



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

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# Standing Committee on Public Accounts

EVIDENCE

**NUMBER 142**

Wednesday, October 2, 2024

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Chair: Mr. John Williamson





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• (1635)

[*Translation*]

**The Chair (Mr. John Williamson (New Brunswick South-west, CPC)):** I call this meeting to order.

Welcome to meeting number 142 of the House of Commons Standing Committee on Public Accounts.

[*English*]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

Before we begin, I'd like to ask all in-person participants to read the guidelines written on the updated cards on the table. These measures are in place to help prevent audio and feedback incidents and to protect the health and safety of all participants, including and especially our interpreters. You'll also notice a QR code on the card that links to a short awareness video.

I would remind all in-person and online participants that for the safety of our interpreters, it is very important that your microphone is muted when you're not speaking. I know that can be a bit of a challenge when you're on Zoom, but when you finish your question, if you could please mute yourself, it would be greatly appreciated.

[*Translation*]

Thank you all for your co-operation.

[*English*]

Just as a reminder, all comments should be addressed through the chair.

[*Translation*]

Pursuant to Standing Order 108(3), the committee is resuming consideration of Report 6, Sustainable Development Technology Canada, of the 2024 Reports 5 to 7 of the Auditor General of Canada.

[*English*]

I'd like to welcome our witness. We have, from Sustainable Development Technology Canada, Cassie Doyle, board director.

Ms. Doyle, thank you for joining us today. You have up to five minutes for your opening remarks, if you'd like. Then we'll turn to the round of questions.

The floor is yours for five minutes, please.

**Ms. Cassie Doyle (Board Director, Sustainable Development Technology Canada):** Thank you very much, Mr. Chair.

Good afternoon.

I want to begin by acknowledging, with respect, that I am joining you today from my home in Coast Salish territory, specifically on the traditional lands of the Esquimalt and Songhees first nations. I am appearing before your committee today as a recently appointed member of the board of directors of SDTC.

I bring to this role over 40 years of public service experience. I have served as a deputy minister in the governments of British Columbia and Canada, and have, since then, acquired substantive experience in the governance of Crown agencies, serving on boards to that purpose for the provinces of Alberta and B.C. and for the federal government. Over this time, I have served cabinet ministers across Canada's full political spectrum.

Alongside former deputy ministers Paul Boothe and Marta Morgan, I was appointed to the board on June 4 for a term of one year. Our small board structure aligns with a specific mandate to implement the recommendations of the Auditor General report on SDTC, to implement the minister's direction to restart funding for Canadian clean technology companies, both those previously approved for funding and new applicants, and to transition SDTC programming and staff to the National Research Council.

Our work is informed by the extensive and conclusive reviews conducted over the past year: the Auditor General's report of May 2024; the fact-finding review on employment practices by McCarthy Tétrault; and the Conflict of Interest and Ethics Commissioner's reports on two former SDTC board members.

Our focus since day one has been to ensure strong executive oversight of all the foundation's activities. In carrying out our mandate, we are guided by three principles: to uphold our fiduciary responsibilities to ensure the sound management of public funds, to ensure fairness to clean-tech companies that have entered into legal agreements with SDTC in support of advancing their businesses and to facilitate the transition of SDTC to the NRC in an orderly manner.

Our first focus has been on implementing the guidance from the Auditor General's report. Of the 11 recommendations for SDTC, 10 have now been implemented. An updated contribution agreement was part of this work to incorporate enhanced oversight and reporting processes as recommended and to reflect the transition under way. The recommendation still to be completed is number 6.29 in the report, which states that SDTC "should reassess projects approved during the audit period to ensure that they met the goal and objectives of the Sustainable Development Technology Fund and all its eligibility criteria." This reassessment is now under way using independent third parties that were recruited for their competence in this work, and their findings are being reported for final decision to our board.

Our second mandate, to restart funding for those companies that hold agreements with SDTC, is advancing. We will rely on the findings of the AG report itself and the third party assessments under way, as well as a new quality assurance process put in place to confirm continued compliance before disbursing funds. I can say that we are getting close to releasing our first disbursements, with priority being accorded to those companies that have submitted their documentation and have been waiting the longest. The process for approving new funding for projects has also resumed, with priority being accorded to those businesses that have been in the queue the longest and are most advanced in the reinforced due diligence process, including the review by external experts.

On our third mandate, work is well under way to transition SDTC programming and staff to the NRC. Working groups between the two organizations are in place, developing detailed plans to ensure alignment on both programming and personnel.

Last, I come to this role as a former deputy minister of Natural Resources Canada and Environment Canada, and I am familiar with the kind of innovative companies that have been recipients of SDTC programming support. I am mindful, in delivering my mandate, of the importance of these hundreds of small and medium-sized businesses that are developing critical sustainable technologies. Their work contributes to Canada's economic growth and assists in achieving Canada's environmental objectives.

• (1640)

Our focus as a new board is to deliver on our three mandates in a manner that ensures accountability, transparency and integrity.

Thank you, Mr. Chair. I'm happy to answer your questions.

**The Chair:** Thank you very much, Ms. Doyle.

We'll now begin our first round, which consists of four members with six minutes each. Mr. Perkins will have the floor first for six minutes.

Before you begin, because we have a few new members here, I should just let everyone know how I like to run these and have run them without objection from anyone to date. Should there be any need to change that, we can take it to the subcommittee at some point.

I try to let members ask questions up to the end of their time. I'll begin to nudge as you get close to the time, but I like our witnesses to give a full and concise answer, even if it goes beyond the time. I

think this has worked well for this committee to hear fully from the witnesses.

