John Anderson: Those are excellent questions.

Certainly, postal banking around the world has been in a situation where the postal banks have competed with traditional private sector banks. In the case of Canada, it's not just the private sector; it's credit unions. If you take Quebec, I think 70% or more of the citizens of Quebec use credit unions as their primary banking source.

There would be competition with existing models, but I think that competition is justified because banks and credit unions, particularly banks, have reneged on the services they're providing, particularly to rural Canada. You can just google any of the big banks and branch closures and you'll see what towns have been hit by the closure of branches in small-town Canada. It's a huge number on a regular basis. First of all, we need to challenge that, and postal banking is one of the ways of offering those kinds of services.

In the U.K.'s system, you can use your banking card with another bank to take out money at the post office. There are ways of accommodating someone who's a member of another bank, but it does offer a service that is extremely important, and I think we could deliver things.

Regarding the cost of that, in order to get the system running, we would temporarily have to borrow a small amount of money, but not a huge amount, because we already have an infrastructure. We don't have to buy buildings. We don't have to hire staff. We have to train staff and introduce programs slowly to make sure the services are accurate and are working well for the Canadians who would use them, but I think that would be repaid.

We've seen, in general, in terms of postal banking around the world, that it has been profitable. Because many people don't have access to other banking services, they would use those postal banking services. Right now, we've seen the form in which Canada Post was going to start off, which was a partnership with TD. They were going to work with TD to deliver some of the financial services through the post office.

There are different ways of doing it, and I think we can build that situation up to where we are able to offer postal banking services in a profitable manner. It's something that does not demand vast amounts of government money in terms of investment to do those things. We're in a new age of the Internet where a lot of these services can be delivered by trained personnel over the Internet, so it's not something where we have to figure out how we're going to deliver those services. We can teach somebody how to deliver a banking service over the Internet, and they can have contact with somebody in a central office.

We should be using, at the federal level, our trained banking experts in EDC, BDC, Farm Credit Canada, etc. We have this whole banking infrastructure in Canada, which is very large at the federal level and is owned by the federal government. It's not that we don't have anybody who knows what they're doing around banking services; we do.

• (1155)

Mr. Larry Brock: Thank you, sir.

The Chair: Thank you.

Mr. Bains, go ahead, please.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair.

Thank you, Mr. Anderson, for joining us today and, of course, recognizing the efforts and dedication of our hard-working Canada Post workers.

I'd like to touch upon some parts you may have touched on before. I'd like to ask a little bit about the required hardware, software, security and cybersecurity infrastructure capabilities that you believe you would be able to meet with respect to having a banking institution set up through Canada Post.

If we look at some of the security risks that are associated with the increasing challenges with technology, artificial intelligence, all of these things, we see that the protection of people's information has been compromised in certain corporate companies, such as London Drugs here in British Columbia. There have been some recent concerns around that.

What are your capabilities such that you think you'll be able to make sure that those risks are mitigated?

Mr. John Anderson: First of all, I would say that, already, Canada Post offices do handle money. They handle cash, give out postal money orders, etc., on a regular basis. Some of them do a lot of work in terms of that part of the business. They were moving toward offering loans through the post office. They had developed certain mechanisms there. I think we can easily rely on our federal banking infrastructure.

As I said, we have the BDC, EDC and Farm Credit Canada, which have expertise in the kind of software that is needed to develop loan programs and the equivalent of mortgage programs, etc. I think we have that expertise, and we can employ the latest technologies that are needed around those issues. That is not something with which we have no experience at the federal level.

• (1200)

Mr. Parm Bains: Do you feel confident with tapping into the existing safety measures, such as with cybersecurity, into whatever federal programs or technologies are available to easily transition into this sector and what your services would be?

Mr. John Anderson: We would have to go after the particular measures that are needed in terms of financial transactions. That is a particular area of cybersecurity. As I said, we have expertise at the federal government level.

Postal banking is done in many countries around the world. They have succeeded in doing this, and there have not been any particular issues in terms of postal banking that haven't been found anywhere else. Every so often, there's some issue in terms of private sector banks, but in general, private sector banks are capable of doing this, and so should the post office.

Mr. Parm Bains: Can you maybe shed light on some of the research you've done and explain the mixed success of postal banking internationally? What models have been very successful? Where have they been introduced and then led to privatization?

Mr. John Anderson: As I said, most European countries, if you want to start there, have successful postal banking institutions. Some are fairly recent and others have been around for a longer time. Some do not have them, but the majority do.

Of course, we have major countries, such as Japan and China, that have big postal banking institutions. One of Japan's largest banks is the postal bank. Certainly, those companies have been developed using postal staff, retraining them, and adding new people where necessary. I think it is something for which the track record in general is very good.

As I mentioned, some of the banks, like the Japan Post Bank, the French postal bank, and the Chinese one, are among the largest banks in the world.

The Chair: I'm sorry, Mr. Anderson. Can I get you to just wrap up? We're past our time.

Mr. John Anderson: I think we do have the capacities to do that. We can find the people and the programs that will make that secure around those issues.

The Chair: Thanks, Mr. Bains.

Mr. Anderson, thank you for taking the time to come back for a second appearance at OGGO. We appreciate everything.

We'll update the Canada Post report. I'm thinking it'll be maybe a week this Friday. We should probably have it updated by about a week from now. About a week after it is ready, we'll ask for recommendations, and then we'll find a time to actually do the report itself.

[*Translation*]

Mr. Lemire, you have the floor.

Mr. Sébastien Lemire: Mr. Chair, in light of what has been said, I think it would be good if one of the recommendations were for the government to provide a better definition of "rural region". That could be among the recommendations contained in the report.

[*English*]

The Chair: I think several members are probably already thinking that, on that point.

We're going to suspend for about five minutes to say goodbye to Mr. Anderson and get ready for the second part of our meeting.

• (1200) _____ (Pause) _____

• (1215)

The Chair: Colleagues, we need to approve a couple of our budgets, please. As usual, we'll never spend all the money, but it is our practice to ask for a certain amount.

The first one is for the Canada Post study, for \$1,000. Do we have approval for that?

(Motion agreed to)

The Chair: Perfect, thank you.

The second one is for the McKinsey study, for \$2,000.

(Motion agreed to)

The Chair: That is all approved—wonderful.

Go ahead, Mr. Genuis. I was going to get to the indigenous...but you go ahead.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Chair. I appreciate that we have some time set aside now to discuss the important issue of indigenous procurement and, in particular, some of the abuses of the indigenous procurement system that were much discussed in the media.

You recall that we had concerns about this at OGGO, dating back to the spring, which is why we put forward a motion. It was subsequently amended to both create a subcommittee to study the issue of indigenous procurement and also to request a series of documents that would have helped us understand a variety of issues, but in particular the issue of subcontracting.

The concern is that there is this program that should be designed to benefit indigenous communities, promote economic development and benefit indigenous peoples. However, there appears to be a lack of compliance with or verification of policies around subcontracting, so that what happens is that a very small, qualified indigenous company, maybe including one or two people, receives a contract and then en masse subcontracts the work to non-indigenous companies, so the indigenous communities are not benefiting. The only indigenous people benefiting are the one or two people at this company that simply receives contracts and then does the subcontracting. We also heard concerns about joint ventures between indigenous and non-indigenous companies, which qualify for the indigenous set-aside but substantively don't involve new employment or other economic opportunities for indigenous people.

