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Chair: Mr. John Williamson



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• (1140)

[*Translation*]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): Good morning, everyone.

Welcome to meeting number 91 of the House of Commons Standing Committee on Public Accounts.

The Committee is meeting today to discuss Committee business.

[*English*]

We have a motion before us. I'm going to recognize Mr. McCauley in a second. There's also an amendment to that motion.

I'll recognize Mr. Desjarlais after that.

This portion of the meeting is in public. If it goes well, we'll go in camera to return to the line-by-line.

Mr. McCauley, you have the floor.

Mr. Kelly McCauley (Edmonton West, CPC): Mr. Chair, I'm going to move that we resume debate on my previously tabled motion on GC Strategies that the NDP had presented an amendment on.

The Chair: Thank you.

Mr. Desjarlais, are you ready to speak to your amendment, which was actually moved by Ms. Ashton? If you are, I'll recognize you.

Then I have Ms. Sinclair-Desagné.

You look like you're ready, so it's over to you, sir.

Mr. Blake Desjarlais (Edmonton Griesbach, NDP): Thank you very much, Mr. Chair.

I am deeply troubled by what evidence has come out in relation to GC Strategies. In relation to that, I understand that my colleague Mr. McCauley has tabled a motion and has given notice of that motion.

Toward that end, under a review of that, there are three areas that I'd like to amend. You all should have a copy of that amendment.

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): I have a point of order.

I'm just wondering, was that a dilatory motion for resuming debate? I'm not sure where we are. I'm just looking for clarification here.

The Chair: Mr. McCauley has resumed debate on the motion, and Mr. Desjarlais.... You will recall that in the previous meeting

Ms. Ashton had proposed an amendment. That is what we are now discussing. It is the amendment to the motion on GC Strategies.

Yes, we have resumed debate on the motion, if that's what you're asking.

Do you have a point of order, or are you good?

Ms. Iqra Khalid: My question is, do we need to vote to resume the debate? That's all.

The Chair: No, we don't.

Ms. Iqra Khalid: Okay.

The Chair: I stand corrected. We do need to vote to resume debate.

Let's call the vote, please, to resume debate.

The Clerk of the Committee (Mr. Cédric Taquet): We have five yeas and five nays.

The Chair: Very good. I will vote that we resume debate.

(Motion agreed to: yeas 6; nays 5)

The Chair: Mr. Desjarlais, you have the floor again.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

Folks should have a copy of the amendment, further to Mr. McCauley's motion.

There are two aspects of it that I would like to expand upon. My biggest concern, as members of this committee may recall, is the practice of outsourcing, the contract outsourcing of government services. We know from many accounts, including the Auditor General reports, that outsourcing has a direct impact on the cost, operation and maintenance of projects.

We heard just recently, for example, that the federal government's barn—the very expensive barn that ended up being an \$8-million compound for vehicles—was in fact a process that was outsourced; much of that work was. That outsourcing was more recent, as recent as 2017-18. They also spoke about the incurred costs. The reality is that taxpayers' money is going to have to go towards the profit motive of these corporations.

This practice of outsourcing—the creation of a shadow public service, if you will—is a problematic and troubling reality that's facing Canadians. We get less for our money, while simultaneously having less transparency. These are two issues that we should be focused on in the public accounts.

However, this is not a new occurrence. It's not just under the Liberals in the last eight years that this has been ramping up. Under review of information...it actually accelerated in 2006. You will see a portion of my amendment speak about moving the documents secondment to 2006. That date is specific to what is also a very large and rapid increase in government outsourcing.

I'm concerned with government outsourcing. That is why that amendment is positioned there. I hope to get support from my colleagues in order to see that, if we're going to have an investigation on GC Strategies, which has seen one of the grossest and largest levels of misconduct related to an outsourced contract, we truly get to the root of this evil, which is the practice of dismantling our public service, outsourcing government work and seeing these problems increase. These sorts of problems began in 2006. In terms of the first amendment, Mr. Chair, I hope that we can speak about the importance of that.

In addition, we also thought it was important to remove the list of ministries. I spoke with Mr. McCauley about this, because it's his original motion that is being amended. I think it serves us better, and it's likely better in our interest, to ensure that we don't limit who can be summoned. We don't know where this investigation will largely go. This is a list of ministries and departments that is exhaustive. I'd like to make it non-exhaustive by collapsing it into all ministries that we deem acceptable.

Those are the largest amendments that are included in my amendment to the original motion, which I hope members will support.

Thank you, Chair.

• (1145)

The Chair: Thank you very much.

I have a speaking list already.

[*Translation*]

Ms. Sinclair-Desgagné, you have the floor.

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): Thank you, Chair.

I would also like to thank my colleague Mr. Desjarlais for his amendment, to which I'd like to move a subamendment.

Let me explain why. Essentially, the Bloc Québécois' position is to wait for the Auditor General's report. As we speak, she is in the process of reporting on GC Strategies and the whole saga that has indeed shocked us, along with many taxpayers. We'd like to wait until the Auditor General's report is tabled before proceeding with this study.