I'll remind our members that, should you interrupt the witness when they're responding to a follow-up question after your time, I'll immediately stop the clock and move on. It's meant to give the witnesses time for one last crack at bat, I suppose, and it's proven to work well. I've not heard any objections.

I just wanted to let members know, particularly those who are new here, that as you're approaching the end of your time, I allow witnesses to complete a brief answer.

Mr. Perkins, I will again flag that you have six minutes, not six minutes and 10 seconds. Thank you.

**Mr. Rick Perkins (South Shore—St. Margarets, CPC):** Thank you, Mr. Chair.

Thank you, Ms. Doyle, for coming on this ongoing study into SDTC. As the public knows, it's the billion-dollar Liberal green slush fund.

I'd like to start with a couple of basic questions, if I can. Thank you for your opening statement.

You've just started to go through the process and are about to publish the first money and restart the funding. You mentioned that the contribution agreement has been revised. Could you please table with this committee the revised contribution agreement and the one it replaced?

**Ms. Cassie Doyle:** Yes, we'd be happy to do that. Thanks.

**Mr. Rick Perkins:** Thank you.

The questions I have begin with the issue of the money you're about to give. You outlined that those that have been waiting in the queue the longest are those you're going to give priority to. Could I ask you about that?

In that analysis, are you determining whether or not they are any one of the companies from the 82% of transactions the Auditor General reviewed that were conflicted?

Keeping in mind that this is an issue for Parliament, are you factoring that into whether or not they should be moved up the queue or considered as the investigation is ongoing?

**Ms. Cassie Doyle:** Thank you for that question.

I'm getting feedback from the room, but I should say that—

**The Chair:** Ms. Doyle, just hold on. Maybe we'll try to....

I've stopped the clock. You'll get a chance.

Is that better? Are you still picking up some audio feedback?

**Ms. Cassie Doyle:** No. It's more when I speak.

**The Chair:** Why don't you proceed then? If you find it is very disruptive....

**Ms. Cassie Doyle:** I will.

**The Chair:** The same goes for the interpreters, if you pick it up as well.

Ms. Doyle, the floor is yours.

• (1645)

**Ms. Cassie Doyle:** Great. Thank you.

I wanted to respond by saying that our very first priority for disbursements to our recipients is those companies that were found by the Auditor General to have no conflict of interest or eligibility issues. Those will be the very first disbursements.

However, we are reviewing each project and going through this new disbursement assurance quality process before any payment is made.

**Mr. Rick Perkins:** For that period, there were 226 transactions the Auditor General reviewed, but that period had over 400 transactions. Have you reviewed the other 400 transactions for conflicts and eliminated them from the application process at this stage?

**Ms. Cassie Doyle:** As I mentioned, one recommendation by the Auditor General that is still under way is the assessment of each project as she recommended. That work is being undertaken by third parties and is under way right now.

**Mr. Rick Perkins:** My question is related to the full period of time, because the Auditor General only did a sample from that period of 226 out of over 400 transactions. I hope you are looking at those. I hope that would have piqued your curiosity, as a board member with your fiduciary responsibility, and you would ensure that all of those files and all of those applications of conflicted companies were being eliminated at this stage from consideration out of the 400, not just the ones the Auditor General named.

**Ms. Cassie Doyle:** The recommendation of the Auditor General was to assess all projects within her audit period for eligibility. That is the process that we have under way right now using third parties. Every single project is being reviewed by two independent third parties to assess full eligibility.

**Mr. Rick Perkins:** Could you table with the committee who those two independent third parties are?

**Ms. Cassie Doyle:** They're consulting companies that we've recruited through an RFP. I can provide you with the names of those consultants.

**Mr. Rick Perkins:** Yes, if you could, that would be great because we've had accusations from the whistle-blower that the third parties that have been used to vet projects before have been conflicted with management.

**Ms. Cassie Doyle:** We do have reinforced conflict-of-interest provisions to ensure that our contractors are not in any way in conflict of interest.

**Mr. Rick Perkins:** Have you met with the minister since you took over this role?

**Ms. Cassie Doyle:** I have not.

**Mr. Rick Perkins:** Have any of the board members, that you're aware of?

**Ms. Cassie Doyle:** No, not that I'm aware of. I believe none of us have met with the minister.

**Mr. Rick Perkins:** Have you met with the president of the NRC in planning the transition?

**Ms. Cassie Doyle:** Yes.

**Mr. Rick Perkins:** Okay.

Prior to the freeze, SDTC published a regular update of every project that was funded since its inception on a spreadsheet that you could download from its website. When you restart funding, will you continue this practice?

**Ms. Cassie Doyle:** I'm sorry. Because I'm so recent in this role, I'm not familiar with that practice. However, it sounds like the very kind of transparency that we're committed to, so, yes, we could do the very same thing.

**Mr. Rick Perkins:** Okay. Who is currently the acting president of SDTC?

**Ms. Cassie Doyle:** We do not have an acting president, sir. We have an acting chief operating officer.

**Mr. Rick Perkins:** Who is that?

**Ms. Cassie Doyle:** That is....

**Mr. Rick Perkins:** Is it Ziyad Rahme?

**Ms. Cassie Doyle:** It's Ziyad Rahme, yes.

**Mr. Rick Perkins:** Is Ziyad Rahme operating full time in that job right now?

**Ms. Cassie Doyle:** Yes, he is operating full time.

**Mr. Rick Perkins:** Okay. We've been trying to get him to appear before this committee and he has been saying that he's sick and can't appear, so that's good to know. We will make another attempt to have him appear.