More recently, just this summer, there were revelations in various media outlets about further abuses. People claimed the qualification of being indigenous and, therefore, the qualification of their companies as being indigenous but without being recognized by any indigenous organization, so that's a further example of abuses.

We started raising this issue in the spring, and in the documents we looked at there is a complete lack of tracking of these subcontracts. What is clear from the documents we received is, again, unfortunately, what I expected, which is that there are a small number of very small companies that are benefiting from this set-aside, whose primary business appears to be subcontracting and, in many cases, subcontracting in a way that provides no benefit back to the people who are supposed to be benefiting.

My preference is that we have a dedicated subcommittee to delve into this issue involving what the Prime Minister has called “the most important relationship”. However, after the motion passed to create the subcommittee, my understanding is that other parties didn't submit names for that subcommittee. I think there was also some confusion around the subcommittee motion and, from informal conversations with colleagues, my understanding is that there is a preference for these issues to be simply dealt with at OGGO instead of a subcommittee of OGGO. I'm comfortable with that as a compromise approach, provided that there is a willingness to do a meaningful study of this issue at this committee.

I think there are many different aspects we need to delve into on this, in a serious and substantive way: To what extent abuses have taken place, how have those abuses taken place and then, also, how is this policy aligning with what should be the objectives of the policy? I think Canadians expect that the objective of indigenous procurement policy is to stimulate opportunity and development for indigenous people. However, when I had an opportunity to ask Minister Hajdu about this, she rejected the premise. She said that the purpose of this policy is simply to verify indigeneity, not to measure or ensure positive economic outcomes for indigenous communities. I'm concerned by that, but even if the purpose of this program is merely to verify the indigenous identity of those who are applying for these procurement set-asides, recent revelations that came out this summer suggest that the program is not even doing that successfully.

• (1220)

I hope we'll be able to have a good, substantial and collaborative study on this issue that will give voice to indigenous Canadians, in particular, and some of the leading indigenous organizations that have been calling for further investigation and reforms here. That will also give us an opportunity to ask substantial questions of ministers and officials.

I'd like to put forward a motion that is different from the original motion. This is a motion not for a subcommittee but rather for a study to take place here. I think members will notice that this motion is not particularly prescriptive. It's relatively open-ended. It gives the committee an opportunity to respond to information that comes. In that sense, I don't think it's particularly controversial, but we'll see.

The motion is this:

That the committee study indigenous procurement and that as part of its study the committee invite the Minister of Indigenous Services of Canada along with relevant officials, the Minister of Public Services and Procurement along with relevant officials, the Minister of Crown-Indigenous Relations with relevant officials, leaders of indigenous nations and national indigenous organizations, and other witnesses submitted to the chair by committee members.

I provided it just this morning, but I believe it's available for distribution, and it has been translated, so the clerk will send it around to members in real time.

I hope this motion is fair and reasonable and will allow us to move forward with this important study in a collaborative and substantive way and help us get to some positive, constructive recommendations we can make.

Anybody who has read the news articles and has looked at the documents we've received, I think, will acknowledge that there is a significant problem here that does require some work, and hopefully we'll be able to do that work together.

The Chair: Thank you, Mr. Genuis.

I have a speaking order. I have Mrs. Vignola, and then Mrs. Atwin.

Go ahead, Mrs. Vignola.

[*Translation*]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you, Mr. Chair.

It is indeed important to study the issue. From what I've heard on the ground, people are required to show their card confirming their indigenous status if they want to get professional contracts in the U.S., but no such screening is done in Canada. So it's a good thing to make sure that the policy in place is truly targeting the right people.

I also agree with the idea of conducting the study at the committee rather than subcommittee level. We'll need to determine the right time to submit our suggestions for witnesses. The sooner the better, of course.

We also need to think about how many hours or meetings we want to devote to this study. We still have several other studies to complete, and all of them are important. I suggest that we determine the number of meetings we want to devote to them, for example two, three or four, to ensure that we can hear all the necessary witnesses. If necessary, we can revise this number, if we want to receive more witnesses.

I believe I need to propose an amendment to suggest a number of meetings, is that right?

• (1225)

[*English*]

The Chair: Were you looking to have a hard cap on the number of meetings, or a minimum?

[*Translation*]

Mrs. Julie Vignola: Excuse me, Mr. Chair, but there was no interpretation at all.

[*English*]

The Chair: Were you looking to set a maximum or a minimum?

[*Translation*]

Mrs. Julie Vignola: I think we could set a minimum number.

[*English*]

The Chair: Okay.

[*Translation*]

Mrs. Julie Vignola: It would leave us some leeway if, after four meetings, we wanted to add more.

[English]

The Chair: Would that be four?

[Translation]

Mrs. Julie Vignola: Yes.

[English]

The Chair: Okay.

We would keep everything the same, except that we would have at least eight hours of meetings.

Do we need to debate the amendment, or can we accept the amendment?

Mrs. Jenica Atwin: Can we just have a brief suspension so we can take a look at the wording specifically?

The Chair: Can we keep it really brief?

Perfect, we'll just suspend for a few minutes.

• (1225) _____ (Pause) _____

• (1230)

The Chair: We are back.

We are debating Mrs. Vignola's amendment to the motion about setting a minimum of four meetings, eight hours.

Go ahead, Mrs. Atwin.

Mrs. Jenica Atwin: Thank you very much, Mr. Chair.

It's clear that there's a lot of confusion about what this program is designed to do and how it operates, so we absolutely should study it. We're certainly in agreement with that. We would like to do it in our OGGO format and not the subcommittee. I think having four meetings makes sense as well.

I really feel, though, that hearing from indigenous leaders and heads of—

The Chair: Sorry. Because we're on the amendment and not the motion itself, and we're debating the amendment, if you're in agreement with the four meetings, can we just agree to that? Then we can actually debate. Then I'll turn the floor over to you to debate the actual motion.

Mr. Taylor Bachrach: She's leading up to something.

Mrs. Jenica Atwin: I'm leading up to something, as often happens.

Again, with the indigenous leaders piece, and those who are heads of indigenous organizations, I don't believe they would have a lot to contribute on this, outside of the program itself, but we want to hear from indigenous business owners and entrepreneurs. I think they would be able to really shed light on how this works, how they're benefiting. It's not specifically about communities. It's about individuals, those businesses and entrepreneurs, so I think that's where the confusion lies. Even the comment you mentioned about Minister Hajdu's response, it's because it's for individuals. Certainly there are benefits or spinoffs, I would say, for communities, for those living there, in hiring folks from their community, but it's about those individual businesses specifically.

I think we would like to amend the language to include those voices, so I would like to propose a subamendment.

The Chair: No, we're amending.... We're debating just the four hours part.

Mrs. Jenica Atwin: Can I amend her amendment, though?

The Chair: I think it's more because it's substantive. You're actually amending the motion itself, not Mrs. Vignola's amendment. You can amend hers to do a subamendment for six hours, not eight, but you can't do a subamendment to change the original motion when we're only debating the eight hours and four meetings from Mrs. Vignola.