However, we'd still like to obtain the documents originally requested by Mr. McCauley. I see that Mr. Desjarlais is continuing the effort. For us, that part is crucial. We want to obtain the contract documents between GC Strategies and the various government departments. That will help us prepare for the Auditor General's report.

In the hope that this subamendment will bring about a compromise that can lead all MPs to adopt the same position, I would like

to submit the subamendment to the Clerk, in both official languages.

I do support my colleague Mr. Desjarlais' amendments, meaning the second point that was added and amending the witness list. Those witnesses can only be called once the Auditor General has tabled her report, and when we see, with the help of the Auditor General's Office, what happened with GC Strategies.

It will be important to review the contracts to carry out this study, but this will be done in due course, after the Auditor General's report has been tabled.

The Chair: That's fine. Thank you very much.

[*English*]

We have received your proposal, your wording. The advice I'm getting, and I share it, is that we should deal with Mr. Desjarlais' amendment first, and then yours. There are aspects of what I'm going to call your amendment to Mr. Desjarlais' that are problematic, in that one impacts the other, so I would prefer we deal with Mr. Desjarlais' first, and then come back to yours.

Mr. Desjarlais.

Mr. Blake Desjarlais: Isn't it a subamendment? I amended Kelly's, and then it came to mine. If you amend mine, does it go to yours?

The Chair: In a nutshell, the reasoning is that Madame Sinclair-Desgagné's amendment actually amends the original motion and not only the amendment.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: If I reword the text in order to amend Mr. Desjarlais' amendment, I think we could debate the subamendment.

• (1150)

The Chair: You're quite right.

Ms. Nathalie Sinclair-Desgagné: Very well.

[*English*]

The Chair: This is just a reminder that it is always helpful—

Mr. Blake Desjarlais: What if I accept her amendment?

The Chair: No, it's now before the committee, so it's not that simple.

This is just a friendly reminder to always consult with the clerk beforehand. His advice proves to be invaluable.

You're welcome to work on that, Madame Sinclair-Desgagné, but for now I'm going to return to Mr. Desjarlais' amendment.

I do have a speaking list for that. It includes Mr. McCauley, Mrs. Shanahan and then Ms. Khalid.

[*Translation*]

Ms. Sinclair-Desgagné, I will let you work on your subamendment with the clerk. Alternatively, we can debate your current amendment after debating Mr. Desjarlais' amendment.

[English]

Mr. McCauley, you have the floor. Again, this is speaking to Mr. Desjarlais' amendment to your motion.

Mr. Kelly McCauley: I was going to do a subamendment to the subamendment. No, I'm just kidding.

I want to thank Mr. Desjarlais for the clarity of his motion. Although I like our original form, I'm quite happy to accept what he has proposed.

Getting ahead of ourselves, I understand the intent of Ms. Sinclair-Desgagné's motion as well. I think I'm probably perfectly happy with moving it afterwards, but Conservatives are fine with Mr. Desjarlais' motion.

The Chair: Thank you.

Mrs. Shanahan, you have the floor.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you, Chair.

We seem to be moving somewhere. I think it might be appropriate to do a timeout at some point, but I just wanted to say that I think we're all well aware, and certainly Mr. McCauley is, that this production of documents is happening at the government operations committee. It is already being done there. It's a huge amount of work, duplication work, work that the Translation Bureau—and maybe that's the intent—is going to be jammed up with, not to mention that our committee here....

This is why I welcome the contribution of Madame Sinclair-Desgagné in regard to the Auditor General. The Auditor General herself is doing her own audit on this work. She actually has access to documents in a manner that allows her to make a full and thorough investigation. We will have that audit sometime early in the new year.

It is the work of this committee to study the reports of the Auditor General. I think it's worthwhile for us to maybe.... I appreciate where Mr. Desjarlais is going with this amendment; he wants to actually cover multiple periods. I think the Auditor General has that kind of background information that she can look at: previous governments, previous administrations, and how they handled contracting work, which would inform her report and the recommendations—

Ms. Iqra Khalid: I have a point of order, Mr. Chair.

I see that there are negotiations going on between parties. Maybe it's better for all of us that we suspend for a little while so we can get to understand what the parties are talking about. Obviously, there are no Liberals in those conversations over there.

The Chair: You're right on track. I was going to seek that once Mrs. Shanahan was done.

I'll come back to you, Mrs. Shanahan. If you would like to yield, I will suspend the meeting and come back to you.

Mrs. Brenda Shanahan: I will yield so that we can have some good discussions.

The Chair: I will suspend the meeting, and parties can perhaps discuss a solution to where we're at.

This meeting is suspended for, say, eight minutes.

• (1150)

(Pause)

• (1250)

The Chair: I am going to bring this meeting back to order, please.

I am going to return to Mrs. Shanahan.

• (1255)

Mrs. Brenda Shanahan: I don't think I have anything.

I know there have been discussions among all parties, Chair. That's safe to say.