**Ms. Cassie Doyle:** Sir, if I could just correct myself, he is on a medical leave right now.

**Mr. Rick Perkins:** So who's doing the job?

**Ms. Cassie Doyle:** Our CFO, Sheryl.... Pardon me, I just have to get Sheryl's last name.

**Mr. Rick Perkins:** Your CFO is the acting acting chief operating officer.

**Ms. Cassie Doyle:** Yes, she is the acting COO.

**Mr. Rick Perkins:** Okay. Who's acting, then, in Mr. Rahme's role of vice-president of investments?

**Ms. Cassie Doyle:** I'm sorry. I don't have the list of staff in front of me. Brian Scott is the acting vice-president of investments.

• (1650)

**Mr. Rick Perkins:** All right. Okay.

I'll come back to that in another round.

**The Chair:** Thank you very much.

Up next is Ms. Khalid.

You have the floor, please, for six minutes.

**Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.):** Thank you, Mr. Chair.

Thank you, Ms. Doyle, for appearing before us today.

Ms. Doyle, to start, can I just ask how long you have been in this role?

**Ms. Cassie Doyle:** It's been just over four months. We were appointed on June 4, 2024.

**Ms. Iqra Khalid:** When did you first apply for this role?

**Ms. Cassie Doyle:** I actually did not apply. I was contacted by an executive of ISED to ask if I'd have my name, you know, stand to be appointed to this board and for—

**Ms. Iqra Khalid:** Why did you accept this position?

**Ms. Cassie Doyle:** I accepted the position because I was very familiar with SDTC in my former roles, and I believe in its mission. I also felt that I could make a contribution.

**Ms. Iqra Khalid:** I realize that you have quite an extensive résumé, but do you want to walk through what your qualifications are that make you qualified to take on this very significant role?

**Ms. Cassie Doyle:** As I mentioned, I've served as a deputy minister of environment with the Government of British Columbia. I worked as the associate deputy minister with Environment Canada and as the deputy minister of Natural Resources Canada. I also served as Canada's consul general in the Silicon Valley, where I worked with Canadian technology companies.

Since leaving the public service, I have served on a number of Crown boards, with the Alberta Energy Regulator, with B.C. Housing in British Columbia, and with the Canada Energy Regulator. I've had a fair amount of governance experience in Crowns, as well as in volunteer organizations, actually.

**Ms. Iqra Khalid:** Do you want to specifically talk about any of that governance experience you've had? I know it is quite integral to the role you're going to play here.

**Ms. Cassie Doyle:** Yes.

I was appointed to chair the Canada Energy Regulator, and I was in that role for five years prior to coming here. When I was a deputy minister, I worked with a number of Crowns—including SDTC, in fact—on governance and the work between the government and Crown agencies.

**Ms. Iqra Khalid:** Thank you so much for sharing that. I appreciate it.

Why do you think the NRC is best suited to transition into what SDTC's role has been? Why do you think it would be better for the NRC, out of all the government departments, to take this over?

**Ms. Cassie Doyle:** It has a very long history of working with industrial sectors across the country, particularly in the area of innovation and bringing on new innovative companies. I think it has deep expertise in technology and, of course, science. It's the National Research Council. Particularly with its IRAP program, it seems like a very good fit for the programming of SDTC.

**Ms. Iqra Khalid:** Thank you.

The NRC and the PCO have previously testified at our committee. They said that SDTC is working off expedited timelines in the transition we are all trying to get to, and that the transition is going well.

How are you working with the NRC to ensure that transition is happening in a timely fashion? What are some of the challenges you may be facing with that transition?

**Ms. Cassie Doyle:** One area I've been particularly involved in is the transition of programming from SDTC to the NRC. We hold hundreds of agreements with individual companies. Our goal is to ensure a seamless transition of those contracts between SDTC and companies to the NRC, as well as the intake of new applications. It's our intent to try to do this in a way that has the least impact on those we serve, which are clean-tech companies in Canada.

It is being undertaken in an accelerated fashion. We want to ensure we're building and ensuring a strong knowledge transfer between SDTC and the NRC. That work is going very well.

• (1655)

**Ms. Iqra Khalid:** In your opening remarks, you talked about the recommendations provided by the Auditor General, and that 10 out of 12 have been implemented.

Can you expand on that a bit? What does that actually mean?

**Ms. Cassie Doyle:** It's actually 10 out of 11. The AG made 11 recommendations that were specifically targeted to SDTC.

There's been a considerable amount of work in advance of our appointment. It was undertaken to create a reinforced due diligence process. In some cases, it's ensuring the documentation is as in-depth as the processes themselves. That work has been done.

As I mentioned, there's been work on a contribution agreement with ISED in order to strengthen reporting and make more explicit the provisions around conflict of interest. There is a new quality assurance process that's been developed for disbursements to ensure that recipients of funds continue to be in compliance with eligibility, because the disbursements tend to take place over a number of years.

We tabled with this committee, back in June, an action plan on how the recommendations were being implemented. The amount of work has been considerable.

I would also say there's been a new independent ethics adviser appointed to ensure that everyone in the organization is aware of their responsibilities when it comes to conflict of interest.

**The Chair:** Thank you very much.

[Translation]

Ms. Sinclair-Desgagné, you have the floor for six minutes.

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

Ms. Doyle, thank you for your testimony.

You mentioned, in response to one of my colleagues, that you were well aware of the planned transition to the NRC. Is that correct?

[English]

**Ms. Cassie Doyle:** Excuse me. I'm not getting my interpretation.

I now see it—my apologies.