We just have to agree to hers first—it sounds like it—and then you can do yours.

Mr. Irek Kusmierczyk: Can I just add one point of clarification?

I just wanted to clarify that this is a maximum of four meetings.

The Chair: No, it's a minimum.

Mr. Irek Kusmierczyk: Can we get clarification from Madame Vignola? I understood that it was a maximum of four meetings.

The Chair: No, it's at least four meetings.

Mr. Irek Kusmierczyk: Okay, it's a minimum of four meetings.

The Chair: We're just debating the amendment. If we can approve that, then we can get to Mrs. Atwin's amendment on the amended motion.

Are we in agreement, everyone, for the minimum of four meetings, eight hours?

Mrs. Jenica Atwin: No. I think we should have a maximum of four meetings. I really believe that as we get into this, the answers to your questions will be very apparent, and I don't believe we would need that many meetings, to be perfectly honest.

• (1235)

The Chair: I have Mr. Genuis and then Mr. Kusmierczyk on the amendment of four meetings.

Mr. Garnett Genuis: Respectfully, Mrs. Atwin has tried to characterize this as if I just have some misunderstanding of what's going on, and otherwise everything's fine.

I note that, in reality, the Assembly of First Nations, the Algonquin Anishinabeg Nation Tribal Council and the Assembly of First Nations Quebec-Labrador accused Ottawa of negligent management of the program and called for an audit to be done. In fact—and I'm quoting the article—“the president of Inuit Tapiriit Kanatami called the workarounds a form of identity theft and the 'next stage of colonization.’” According to prominent indigenous leaders in Canada, there are serious problems with this program. This isn't just Garnett Genuis or the Conservative Party raising concerns. These are indigenous leaders who have repeatedly publicly called for further action on and investigation into this. We are using the ability we have, as elected members of Parliament, to magnify their voices and concerns.

I think four meetings are a reasonable place to start, and we'll see where we are after that. We want to hear from ministers and elected leaders of indigenous organizations, as well as from individual entrepreneurs and businesses that are individual users of the program. Obviously, they have different kinds of testimonies to bring us. The representative organizations of indigenous people will be able to speak to broader community impacts, and particular entrepreneurs will be better positioned to speak to the experience of the entrepreneur engaging the program. Recognizing that we want to hear from—at least I think we want to hear from—those elected indigenous leaders, as well as entrepreneurs and people on the Government of Canada side responsible for this program, I think we can't be too limited in the number of meetings we have.

Recall that I was the one who initially proposed a subcommittee, which would allow us more time and flexibility to have multiple studies going on at once. Members didn't want to go that way—that's fine, but I think we need to recognize these realities.

I hope members of the government aren't suggesting that we would not want to hear from these representative indigenous organizations. Although they're not the direct users of the program, I think elected indigenous leaders have an important perspective to offer about what the impacts of this program are and should be, and some of the broader issues around how indigenous identity is defined and measured. I think we certainly would not want to exclude their voices from the conversation.

I think the amendment proposed by Mrs. Vignola is reasonable, and we'll be supporting it.

• (1240)

The Chair: Go ahead, Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: Thank you, Mr. Chair.

The PSIB is a vital program. We absolutely want to hear from indigenous leaders, but we also want to hear, absolutely, from indigenous entrepreneurs. We actually want to expand the scope of witnesses. We think this program is a good-news story, and we believe as well that it's important to always look for ways to improve programs, as we do in this committee in looking at all programs, so we welcome these meetings. We welcome the expanded scope of witnesses, but we firmly believe that having never-ending studies has an impact on the other studies that we are doing at this committee as well, which are equally vital and important to the work of this committee.

Therefore, I put forward a subamendment to Madame Vignola's amendment that calls for between four and six meetings, so there is a maximum of six meetings. It calls for between four and six meetings, or we can actually phrase it as “a maximum of 12 hours”. That way, there's flexibility in the scheduling.

The Chair: I'll go to Mr. Bachrach, and then Mr. Genuis.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

Mr. Kusmierczyk just offered two different ideas. Is it the latter one that the subamendment would read “12 hours”?

The Chair: It's a minimum of four, a maximum of six meetings, or 12 hours.

Mr. Irek Kusmierczyk: Yes, that is correct.

Mr. Taylor Bachrach: I think moving toward just defining the studies in terms of the number of hours of testimony gives the chair more flexibility in organizing meetings—if we have a half-meeting, for instance—so I'm fine with 12 hours.

The Chair: That's perfect.

Go ahead, Mr. Genuis.

Mr. Garnett Genuis: Chair, I guess my view would be that the public can see in the logic of Mr. Kusmierczyk's point that he is less comfortable with this issue being studied than he initially claimed to be. He said, “Oh, we welcome this discussion. We want to broaden the scope of witnesses who are going to be called, and we also want to constrain the number of meetings.”

This committee can consider its own agenda and the other motions that come up in terms of setting the agenda. I don't think asking for ministers, leaders of indigenous organizations, entrepreneurs and additional witnesses that members may suggest and confining that with a set limit on time, when the study has not yet begun, is going to make a lot of sense. We're going to be in a position where, likely, as this is going, we're going to have people we didn't think to call initially who are going to come forward with feedback, people who have had experiences. I think we're potentially putting ourselves in an awkward position if we say, “Well, 12 hours, but not 13,” even if a leader of a major national organization or a significant entrepreneur who's been affected by this wants to come in that thirteenth hour.

I don't support the subamendment. I think the amendment was sufficient, and that's how I'll be voting.

The Chair: Mr. Bachrach.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

Committees are masters of their own destiny. If we get to the maximum number of hours and we feel like the topic hasn't been sufficiently canvassed, we can certainly entertain a motion to extend it. I think just providing the chair and the clerk with some parameters around expectations is a reasonable way to go. It's certainly what we do at other committees. In the case of our beloved study on rural postal service, I would note that the number of meetings was understood as a maximum. It's not an open-ended study like some of our other studies. I just think it puts the committee in the driver's seat.

I agree with my colleague Mr. Genuis that there are outstanding questions about how this program has been managed. I think Canadians are interested in obtaining answers to those questions. Whether those answers can be made available in 12 hours of testimony, I have absolutely no idea, Mr. Chair. I'm willing to explore it and see where we get in 12 hours. If we get to that point and there are unanswered questions and outstanding concerns, then absolutely, I'll support extending the study beyond that.

The Chair: So it's 12 hours if necessary, but not necessarily 12 hours.

We said a minimum of four and a maximum of six meetings—a minimum of eight hours and a maximum of 12 hours. Is everyone clear on that? Okay.

(Subamendment agreed to)

(Amendment as amended agreed to)

The Chair: Perfect.

The motion has been amended. We're back to the original motion, as amended.

I know the comment you're making about witnesses. It does say “and other witnesses”, so that leaves it open.

Go ahead, Mrs. Atwin, on the amended motion.

Mrs. Jenica Atwin: On the amended motion, just for further clarity, the Minister of Indigenous Services absolutely can contribute to the conversation. I'm not sure how much the minister of PSPC or the Minister of Crown-Indigenous Relations could offer, so I propose that we strike that. After “Indigenous Services of Canada along with relevant officials”, we'll have “and other witnesses submitted to the chair by committee members.”