I will yield the floor back to you for you to guide us.

The Chair: Ms. Khalid, you're on the speaking list. If you have anything to say, now is your chance, or I can turn it over to Mr. Desjarlais and we can come back to you, if you'd like.

Ms. Khalid, do you want the floor?

Ms. Iqra Khalid: I'm sorry. I was caught up in doing something else.

The Chair: You are next on the speaking list.

I'm going to go to Mr. Desjarlais.

I know that folks want to get out of here as soon as possible. I will probably have to add 15 minutes to our meeting on Thursday, because there is some other business I want to get to. I could hold you here today, but I sense there are a lot of people who want to get out, so prepare for that on Thursday, and I'll give you due notice.

Mr. Desjarlais, you have the floor.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I want to thank our colleagues from all three parties—Liberal, Conservative and Bloc Québécois—for making this what I believe to be a unanimous motion.

Mr. Chair, would you allow me to read the unanimous motion and seek your consent?

I've supplied that motion to the clerk. Is that sufficient, or do I have to read the whole thing?

The Chair: Yes, I think you should probably read it.

We're looking for unanimous consent to wipe the slate clean with the previous motions and amendments and then adopt this in their place.

I'll go over to you so you can read it, please.

Mr. Blake Desjarlais: The motion is as follows:

That, given the fact that,

GC Strategies, a two-person company, that does not perform any actual work but exclusively subcontracts contracts they acquire, has received \$59 million in taxpayer dollars from 2017 to present;

decades of unchecked spending on outsourcing, which accelerated in 2006, has cost Canadians tens of billions of dollars while creating a shadow public service that works alongside the real public service, but without the same hiring practices or transparency requirements; and,

despite government promises to reduce outside contract spending the recently released supplementary estimates (C) show an increase in contract and services spending of \$1.2 billion.

That, pursuant to Standing Order 108(2), the committee initiate a two-meeting investigation after the Auditor General Report is tabled, concerning the value for money the Government has obtained through contracting GC Strategies—and through the practice of contracting and sub-contracting since 2006—and that the committee report its findings and recommendations to the House.

That the committee request that the Government provide the Public Accounts Committee all contracts between a government department, agency or Crown Corporations and GC Strategies, Dalian, and Coradix starting January 1 2012; and that the documents be submitted to the clerk of the committee in both official languages;

That the committee request that the Government Operation and Estimates Committee (OGGO) provide any overlapping documents already provided to OGGO

And that, the witness list for the study include the following:

- (1) All GC Strategies employees (Kristian Firth and Darren Anthony)
- (2) And any other witnesses that the committee deems fit to call.

The Chair: Thank you.

That sounds like what I heard in our discussions.

I am looking for a unanimous consent motion to accept this motion so we may begin acting on it right away.

Is there any dissent?

Mrs. Brenda Shanahan: I'm sorry, Chair.

There is just one change that we would recommend, and it has to do with (f).

What was the (f) clause, Blake?

Mr. Blake Desjarlais: Which paragraph is that? Maybe you could say it by paragraph.

I don't think there is an (f) clause.

Mrs. Brenda Shanahan: I would like to replace “any other witnesses that the committee deems fit to call” with “all senior government officials”.

Mr. Blake Desjarlais: Are you talking about the witness list portion?

Mrs. Brenda Shanahan: Yes, it's the witness list portion.

It would be, “Any senior government officials deemed fit to call”.

• (1300)

Mr. Kelly McCauley: Are you citing that to replace “any other witnesses”?

Mrs. Brenda Shanahan: Yes, it's to replace “any other witnesses” with that.

Mr. Kelly McCauley: The problem with that is that then we lose the right to maybe bring in Dalian or Coradix witnesses or witnesses outside of the government.

Mrs. Brenda Shanahan: It's “and all senior government officials that the committee deems fit to call.”

Mr. Kelly McCauley: Did you want to limit it to senior government officials only, though?

That's why I'm asking you, Mrs. Shanahan. Are you looking to have as witnesses only senior government officials? The original motion was quite prescriptive about whom to call. Mr. Desjarlais' was, and I agree with it, “Let's wait for the report and then from the report decide whom we're going to call.” I don't want to limit it just to government officials, in case something comes up outside of government officials.

Mrs. Brenda Shanahan: I was thinking of deputy ministers, but, yes, we'll let it go in the interest of time.

The Chair: I was going to say, Mrs. Shanahan, because there are only two meetings, everyone will have input on those witnesses and, of course, they'll be limited as well. I think people will be looking for the very best.

Are you okay with that? Okay.

Do we have unanimous consent?

Some hon. members: Agreed.

The Chair: As I said, just prepare your calendars. I'm going to add 15 or 20 minutes to the meeting on Thursday. We're looking at report 7 and report 8 from the Auditor General. If we do happen to finish up early, of course, I'll begin the in camera committee business meeting early, but if we don't, I will add 15 minutes to the end of the day on Thursday, so please prepare your calendars for that.

This meeting is adjourned.

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