[Translation]

**The Chair:** Ms. Sinclair-Desgagné, we'll start over. You have six minutes.

**Ms. Nathalie Sinclair-Desgagné:** Thank you, Mr. Chair.

I would kindly ask you to ensure that these tests take place before the meeting so we don't waste time. Thank you very much.

I'll start over.

Ms. Doyle, you mentioned that you were well aware of the coming transition to the NRC. Is that correct?

[English]

**Ms. Cassie Doyle:** Yes.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** All right.

We heard quite a bit of contradictory testimony about employees who would be transferred to the NRC. One of the most compelling witnesses told us that no one in senior management would be transferred to the NRC, only employees.

Is that correct?

[English]

**Ms. Cassie Doyle:** There's no decision that has been made around the employees being transferred to the NRC at this point. I

can't really give you a conclusive answer yet because those decisions are still to be made.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** And yet, witnesses specifically told us that senior management would not be transferred. Employees, on the other hand, would have job security. To begin with, the minister promised that everyone would be transferred. Then, the deputy minister and the witness who appeared before this committee said that all employees, except senior management, would be transferred. Now you're telling me that no decision has been made.

That seems odd.

• (1700)

[English]

**Ms. Cassie Doyle:** I am familiar with some of the testimony that's been made at this committee, but I can tell you that, as the board, we have no direction or mandate around who is to be transferred. We are working with the National Research Council, but the decision on transferring personnel, the final decision, is yet to be made.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** All right.

It's quite surprising that four months later, and after this whole saga, no decision has been made and the board of directors isn't up to speed.

Can you tell me when that decision will be made? Will it be shared with the public, or at least with this committee?

[English]

**Ms. Cassie Doyle:** Yes, and I can certainly provide to the committee a timeline on that. We are moving in an accelerated fashion, but we haven't gotten down to the point of actually determining exactly which personnel will be transferred to NRC. Our intent is to transfer as many as possible.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** That transfer has to take place by the end of this year. Is that correct?

It is now October, and we still don't know who will be transferred or not. Won't employees who are not being transferred receive advance notice? Again, this seems quite vague.

Perhaps you simply don't know the answer; that would be a shame, for someone who sits on the board of directors.

[English]

**Ms. Cassie Doyle:** We will provide to the committee that information. I can assure you that we are very advanced in our workings with the NRC and ensuring alignment between the two organizations. There is no deadline by the end of this calendar year. Our aim is to have this done within our appointment of one year.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** I'm going to move on to another topic.

You mentioned in your opening statement that you were still reviewing projects covered by the Auditor General's recommendation number 6.29. However, SDTC's response to that recommendation was a partial acceptance. That response practically says that Sustainable Development Technology Canada's managers and employees are smart enough to determine whether the projects meet the criteria. Today, however, you stated that you were following the recommendation. That is inconsistent.

Are you changing SDTC's response to the Auditor General, or are you instead going back on what you said today and saying that the acceptance of this key recommendation was only partial?

[English]

**Ms. Cassie Doyle:** As I mentioned, we're in the process of implementing Auditor General's recommendation 6.29, and—

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** Ms. Doyle, the recommendation was only partly accepted by Sustainable Development Technology Canada, meaning that it was not truly accepted. Now you're telling me it's being implemented. That's contradictory.

[English]

**Ms. Cassie Doyle:** One thing I should explain is that the response to the Auditor General's report was prepared in advance of our appointment as a board. When we were appointed as a board, it was the very day that the report came out, so we had no input into that. We as a board are implementing the recommendations of the Auditor General as written, so we are undertaking a review of every project and we're using independent third parties.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** That's quite relevant. So you had conversations on that subject. I imagine you've seen the answers provided by SDTC and that you targeted that recommendation; it is important, after all. That's really the most important recommendation in the Auditor General's report, and it has only been partly accepted. You're now telling me that the current board members were appointed after the former board's responses were written and that, in the end, you accepted the recommendation.

Have you spoken with those who partly accepted the recommendation so that it can go forward, or are you using big words to tell us that you accept it without it truly going forward?

• (1705)

[English]

**Ms. Cassie Doyle:** As I mentioned in my opening remarks, we are implementing that recommendation as it was written using independent third parties. I can't speak to the partial acceptance—

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** Who—

[English]

**The Chair:** The time—

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** Let me ask a quick question.

**The Chair:** I've already given you extra time.

Mr. Desjarlais is next.

[English]

Mr. Desjarlais, you have the floor for six minutes.

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

Thank you, Ms. Doyle, for being present at our committee today. I was pleased to see from your opening remarks that you're committed to three overall priorities that I find critical to the re-establishment of public trust and to making clear the fiduciary responsibility that lies between taxpayers and institutions.

Auditor General Hogan in her news release on this audit said the following:

Like all organizations funded by Canadian taxpayers, Sustainable Development Technology Canada has a responsibility to conduct its business in a manner that is transparent, accountable, and compliant with legislation. Our findings show that when this doesn't happen, it's not always clear that funding decisions made on behalf of Canadian taxpayers were appropriate and justified.

As you know, Ms. Doyle, there were serious concerns related to the breach of public trust under issues of conflict of interest and board and executive mismanagement. These two issues are incredibly challenging for what is an earnest policy—a policy intended to support small and medium-sized businesses in Canada and a program and policy intended to ensure innovation and to ensure that Canada could actually make stuff and produce stuff and do stuff not only to help our economy but also to help our environment. This is something that young people across the country, people who love the outdoors and people who cherish what we've inherited in our country really value, but they are finding it difficult to square the circle in what has been the very disappointing and extreme level of corruption we've been investigating through the SDTC process.

When it became apparent that this issue was so extremely mismanaged, the minister rightfully did disband SDTC and began the process of transferring that work to NRC.