Then, just to have a timeline, we can say, “That the committee members submit witnesses for this study no later than Friday, September 20. That the committee report its findings and recommendations to the House; and that, pursuant to Standing Order 109, the committee request that the government table a comprehensive response to the report.”

I can send that around.

• (1245)

Mr. Taylor Bachrach: Mr. Chair, I missed whether that amendment was striking those words or introducing them into the motion. Perhaps we could get a written version, given that there were a lot of words there.

Mrs. Jenica Atwin: Yes, for sure.

It just strikes the naming of the other two ministers specifically, but it does leave the “other witnesses” piece. Then it adds the parameters of the timeline for witnesses, and then reporting back to the House. I can send it right now.

The Chair: Reporting to the House is included. It's part of our report stage anyway, so it's kind of superfluous. It's not needed.

Mrs. Jenica Atwin: I like it there.

The Chair: That's fine, and remind me so that I won't have to mention it when we actually do the report.

On the amendment, we have Mr. Bachrach, and then Mrs. Vignola.

Mr. Garnett Genuis: I have just a quick point of order, Chair. Is that going to be distributed?

The Chair: I think it's coming out right now.

Mr. Garnett Genuis: Okay.

Is she also proposing to strike—

The Chair: Why don't we just wait a few moments until it comes out so we're clear on it?

Mr. Garnett Genuis: Do you have it in both languages, Mrs. Atwin, or are you sending it to the clerk to then be translated and distributed?

The Chair: Why don't we just—

Mr. Garnett Genuis: I think we want to try to get this done.

The Chair: Yes. We're running out of time.

Are you—

Mr. Garnett Genuis: I just want to clarify. Is the amendment proposing to strike the invitation to leaders of indigenous nations and national indigenous organizations? Is the amendment proposing to strike that?

Mrs. Jenica Atwin: Yes. It leaves it open in the “other witnesses” portion. It just doesn't specifically name it.

Mr. Garnett Genuis: Right.

We do not support this amendment, for a number of reasons.

Number one, this is a study of procurement. Having the minister responsible for procurement is quite reasonable and, I think, important. This is an issue of an indigenous program, but the way indigenous identity is defined in this country and the way people may be manipulatively qualifying for it who shouldn't is also an issue of Crown-Indigenous Relations. I think inviting all three ministers makes sense. Needless to say, ministers don't have to come if they don't think they have something relevant to contribute, but I think we should invite all three ministers. Their responsibilities all do touch on it.

The other thing is—I thought we had agreed, but it seems we didn't—that we should clearly state in the motion that we should be inviting leaders of indigenous nations and national indigenous organizations. We want to hear their perspectives alongside that of others.

As well, I do not agree with setting a hard cap on witnesses. It's Tuesday. The proposed witness deadline is Friday. When it comes out that this study is taking place, there no doubt will be folks who have been affected by this policy who will want to come forward and who will contact us and contact the chair. Given that we've already set some parameters around the timeline of this study anyway, I think we should have an open-ended witness submission opportunity so that if a witness comes before us and says, “You know what, you really should hear from so and so”, that witness can be added to the mix, rather than us saying, “Oh well, too bad. You had three days from the motion being adopted to the witness deadline, and if you didn't get your names in, too bad.”

I think the motion as amended by Mrs. Vignola is fine. The hard cap on witness submission three days from now, with the removal of references to some ministers and to indigenous organizations, doesn't make a lot of sense.

In terms of the reference to reporting our conclusions to the House, yes, clearly we'll report our conclusions to the House, but that doesn't have to be in the motion. That's just something we always do. I don't think this amendment really adds anything.

The Chair: Mrs. Atwin.

Mrs. Jenica Atwin: Just in light of that, perhaps it would be simpler if we could separate them into two amendments, so we can deal with the first piece separately, but I would like to have the piece about reporting to the House as a separate amendment. We'll send them separately in both official languages now.

The Chair: We'd have to have approval, unanimous consent, to withdraw the amendment.

Mr. Garnett Genuis: Mr. Chair, here's a clean way to do it, then. I would propose to amend her amendment by taking out all of the changes she proposed, except the change that we would report our findings to the House.

I can move that subamendment and people can vote how they want on it.

• (1250)

The Chair: Why don't we wait? Why don't we suspend for five minutes?

Mr. Garnett Genuis: No, let's get it done.

The Chair: Well, we're not going to get... Mr. Genuis, you're proposing a subamendment to an amendment that we don't even have clear wording for, on something where they're trying to subamend their own amendment. Let's just wait a couple of minutes.

How far are we from actually getting it in writing to the clerk?

Mrs. Jenica Atwin: One minute.

The Chair: Why don't we just wait one minute? Then we can continue.

• (1250)

(Pause)

• (1250)

The Chair: We're back. I understand the parties have an agreement.

The floor is yours, Mrs. Atwin.

Mrs. Jenica Atwin: I was going to ask for unanimous consent to pull my amendment, but Mr. Genuis already had a solution for that.

Mr. Garnett Genuis: Yes. The subamendment that I had proposed was to remove all of the changes except the one that would say the committee would report on its findings to the House. I think we now have agreement to adopt the subamendment to the amendment and the motion.

The Chair: Which subamendment?

Mr. Garnett Genuis: My subamendment.

The Chair: Go ahead with your subamendment.

Mr. Garnett Genuis: Essentially, the effect of the change would be to take the motion as is and add “report to the House”. The subamendment is to unmake all of the proposed changes except the change that the committee will report its findings to the House.

The Chair: Do we have UC for that?

Mr. Garnett Genuis: We had an understanding at the table.

• (1255)

Mr. Taylor Bachrach: Given all the back-and-forth, I want clarity. At other committees, it is a practice to indicate in the motion that the committee will be reporting to the House and requesting the government to respond formally.

Every committee operates differently. I don't see any harm in including that if indeed we want to report to the House on some kind of timeline and have the government respond accordingly.

The Chair: With us, it's when we finish the line-by-line of the report, just like when we get to Canada Post. It's one of the checklists.

Mr. Taylor Bachrach: Maybe it's a perfunctory thing that some committees do as a practice and some don't.

The Chair: It's part of the report stage.

Mr. Taylor Bachrach: During my time on the committee, I don't think I've seen us table a report yet, so I'm not used to it.

The Chair: Mrs. Atwin.

Mrs. Jenica Atwin: Just for further clarity, I believe we're agreeing on keeping the piece that says, “That the committee report its findings and recommendations to the House; and that, pursuant to Standing Order 109, the committee request that the government table a comprehensive response to the report.” Then we're in agreement.

Mr. Taylor Bachrach: Mr. Genuis wanted to remove that.

Mr. Garnett Genuis: This is fine. We will take the motion as it was, and we will add in that the committee will submit a report and request a government response, but we will remove all other parts of the proposed changes.

The Chair: Are we clear on that, everyone?

Mr. Genuis.

Mr. Garnett Genuis: All of these things will be affirmed or changed at the point when we do the report anyway.

The Chair: Thank you, Mr. Genuis.

Are we fine, then, with Mr. Genuis's subamendment?

I'm seeing nods all around.