That is where we find you, Ms. Doyle. You got a phone call from the government: We're in trouble. We need you to help us rebuild a system that has largely left Canadians now both nervous and mistrustful.

This is an incredible challenge. I really appreciate your accepting this role. Of course, as you know, given the gravity and severity of this issue, we have some very difficult questions that I hope you can provide some clarity on.

Can you please describe what specific responsibilities you hold in managing the transition to the NRC?

**Ms. Cassie Doyle:** As I mentioned, we're a three-person board, so we pretty well operate sharing all the responsibilities. I have taken a particular interest in the area of restart, the restart of funding, as a member of the board, but we are providing very strong executive oversight of the organization, so we work very closely together.

**Mr. Blake Desjarlais:** Ms. Doyle, are you paid by the Canadian taxpayer?

**Ms. Cassie Doyle:** Yes, I am.

**Mr. Blake Desjarlais:** What is your compensation for being a member of the board? Do you have salaries, honorariums, per diems...?

**Ms. Cassie Doyle:** We are paid a per diem for one day, for example, or a half-day. It's aligned with kind of the lower end of the deputy minister salary.

**Mr. Blake Desjarlais:** What is that?

**Ms. Cassie Doyle:** It works out to being about \$750 for a half day or \$1,500 for a day of work.

**Mr. Blake Desjarlais:** Thank you very much.

Have you had to recuse yourself from any discussions during your time on the board? If so, why?

**Ms. Cassie Doyle:** I have not. I can say that I have no conflict of interest when it comes to my own investments or connections or relationships with clean-tech companies in Canada.

• (1710)

**Mr. Blake Desjarlais:** Have you ever had conflict of interest training prior to your appointment to the board, or during your tenureship on the board so far?

**Ms. Cassie Doyle:** We did. As a board, we met with the Office of the Conflict of Interest and Ethics Commissioner to ensure that we really understood our obligations under the act. As well, SDTC now has an independent ethics adviser. I met with that individual to go through all my own personal holdings to ensure no conflict of interest before taking the assignment.

**Mr. Blake Desjarlais:** Thank you so much for that answer.

I think that leads into this next question. For clarity purposes, did any companies of which you were an owner, partial owner or member of a board receive any SDTC funding at any point in time?

**Ms. Cassie Doyle:** No.

**Mr. Blake Desjarlais:** Did any companies that your family or friends owned or for which they were members of the board receive SDTC funding?

**Ms. Cassie Doyle:** No.

**Mr. Blake Desjarlais:** Thank you very much, Ms. Doyle. I do appreciate your answering these questions in earnest. It makes our work much more valuable in this committee.

I'll speak now to a point that you raised, which I was happy to hear. It's your focus on recommendation of the Auditor General 6.29, which largely deals with recovery. This is something that we're aligned with, Ms. Doyle. Something that I'm very passionate about is trying to ensure that, in any instance where there was a conflict of interest or potential mismanagement at the board level that resulted in any funding agreement with potentially ineligible projects, the money be recovered. The Canadian taxpayer should get money back for any illegitimate projects that were deemed acceptable at that time.

There were people who we brought in at one point, members of the project review committee, which, as I'm sure you know, is a function of SDTC. They helped to review some of this information. They claimed at that point—at least the Auditor General in her report suggests—that this quasi-approval board's partial acceptance of 6.29 was the reason some projects were deemed ineligible. This—

**The Chair:** Ask your question, Mr. Desjarlais, please.

**Mr. Blake Desjarlais:** —is something that I find largely unacceptable. Do you believe that we should recover funds for ineligible projects, as I do?

**Ms. Cassie Doyle:** I believe that, where we find any evidence of wrongdoing, we will, as a board, take action to recover those funds.

**The Chair:** Thank you very much.

Beginning the second round, Mr. Cooper, you have the floor for five minutes, please.

**Mr. Michael Cooper (St. Albert—Edmonton, CPC):** Thank you very much, Mr. Chair.

Ms. Doyle, just to clarify an answer you provided to a question posed by Mr. Perkins, the reassessment process that is now under way is taking into account all of the projects that were reviewed during the time period of the Auditor General's report, not just the sample of the Auditor General's. Is that correct?

**Ms. Cassie Doyle:** That is correct.

**Mr. Michael Cooper:** Okay. Thank you for that clarification.

Can you provide assurance that, once the reassessment process is completed, no companies that were involved in conflicts of interest involving board members will receive a further cent from the taxpayer through SDTC?

**Ms. Cassie Doyle:** As I mentioned, we are implementing the Auditor General's recommendation, and we're reviewing every single project on an individual basis. If we find any evidence of wrongdoing on the part of the recipient, as the legal agreements exist between SDTC and the recipients, the board will take action on recovery.

**Mr. Michael Cooper:** Will you take action on recovery and bar such companies from receiving further funding?

**Ms. Cassie Doyle:** Yes. I would imagine that, if there was any finding of wrongdoing, that would disqualify them from future agreements with SDTC.

**Mr. Michael Cooper:** Thank you very much.

You spoke about a reinforced contribution agreement that is now in place. Pursuant to that reinforced contribution agreement, are there any projects that would now be eligible for funding that were ineligible under the previous contribution agreements but had nonetheless been approved by the former corrupt SDTC board?

• (1715)

**Ms. Cassie Doyle:** That might be the case. The act and the contribution agreement had not kept pace with changes in the technology space that we are focused on in clean tech, so there is a possibility that with the new contribution agreement...and it was recommended by the Auditor General that we clarify language around eligibility. That, I would say, is a possibility—

**Mr. Michael Cooper:** I apologize for interrupting you, Ms. Doyle, and thank you for that.

I raise it because, when the whistle-blower appeared before this committee two weeks ago, he said that it was more than a possibility. He said that, with respect to the reinforced contribution agreement, it “goes back and retroactively allows for the majority of those ineligible projects to be considered eligible.” It was a majority of ineligible projects.

It seems to me to be concerning that we have \$58 million that improperly went out the door, according to the Auditor General, and instead of cleaning up the corruption and mismanagement at SDTC, what is now in fact happening, pursuant to the so-called reinforced contribution agreement, is that the minister, ISED and the board at SDTC are changing the rules retroactively to invalidate mismanagement and corruption.

**Ms. Cassie Doyle:** Right now the process is under way to assess the eligibility, so I'm not sure how anyone could speak as to the outcome of that process. I can just give you one example.

In the new contribution agreement, we now have much clearer definitions around the technology readiness levels. They hadn't been as clearly defined in the former contribution agreement, and that had posed a challenge around the Auditor General's review of what readiness level a particular project was when it came to its eligibility. In some cases, the language is now much clearer, with clearer definitions of what we mean by the TRLs, technology readiness levels, as they're referred to.

**The Chair:** Thank you.

I'll move on to our next member.

Ms. Yip, you have the floor for five minutes, please.

**Ms. Jean Yip (Scarborough—Agincourt, Lib.):** Thank you.

Thank you for coming on board, Ms. Doyle.

How is SDTC implementing the Auditor General's recommendations?

**Ms. Cassie Doyle:** There's a lot in the Auditor General's report, as I imagine you all know. We did table an action plan here with this committee in June outlining the intention around the implementation. There has been the implementation of and determination of new processes, such as the quality assurance process related to disbursements. There has been new training of staff, or recent training, and ongoing training of staff around their obligations. When it comes to, for instance, conflict of interest, there's new reporting that is in place. For instance, we at the board are provided with monthly reports of any conflict of interest that has been identified by the staff.

It's reporting. It's new processes in place. It's training. We have, as I mentioned, a new ethics adviser. There's a new way of recording the minutes of the board. The level of implementation is considerable, and 10 of the 11 recommendations of the Auditor General's report have now been implemented.

**Ms. Jean Yip:** You mentioned an action plan. How is that progressing? What are some of the actions in the plan?

**Ms. Cassie Doyle:** We did table the action plan here at this committee in June. As I mentioned, except for the very large recommendation around the reassessment of the eligibility of all the projects during the audit period, all the other recommendations have now been implemented. It speaks to really enhanced diligence, enhanced reporting and strengthened documentation. There are really quite a significant number of improvements that have been made to implement those recommendations.

• (1720)

**Ms. Jean Yip:** How do you see the transition into the NRC increasing oversight and accountability at SDTC?

**Ms. Cassie Doyle:** It will be a different governance structure. The programming of SDTC will form part of the National Research Council, so they will be more in line with a department of government, as opposed to an independent agency, as SDTC is, as a foundation. Therefore, they will be subject to, really, the rules and the financial requirements more along the lines of a line department.

**Ms. Jean Yip:** Were you given any instruction by the Minister of Innovation or ISED, as part of this transition?

**Ms. Cassie Doyle:** We were given a formal mandate, which I referred to in my opening comments. That was provided to us in a letter from the minister, but we haven't had any other direction. That's our laser focus. It's the delivery of those three elements of our mandate: implementing the AG's report, restarting funding and transitioning SDTC into NRC.

**Ms. Jean Yip:** Does the renewed contribution agreement make this clear?

**Ms. Cassie Doyle:** Yes, it does. It allows us to operate in a way in which we are in compliance during this transition period. It clarifies, in a number of instances, the reporting requirements, for instance, to ISED.

**Ms. Jean Yip:** Has SDTC funding been unblocked yet? Is the board currently approving and disbursing funds?

**Ms. Cassie Doyle:** We are very close to issuing our first disbursements, but we have not yet started that process. I would say that we are within just a matter of weeks now, after the board has been in place for four months.

**The Chair:** You may ask a very short question, or I can come back to you later.

**Ms. Jean Yip:** In terms of the speed of the disbursement, is there a reason for that?

**Ms. Cassie Doyle:** Again, it was important for us as a new board to ensure that we had all of the quality assurance processes in place, and there were a number of steps that we needed to go through in terms of our own due diligence before restarting funds.

[Translation]

**The Chair:** Thank you very much.

Once again, Ms. Sinclair-Desgagné is next.

Ms. Sinclair-Desgagné, you have two and a half minutes.

**Ms. Nathalie Sinclair-Desgagné:** Thank you, Mr. Chair.

Ms. Doyle, you just said that, within a few weeks, the first payments can be made to companies that were eligible and that should have received payments several months ago, if not a year ago.

Will all of the eligible businesses start receiving payments within weeks, or only some of them? If so, what proportion of those businesses will receive payments?

[English]

**Ms. Cassie Doyle:** These payments are not initial payments, but they are payments that have been disbursed according to the calendar that was set up when these projects were approved. As I mentioned, the very first round of disbursements will go to those companies that have already been reviewed by the Auditor General and found to have no eligibility issues or conflict of interest issues. That will be the very first round.

As we get more certainty around our schedule, we could provide that information. I can't say with any exactitude when we will get to the others. As I mentioned, the Auditor General had recommended, and we've accepted that recommendation, to review every single project to ensure that it is in compliance.

• (1725)

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** Thank you.

In terms of the proportions, you're saying that those are the companies that were audited by the Auditor General. Very well.