(Subamendment agreed to)

The Chair: Are we fine with the amended amendment from Mrs. Atwin?

(Amendment as amended agreed to)

(Motion as amended agreed to)

The Chair: I have Mr. Genuis, Mrs. Vignola and Mrs. Kusie.

Go ahead.

Mr. Garnett Genuis: Mr. Chair, I have one more motion on the matter of indigenous procurement that I think will advance our work on it: "That the committee report to the House its recommendation that the procurement ombud study indigenous procurement."

It's a simple motion. I think that a study by the procurement ombud would strengthen our understanding of the subject and contribute effectively to the collective response to it.

The Chair: It's similar to what we've done with the previous one.

Mr. Garnett Genuis: Exactly.

The Chair: Mrs. Vignola, did you have your hand up on this?

[*Translation*]

Mrs. Julie Vignola: Yes, I wanted to say something, but it's not on this subject.

[*English*]

The Chair: Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: I'm sorry. I didn't quite understand. What is the motion that Mr. Genuis has brought forward here?

Mr. Garnett Genuis: I believe the clerk can distribute it. The motion is "That the committee report to the House its recommendation that the procurement ombud study indigenous procurement."

Mr. Irek Kusmierczyk: Mr. Chair, can we just suspend literally for one minute?

The Chair: We'll suspend for one minute.

• (1255) _____ (Pause) _____

• (1305)

The Chair: We are back.

We left it with Mr. Kusmierczyk, who asked for a suspension, so it's back to you, Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: Okay. I will yield the floor to my colleague, Mr. Bachrach.

Mr. Taylor Bachrach: I think there are two competing objectives here, and I want to propose a bit of a compromise. Strange, I know.

I take the argument that having the procurement ombud commence a study on this should not jeopardize our calling of witnesses or our securing of any witness testimony. I don't see a need to postpone that until after we've conducted our study. Likewise, I don't see a need to report to the House that we're going to ask the procurement ombudsperson to start a study. My preference would be that the committee write directly to the ombudsman and request that the work get under way.

I don't know if it would be welcomed as an amendment, but I would make that amendment—that we remove the part of the motion requiring a report to the House and that we change the wording to have the committee write directly to the ombudsman and request that he initiate a study on indigenous procurement.

The Chair: Mr. Bachrach's proposed amendment is to just change it out and have the committee write instead of reporting to the House.

Does anyone wish to speak on that?

Mr. Bachrach, I'm disappointed that you took Mrs. Vignola's role of compromise.

Mr. Taylor Bachrach: It's an olive branch.

The Chair: Mr. Genuis.

Mr. Garnett Genuis: I mean, it's not my preferred route, but we can see it as a compromise if others will see it as a compromise.

Do we all agree to go that route?

Okay. Mission accomplished.

Mr. Irek Kusmierczyk: It seems like we're getting a consensus.

The Chair: The amendment is for the committee to write to the ombudsman to study the set-asides on indigenous procurement.

Mr. Irek Kusmierczyk: So it's just a letter that we're sending to them.

Okay. That's fine.

The Chair: Wonderful. It sounds like we have an agreement.

(Amendment agreed to)

The Chair: We're back to the original motion as amended, where we write to the procurement ombud.

Mrs. Jenica Atwin: Can you read the whole text of the motion, just so we're clear?

The Chair: The original states, "That the committee report to the House its recommendation that the procurement ombud study indigenous procurement."

We'll change it to this: "That the committee write to the procurement ombudsman with a recommendation that he perform a study on indigenous procurement."

That's as we've done in the past. Are we fine with that all around?

(Motion as amended agreed to)

The Chair: Wonderful.

I have Mrs. Vignola and then Mrs. Kusie.

Mrs. Vignola, go ahead.

[Translation]

Mrs. Julie Vignola: If I understand correctly, we've passed both of Mr. Genuis' motions, so I can now table a notice of motion.

My motion is about Canada Post, which is also part of our mandate. I will read it to you. It will be distributed to you in the next few seconds.

Given the decision to change the status of 24 of the additional post offices in the Greater Montreal area from unilingual French to bilingual,

That, pursuant to Standing Order 108(1), the Committee invite to testify for a minimum of two hours each, no later than September 28, 2024:

- a) the Minister of Official Languages;
- b) representatives of Canada Post.

We could also debate the motion and pass it, if we can come to a consensus quickly.

I'll explain why I'm tabling this motion.

The vast majority of people affected are French-speaking. Of course they speak English, but they prefer to be served in their own language. When offices go from being unilingual French to bilingual, as we've seen in some cities, French is completely sidelined. If only one person in the office speaks English, everyone has to speak English. That person won't learn French and won't want to. My apologies, but sometimes there's a distinctly colonialist feeling that some people are the victors and others, the vanquished. I'm sorry, but this feeling towards francophones really does exist, and it's extremely sad.

To protect the right of francophones to work and be served in their language, we must maintain unilingual French status. One way or another, when a customer arrives and speaks English, employees will respond in English. However, francophones are entitled to have and maintain unilingual French status.

I'd be curious to see just how people would react if offices located in one of Canada's English-speaking provinces went from being English-speaking to bilingual, or even French-speaking. The reaction would be just as strong, and rightly so. People have the right to work in their own language. We have to make sure there are no lapses in that regard.

We are currently discussing the work of the committee and I am entitled to table this motion. It's important for francophone citizens and employees who want to continue to work in their language. It must be said that compromises are rare. Compromises often favour one side and rarely the other. It's unfortunate. It shouldn't be this way.

I therefore request that the committee meet with representatives of Canada Post and the Minister of Official Languages to clarify this decision, which in no way reflects the status of Quebec, its official language or even the Official Languages Act.

• (1310)

[English]

The Chair: Mrs. Vignola, are you putting this on notice, or do you intend to have it debated right now?

[Translation]

Mrs. Julie Vignola: I'd say we can debate it now, and hope we can reach a consensus quickly.

[English]

The Chair: Okay, you are tabling it now.

Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: My only point is that, again, Canada Post is at arm's length. I understand here that the motion requests that the Minister of Official Languages come, but I don't know how much control the minister has over Canada Post. I would say it's probably negligible. Canada Post is a separate entity. It's an arm's-length Crown corporation.

I think bringing in Canada Post makes sense, but bringing the Minister of Official Languages, who is not responsible for Canada Post... I'm just trying to understand that motion.

• (1315)

[Translation]

Mrs. Julie Vignola: In my humble opinion, bringing in the Minister of Official Languages would clarify the rights and obligations of businesses under federal jurisdiction. Of course, Canada Post is a public corporation, at arm's length from the government. Nevertheless, there are laws to uphold.

It would be interesting to have the minister appear and find out to what extent the Official Languages Act can be applied, and how it can comply with Quebec's linguistic status, which is different. I would point out that the official language of Quebec is French. I think it would be appropriate for the committee to hear the minister speak on this subject and ask him how he is ensuring compliance with the Official Languages Act.

The minister won't be able to explain Canada Post's decision, of course, but he can easily make the connection with the Official Languages Act, which is important too.

It is important to maintain the status of French in Quebec and see how things can be reconciled on both sides. We need to be able to make recommendations that address all aspects of the problem. On the one hand, Canada Post's representatives can explain the decision to us. On the other hand, we can get explanations regarding the Official Languages Act and conduct an in-depth, comprehensive analysis of the matter.