The companies and consulting firms who are currently performing the audits—and have been for a number of months—what exactly are they doing? It has been several months, after all. Consulting firms are able to work quickly. Simon Kennedy told us that it was already under way in the spring. You've only been there for four months, but the consulting firms have been there for many months.

Could you please provide us with the timeline that is systematically provided in each response to an RFP?

For example, if Deloitte responded to the RFP and it was accepted, could you please provide us with Deloitte's timeline to perform the required audits of the companies?

[English]

**Ms. Cassie Doyle:** Yes, I could take this question under advisement and provide more information. I'll just add that we did not start this process until the completion of the Auditor General's report. It was only as the new board that we turned our minds to implementing this recommendation. Then we went through an RFP, and we selected the independent consulting firms. They are now reviewing against the eligibility as recommended under, I think, recommendation 6.29. It is that process that is under way now. For each project, they're going back to the original documentation that the project submitted and looking at every element of eligibility for the SDTC fund.

[Translation]

**The Chair:** Thank you very much.

Ms. Sinclair-Desgagné, do you want to ask a quick question or wait until the next round?

**Ms. Nathalie Sinclair-Desgagné:** I'll wait for the next round.

**The Chair:** Thank you very much.

Next up is Mr. Desjarlais.

[English]

Mr. Desjarlais, you have the floor for two and a half minutes, please.

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

Ms. Doyle, I'd like to quote the minister. He said:

For their part, SDTC employees will be offered employment with the NRC. Employees at SDTC have gone through a difficult and challenging period. Their dedication and hard work will ensure the continued success of our cleantech startups.

That was what the minister said in relation to some serious concerns about job security for some of the country's best professionals in this space. As you know, the professional services and technological sector is a difficult sector to second talent for. We've heard in this committee before from multiple audits that we're seeing a lot of companies really suffering from an inability to recruit properly.

This is something that I think is quite serious, because if we don't have these professionals within the public service, it leaves it to groups like GC Strategies, which we had to deal with in the past, as I'm sure you're aware. There is a tremendous bleeding of public funds to these random tiny private firms that can manipulate the public system in order to get more funding.

My preference, which I think is the preference of many Canadians, is to have good public servants who know how to do the job and aren't skimming off the top. That is what we need in order to make our country's public sector work more valuable and to deliver more value for dollar for taxpayers.

That being said, since you took this role, have you spoken to the minister or the deputy minister with regard to his commitment to see employees at SDTC transferred to NRC?

**Ms. Cassie Doyle:** I have not spoken to the minister since taking this appointment. We have been in touch with and spoken to representatives of the executive of ISED.

The board and I agree with you. We want to retain the deep expertise that has been developed within SDTC around sustainable technologies, so that's something that we are committed to.

**Mr. Blake Desjarlais:** Have they been offered jobs?

**Ms. Cassie Doyle:** The job offers have not yet come. We had to start with the information exchange, because, as you could imagine, the classifications and job titles, etc., are very different between SDTC and NRC.

That work has been ongoing, and we have a very good team we're working with at the NRC. I don't have a date for when the job offers will be made, but everything is working towards that as an objective.

**The Chair:** Thank you, Ms. Desjarlais. You're right at the end. I'll add a little bit of time to your next round.

We're turning now to Mr. Brock.

You have the floor for five minutes, please.

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

Good afternoon, Ms. Doyle. Thank you for your attendance.

Minister Champagne, on June 4, 2024, issued a press release in which he said:

Effective immediately, SDTC will also resume funding, under a reinforced contribution agreement with ISED, for eligible projects in a sector vital to our country's economy and clean growth transition. In line with the Auditor General's findings, my Department will enhance oversight and monitoring of funding during the transition period.

Did I hear you correctly in stating that, since your appointment in or around June of this year, you have not funded any projects to date?

• (1730)

**Ms. Cassie Doyle:** We were appointed the very same day as that press release. We have been—

**Mr. Larry Brock:** Has there been no funding since that date?

**Ms. Cassie Doyle:** No, there have been no disbursements made because there needed to be certain recommendations of the Auditor General implemented.

**Mr. Larry Brock:** Thank you. That's fine, ma'am.

You confirmed on a number of occasions that you have yet to speak to Minister Champagne. Is that correct?

**Ms. Cassie Doyle:** That's correct.

**Mr. Larry Brock:** Have you spoken to the deputy minister?

**Ms. Cassie Doyle:** Yes, we have had a discussion with the deputy minister, and other members of the ISED executive attend each of our board meetings for a period of time for the exchange of information and updates.

**Mr. Larry Brock:** Okay, so you're sharing information.

Are they providing oversight or monitoring of the projects that you are about to fund? Have they weighed in? Have they made an assessment about the appropriateness of that funding?

**Ms. Cassie Doyle:** We have regular reporting to ISED, and it's under the new contribution agreement. Financial reporting goes back and forth between ISED and SDTC.

When it comes to the actual eligibility of projects, that is our responsibility as a board. Therefore, we put the process in place that I referred to a number of times.

**Mr. Larry Brock:** Who are you talking to at ISED, besides the deputy minister?

**Ms. Cassie Doyle:** We are speaking with the assistant deputy minister and members of his team, I believe.

**Mr. Larry Brock:** Can you supply this committee with all of those names?

**Ms. Cassie Doyle:** Yes, we could.

**Mr. Larry Brock:** You mentioned that you're reporting to ISED.

Do you know specifically who you are reporting to?

**Ms. Cassie Doyle:** We were appointed by the minister and serve at the pleasure of the government, but our reporting goes to the deputy minister.