[English]

Mr. Garnett Genuis: I have a quick point of order, Chair.

Has the motion been distributed? If it's not available for distribution, could it be read out in its entirety again?

The Chair: It has been distributed.

Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: Again, I want to underline that Canada Post is its own entity. It is separate. It is an arm's-length corporation. We know this. It is separate from the government. There is no minister controlling its operations. The Minister of Official Languages does not oversee the operations of Canada Post. I agree with bringing officials in from Canada Post to answer those questions, but, again, the Minister of Official Languages is not connected to the operation of Canada Post, which is arm's-length.

I want to ask whether Madame Vignola, in order for us to begin, would be willing to simply focus on having Canada Post officials at that inaugural meeting to answer questions.

I'll reiterate here that the Minister of Official Languages does not control Canada Post because, again, Canada Post is its own entity. It is independent. Its operation is controlled on its own and outside the purview of ministers.

[Translation]

Mrs. Julie Vignola: I fully understand that Canada Post is an entity at arm's length from the government.

That said, the government implements legislation. If we can't ask the minister how the Official Languages Act applies to businesses under federal jurisdiction, in compliance with the status of French in Quebec, then what good is this legislation to francophones in Quebec and the rest of Canada? What good is the Official Languages Act if, at the end of the day, no one can tell a company under federal jurisdiction that it must comply with it?

It is important for the minister to come and talk to us about this legislation, explain how it applies to companies under federal jurisdiction, and tell us how it can protect Quebec's workers and citizens, while respecting the status of French in Quebec.

Later, when the time comes to do our analysis, we'll be able to make the connection between both aspects and make some suggestions.

If you tell me that the minister can't talk about the Official Languages Act and how it applies to companies under federal jurisdiction on the grounds that they are at arms' length from the government, that's like telling me that the act serves absolutely no purpose and protects no one.

That's why I want to hear what the minister has to say. I want to listen to him to get a clear and complete analysis.

I hope my intention is clearer now. The aim is really to hear the minister talk about the Official Languages Act and how it applies to companies under federal jurisdiction.

• (1320)

[English]

The Chair: Mr. Bachrach, go ahead.

Mr. Taylor Bachrach: On a point of order, I thought I heard my colleague Mrs. Vignola say earlier that she was putting this motion on notice.

The Chair: I asked her to clarify. She is moving the motion.

Mr. Genuis, go ahead.

Mr. Garnett Genuis: Thank you, Chair.

I thank Mrs. Vignola for moving this motion. Respectfully, looking at the subject matter, it does seem to me to be a more natural fit for the languages committee.

The Chair: Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: Mr. Chair, I do appreciate that often-times in discussions we bring forward motions as we discuss certain issues and whatnot, but I would like to have a quick opportunity to discuss this. I haven't had a chance to very quickly discuss this with our team here, so I would ask that we suspend for just a minute, and then we can get back to this issue. Thank you.

The Chair: We'll suspend for a minute.

• (1320)

(Pause)

• (1320)

The Chair: Colleagues, we're back.

I think we have agreement to move ahead with Canada Post and the deputy minister from Official Languages.

The calendar is almost full already, so we may have to move that to, say, whatever our last OGGO day in October is. Are we fine with that, colleagues?

Some hon. members: Agreed.

The Chair: I don't need to read the amended motion. We'll ask for the DM of Official Languages and a representative from Canada Post. It's one two-hour meeting, and we'll do it by the end of October. Are we fine with that?

(Amendment agreed to)

(Motion as amended agreed to)

The Chair: Colleagues, thank you very much, and I thank whoever suggested that change and the compromise. I appreciate it very much.

Mrs. Kusie, you had your hand up.

Mrs. Stephanie Kusie: Yes. Thank you very much, Mr. Chair.

I also have a motion, but before I get to that motion, I would quickly like to ask about the status of the appearances of Ms. Nicholson and Ms. Joly.

The Chair: We've asked several times. Unfortunately, as much as I tease the departments and I know a lot of them co-operate very well with us, I can't say the same about Global Affairs. They've ghosted us entirely on the situation, despite repeated attempts, as they've done to us in the past.

We will have an update on Thursday. If we don't have an update by Thursday, perhaps the committee may wish to issue a summons so that we can actually get a response from Global Affairs. Right now, despite repeated attempts, we have nothing from them.

Go ahead with your motion, please.

• (1325)

Mrs. Stephanie Kusie: Thank you very much, Mr. Chair.

Well, unfortunately, as reported today...another day, another Liberal scandal. This time it's out of the Department of Environment and Climate Change, where Minister Guilbeault has overseen a failed audit by federal auditors, with poor oversight over millions of dollars in green subsidies. It's not a small amount. It's \$625 million since 2016.

We've seen a very bad track record here from this government in terms of the green slush fund and the studies we've undertaken here, including on ArriveCAN, for which the concurrence motion is in the House today, but here we have another report of \$625 million since 2016 having failed a federal audit.

The federal audit team indicates that there are significant issues: 45 programs over 11 departments and agencies, no evidence of definite outcomes, no set targets and no measuring and monitoring of impacts. Also, there is no clear guidance to support decisions by programs. The audit report also indicates "errors and inconsistencies" in the work, including "incorrect information", "erroneous information", "missing information", incorrect terms and project files missing in their entirety, something we also have seen with procurement evaluations of this government in the past.

In fact, Mr. Chair, the audit team deems that this was so sloppy.... That's quite a word: "sloppy". You can usually say "unfortunate", "inconsistent" or "incomplete", but it's so sloppy that it poses "potential legal and reputational damage" to the department. That's very concerning, Mr. Chair.

As a result, Mr. Chair, I am now moving this motion, which has been provided to the clerk in both official languages and for which I would ask distribution to the committee:

Given the environment department has failed its audit of the administration of grants and contributions for poor oversight of millions of taxpayer dollars spent on green subsidies and the "potential legal and reputational damage" this represents, the committee dedicate at least three meetings to this matter and call on the following witnesses to testify:

Deputy Minister, Jean-François Tremblay

Assistant Deputy Minister, John Moffet

Assistant Deputy Minister of Corporate Services and Finance and Chief Financial Officer, Linda Drainville

Director General, Chief Audit Executive and Head of Evaluation, Christopher MacDonald

Authors of the "Audit of the Administration of Grants and Contributions at Environment and Climate Change Canada"

Comptroller General of Canada, Annie Boudreau.

I know that the prudent distribution of funds is something that everyone on this committee is committed to, and I'm also aware that this government has prided itself on a number of green initiatives, which we see every day to be ever-failing. Not only is there concern regarding the procurement, but whether they are able to deliver in their said priority of work on climate change and emissions reduction. This is just another proof point—in addition to the carbon tax, I'll add, Mr. Chair—that this is not working for them.

We have another failure here today with this reported failure of an audit coming out of the Department of Environment and Climate Change, and Minister Guilbeault, the felon himself in the green jumpsuit—not green, pardon me; he would have liked it to be green, I'm sure—in the orange jumpsuit is at the helm of this. As a result of this, on behalf of Canadians, I'm asking for the committee to please consider this motion that I have put forward today.

Thank you very much, Mr. Chair.

The Chair: Thank you, Mrs. Kusie.

The motion has gone out. I'll start the speaking list.

I have Mr. Kusmierczyk. Go ahead, sir.

• (1330)

Mr. Irek Kusmierczyk: Thank you, Mr. Chair.

I just wanted to ask my colleague, is this not being studied at Public Accounts already? I'm just curious as to whether this is already being looked at by Public Accounts. I think it is. We're talking about the SDTC.

I'm hearing the motion for the first time. Can you clarify what the motion is referencing? Which report?

Mrs. Stephanie Kusie: Yes, the motion is referencing the failure of the environment department, as indicated by the "Audit of the Administration of Grants and Contributions". This is news—

The Chair: That's from Environment Canada.

Mrs. Stephanie Kusie: That's from Environment Canada, yes. Thank you.

It's the "Audit of the Administration of Grants and Contributions". I indicated the other example as an example.

The Chair: Did you hear that, Mr. Kusmierczyk?

Mr. Irek Kusmierczyk: As I understand it, again, this is a TBS issue. As I understand it, as per my original question, this belongs in the public accounts committee, so I would say that's my question about this motion—that this belongs in public accounts. That's the committee that studies these issues.

Mrs. Stephanie Kusie: I would disagree with that. I believe we have the oversight here. We have brought forward many witnesses as a result of failed audits. We have the Auditor General, who, of course, is responsible to this committee with respect to her audit, and this is our response to another audit.

The example you thought I was referring to initially was being studied at public accounts. As I indicated, this is another audit, which was announced in the media today and reported on in the media today. We at government operations have called on several officials before, both elected and unelected, in an effort to hear from them about these failed audits. This is something we make a normal practice of here in government operations—the review of the money, which has been, again in this case, poorly spent on behalf of taxpayers.

For me, this is almost business as usual, another task we would set out to do in hearing from these officials from the Department of the Environment, who have frankly failed this audit. I think it is very much business as usual for us, Mr. Chair, that, when we are made aware of such misspending, we want to take responsibility, recognize it and call in the officials to figure out why it happened.

I feel as though we've passed several motions similar to this one here in government operations. I see this as—unfortunately for your government—just sort of the next item of business on which it has failed, and therefore we need to get to the bottom of why. It's true that many of the answers always seem to point to the same systematic problems, but nonetheless, we cannot turn our backs or close our eyes to 625 million dollars' worth of poor spending, sloppy spending.

The Chair: Thanks.

It's over to you, Mr. Kusmierczyk.

I will note that the grants and contributions are approved through the process of the estimates, which are approved through this committee.

Go ahead, Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: Thank you, Chair.

Again, I want to underline that this is an important issue. We absolutely want to get to the bottom of this, and there is absolutely no doubt that it requires an investigation. What I am putting forward is that this is the wrong committee, that this belongs in the public accounts committee. This is who has purview over this issue.

In addition, I would say that the officials who are listed are the wrong officials. We should be looking at officials who are responsible for this—TBS officials.

I agree with my colleague that without a doubt this issue requires investigation and discussion, but the proper committee is public accounts. We also want to make sure we have the right officials being summoned, officials who are in a position to answer those questions because they are responsible for those programs, and those officials are TBS officials.

• (1335)

The Chair: Mrs. Kusie, go ahead.

Mrs. Stephanie Kusie: That's right. They are TBS officials, as Mr. Kusmierczyk said, and TBS answers to the government operations committee. That's why we have Minister Anand here at a minimum twice a year. You're right—it is a TBS issue and therefore it should respond, and that's why this should go to this committee.

As the chair pointed out, grants and contributions are approved through the estimates process. We review the estimates process twice during the year, with the estimates and then the supplementary estimates. Therefore, this motion should go through this committee, be passed at this committee and be studied at this committee.

Mr. Irek Kusmierczyk: Again, I really do appreciate the fact that my colleague wants us, as MPs, to investigate and look into this issue. No one opposes that. What I'm trying to highlight is that this belongs in the public accounts committee. We all know that. This is outside the purview of OGGO. This belongs in public accounts. That is the proper venue for this investigation.

Furthermore, none of the officials listed in the motion are TBS officials. What I'm trying to emphasize here is that if you want to get to the bottom of this, if you want to get the right answers, you want to have the right people brought before committee so that we can get to the bottom of this issue.

My recommendation would be that this belongs in the public accounts committee, and let's make sure the motion has the right officials who can provide the right answers to these very important questions.

For that reason, I recommend that we circle back. I'm happy to have a conversation with Mrs. Kusie and other colleagues around this table, including the chair, and to bring this motion back on Thursday to make sure that it has the right officials, that it is surgical and that we get the answers we're requiring.

I'm just asking Mrs. Kusie if we can please revisit this on Thursday, after having the opportunity to discuss this off-line as a committee. We want to get this right, with the right people and the right venue.

Mrs. Stephanie Kusie: Well, you are opposing it. You said no one opposed this. You are opposing this.

Your main argument, which you yourself recognize...which was incorrect, was that this is not a TBS issue. This is a TBS issue. Annie Boudreau is a TBS official. She is listed on this motion. Therefore, both the subject matter and the witness list are relevant to this committee.

This is relevant to this committee. It's very clear to me that this is a TBS motion, and this is the committee that has oversight of TBS. Therefore, we should pass this motion at this committee and study this \$625-million issue at this committee.

The Chair: Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: Again, the only official of relevance here is the comptroller, as was mentioned. The other officials who are listed would not be able to provide the answers we're looking for.

I again want to emphasize, let's get the right venue, which is the public accounts committee, and let's get the right people, who are the officials from TBS. The motion does not have the people we want to answer those questions, the folks from the Treasury Board Secretariat, from TBS. Those are the right people who have carriage of these files on this issue.

To my colleague, we're simply asking for an opportunity for us to meet as a committee off-line to make sure we have the right people. Let's come to an agreement. When Parliament looks at this issue, let's make sure it's the right venue and the right people who can answer the questions and help us get to the bottom of this important issue.

Mrs. Stephanie Kusie: Well, the TBS didn't complete the audit, but it is being brought in, as is listed in the motion. These are the right people. Madame Boudreau, I'm sure, would appear with her officials as well. I'm not sure why you are so adamant about not studying this at this committee when, clearly, as you recognize, this is a TBS issue. The TBS is responsible to this committee. We have on this witness list the comptroller, the DM, who has oversight for the TBS, and she did not do the audit, so it just makes sense that we would have those who completed the audit attend as well to get some answers and some clarity.

As I said, we have sent a number of invitations to witnesses when there have been poor audits—and there have been many—witnesses who have sat in those seats and who have responded to this committee on audits. It's just, unfortunately, another example, another news story that we have today of this most recent one, but we have to evaluate that as well.

It's true that there are other committees that study things in tandem. The public accounts committee has also studied ArriveCAN. It's my understanding that the motion we just passed relative to Canada Post was evaluated by the official languages committee as well, so, yes, it's possible that these motions can be in tandem at more than one committee. However, this is the committee of audit and evaluation of the spending of federal funds. Fundamentally, we are those who are held responsible for the oversight of these funds in this committee. Therefore, we should start here.

If you don't believe that we should start here, then I think, in fact, you do oppose the evaluation of the \$625 million. I don't blame you, given the dismal record of this government: of this govern-

ment's spending, of this government's waste, of this government's unethical mismanagement of funds and of this government's systematic flaws with procurement. There are a lot of things that have been revealed through our audits of audits, through the testimony of those who have conducted the audits, but this is another one that we need to undertake at this time. It starts here. It doesn't always end here, as we see with ArriveCAN, which has gone back to the House today, but this is fundamentally the committee where these things are uncovered.

I recognize that this is a heavy burden for the government to carry, for the government members to carry in this committee. My goodness, when we're in government, I really don't want to be on this committee at that time.

• (1340)

Mr. Garnett Genuis: There won't be any scandals.

Mrs. Stephanie Kusie: That's right; there'll be no scandals. Right you are, Mr. Genuis.

Nonetheless, this is where we find ourselves. We are facing another \$625-million scandal here, so let's stop trying to pass it off. Let's not delay the pain. Let's rip off the band-aid. Let's not delay it until Thursday. Let's not pass it off to another committee. No one can have your baby for you, right, Kelly Block? You have to go in there and deliver that thing. I see Julie smiling. This is the same situation. We have to start this process and go through this process here.

I don't like reading these news stories any more than you do, Mr. Kusmierczyk, especially given your leader's ambitious agenda, but clearly it's not working. It's not happening. You've made your points. I perceive them to not hold water, to be inaccurate. This is where it starts. Let's get this done. Let's get the study of this audit started to find out where things went so terribly wrong. My goodness, if you have any path forward, it's through green initiatives, so you would be doing yourselves a favour in starting it here.

With that, Mr. Chair, I'll conclude this. Thank you.

The Chair: Thanks.

We have Mrs. Vignola and then Mr. Kusmierczyk.

[*Translation*]

Mrs. Julie Vignola: Thank you, Mr. Chair.

I'll be brief and try to be as concise as possible.

The subject of the motion is important. It would not be the first time that the committee has looked into surprising expenditures.

We must keep in mind that anything to do with past spending falls under public accounts, while anything to do with future spending and budget forecasts falls under our committee. Anything to do with public services falls under our mandate. This applies, for example, to awarding contracts and the procurement process.

The amendment I'm very kindly suggesting is intended to clarify something. I'll read the beginning of the motion again:

Given the environment department has failed its Audit of the Administration of Grants and Contributions for poor oversight of millions of taxpayer dollars spent on green subsidies and the "potential legal and reputational damage this represents", the committee dedicate at least 3 meetings...

After this passage, I would replace "to this matter" with "to the grant and contributions process".

We could then replace "and call on the following witnesses to appear" with "and call on relevant witnesses to appear, as decided by the committee". That way, we can be sure that the witnesses we invite will actually be the people we want to hear from.

Those are the two amendments I suggest.

• (1345)

[English]

The Chair: To be clear, we'll take out the named witnesses, so it will be just "witnesses as decided by the committee".

What was the other item?

Mrs. Kelly Block: It was "three meetings".

The Chair: There was the "three meetings" bit, and there was one other thing.

[Translation]

Mrs. Julie Vignola: After "the committee dedicate at least 3 meetings", instead of writing "to this matter", I would write "to the grant and contributions process". That's part of our role, in fact.

[English]

The Chair: Okay, so you are proposing to dedicate at least three meetings to the grants and contributions process and invite witnesses as the committee wishes.

Is that clear?

[Translation]

Mrs. Stephanie Kusie: Yes, I accept the proposal.

Mrs. Julie Vignola: There's a consensus.

[English]

Mr. Irek Kusmierczyk: If we could get it in writing, that would be terrific. Thank you.

Can we just take a minute's suspension? Again, we're getting motion after motion thrown in without any notice of motion.

The Chair: Yes, we can.

I will note just quickly that a lot of the witnesses noted are actually listed in the audit, as the recommendations are to be sent to them for action. It refers back to the whole estimates cycle.

We'll suspend for about a minute, and we'll get the proper wording.

Just to confirm, Mrs. Vignola, the idea is to eliminate the noted witnesses in this motion.

We're suspended.

• (1345)

(Pause)

• (1355)

The Chair: We are back, colleagues.

Everyone has received the updated, amended motion.

Does anyone else wish to speak?

Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: I know that my colleague Madame Vignola had put forward an amendment that I believe wasn't accepted. I'd like us to have an opportunity to actually vote on her amendment. I think it focuses on the grants and contributions writ large. It also focuses on process.

Again, I maintain that the proper venue for that concerning audit is the public accounts committee. We want to make sure that we have the right officials being summoned, but I am interested in the grants and contributions process writ large. I would actually prefer that we vote on Madame Vignola's amendment.

Am I correct that what she brought forward is an amendment?

The Chair: That's what we're at right now. It's Mrs. Vignola's amendment.

Mr. Irek Kusmierczyk: Perhaps I could add a subamendment to that, if that's okay.

What I am putting forward is a subamendment that simply rewords the first sentence to say, "Given the 'Audit of the Administration of Grants and Contributions—

The Chair: I'm sorry. I'm going to interrupt you. That's not concerning the amendment. You can only amend her amendment. You're amending the first line of the motion.

Mr. Irek Kusmierczyk: I think that's Madame Vignola's amendment, is it not?

The Chair: Her amendment is just taking out wording, basically.

Mr. Irek Kusmierczyk: Sorry. I do apologize.

In that case, the proper procedure—I'm just looking for a little bit of guidance, Mr. Chair and Mr. Clerk, so correct me if I'm wrong—is that we vote on Madame Vignola's amendment.

The Chair: Right. Then you can get to yours.

Mr. Irek Kusmierczyk: It would basically then amend the original motion.

Just to clarify, what the amendment is asking here is for three meetings to focus on the contributions process. Is that correct?

The Chair: Yes.

Can we get to the vote?

I'm going to be blunt here. You know, we've broken a lot and suspended a lot for meetings. It's now appearing...and it's only appearance. I'm not accusing you, but it's looking like you asked for the suspension and now delay in order to burn out the clock. If that's the case, we will not allow any such suspensions in the future. I hope we're not at that.

Can we get to the vote, then, on the amendment?

Mr. Irek Kusmierczyk: Mr. Chair, just to be fair—

The Chair: It's clear, Mr. Kusmierczyk—

Mr. Irek Kusmierczyk: No, no, there was a slight accusation that was made here about my integrity, and I take vigorous exception to that.

We have had a slew of motions tabled today. I want to make sure I have all the information and I want to make sure our team has all

the information necessary to make the best decision in the interest of Canadians. That is a fact, Mr. Chair. I do take exception to what you were intimating with your comments, and I ask you to retract that.

The Chair: I will not, because I did not make such a thing. I said the appearance would be that.

Can we get to the vote on the amendment?

• (1400)

Mr. Irek Kusmierczyk: I'd like a recorded vote, please.

The Chair: We'll have a recorded vote.

(Amendment agreed to: yeas 11; nays 0)

The Chair: That's wonderful. The amendment passes.

Unfortunately, we are out of resources as of this moment, so I am adjourning.

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