**Mr. Larry Brock:** Part of the difficulty with the previous rendition of the SDTC board was regarding this information we learned: The assistant deputy minister of ISED sat in on each and every board meeting. He had his eyes and ears on all the funding that was conflicted, and all the funding that went to Liberal insiders. Whether or not that was passed up the chain to Minister Champagne still, to this day, remains a mystery—hence the scandal.

You obviously have had a number of board meetings, smaller in nature, since your appointment. Has the assistant deputy minister sat in on those meetings?

**Ms. Cassie Doyle:** The new contribution agreement specifies exactly what the nature of the connection is between the board and ISED.

The assistant deputy minister, or his or her representative, attends one portion of the board for the strict purpose of the exchange of updates, and then leaves the board. They are not present during any of our board business.

**Mr. Larry Brock:** How on earth does it enhance oversight when that particular assistant deputy minister merely receives an update and is not privy to ensuring that all actions and the decisions you make are in accordance with the updated contribution agreement? That was the whole purpose behind the old contribution agreement—that there would be some degree of oversight.

**The Chair:** Thank you, Mr. Brock.

I'll allow—

• (1735)

**Mr. Larry Brock:** Am I hearing that there's no oversight?

**The Chair:** Ms. Doyle, you have the floor.

**Ms. Cassie Doyle:** The oversight is very well documented now in the new contribution agreement. It is through a series of reporting. As an independent agency.... As specified under the act, oversight is not done by having a member of ISED sitting in on the board, but rather through regular reporting—both financial reporting and program reporting—to the department.

**The Chair:** Thank you very much.

[Translation]

Mr. Drouin, you have five minutes.

**Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.):** Thank you very much, Mr. Chair.

[English]

Thank you, Ms. Doyle, for appearing before this committee.

I noticed that you have extensive experience serving both in government and outside of government. I noticed that you were deputy minister at Natural Resources—I think you mentioned this—from 2006 to 2010.

With regard to the contribution agreement, and just in general, in terms of your experience serving in government.... When we talk about oversight, ISED's interest is in whether or not the board is respecting the contribution agreement you signed. It's not necessarily getting involved in minutiae and day-to-day operations.

Is that correct?

**Ms. Cassie Doyle:** Yes, I'd say that's correct.

**Mr. Francis Drouin:** Okay.

I was worried, because I have a lot of organizations back home that have signed various contribution agreements with various departments, and they would be quite concerned if a minister, political staffer or deputy minister was involved in their day-to-day operations.

Obviously, there are reporting mechanisms. It doesn't mean there is no oversight. It just means the contribution agreement you signed with said department.... It's about whether or not you are respecting the legal entente, if I can say that, with said department.

Is that correct?

**Ms. Cassie Doyle:** Yes, the essence of a contribution agreement is to ensure accountability to the government.

**Mr. Francis Drouin:** Okay, and if you're not respecting that, obviously the department has to step in and say, "You said you were going to spend *x, y, z*, on the particular mandate of the program or the funding agreement that we had signed, and you're not respecting that. Therefore, we will not repay you or not allow you to declare those particular expenses with our department."

However, I want to move on from that. You said there are three board members. What's the mandate of the board, actually? I know you mentioned that you're currently, through a third party, looking at current contribution agreements with those companies that were funded, but what else do you have to do within the mandate of the new board?

**Ms. Cassie Doyle:** The minister gave us, the new board, a very defined mandate and an appointment of one year, which is unusual in its brevity. Our mandate is to implement the Auditor General's report, to restart funding that had been put on pause and, thirdly, to ensure an orderly transition of the organization into the National Research Council. That's our mandate.

**Mr. Francis Drouin:** Obviously, there are some concerns about conflicts of interest, and I want to dive into that. The new contribution agreement that you signed with ISED, how does it differ from the previous one with regard to conflict of interest? We talk about real, perceived or potential conflicts of interest. How are you as a board managing that?

**Ms. Cassie Doyle:** There has been a fair amount of work and a new conflict of interest code within SDTC. We as a board receive monthly reports of any declaration of conflict of interest. ISED, under the new contribution agreement, also receives regular reporting of any declaration of conflict of interest. There was the appointment of a new ethics adviser at SDTC and quite extensive training that was implemented, so there's a much more robust conflict of interest regime in place. That applies not only to staff but also to contractors, anyone doing work for the foundation.

**Mr. Francis Drouin:** Some of my colleagues asked about your appointment. In June 2024, there was a press release and three board members were appointed. You talked about a third party being involved in reviewing the contribution agreements that are currently in place. When was that RFP given to that third party, or when was the award to that new third party for review announced? I'm just trying to determine whether it's—

• (1740)

**Ms. Cassie Doyle:** It was one of the AG's recommendations. It took us about six weeks, I think, so it was sometime in late July that the independent consultants were retained.

**Mr. Francis Drouin:** Is there an end time particular to the fact that they need to complete all of the reviews that were listed in that particular RFP, or is this "get to the bottom of this and take as long as you want"?

**Ms. Cassie Doyle:** No, we do have.... Our end time, which we made a commitment in the action plan to implement, is that by the end of December 2024 we have all of that review complete.

**The Chair:** Thank you very much, Ms. Doyle.

To begin our third round, Mr. Perkins, you have the floor for five minutes, please.

**Mr. Rick Perkins:** Thank you, Mr. Chair.

The SDTC created something called accelerators. Are those project reviews for companies that were accelerators still in place??

**Ms. Cassie Doyle:** Thanks for that question. No new applications will be considered under.... The accelerators came under a stream called the ecosystem funding stream, so one decision the board has taken is to cease funding of the accelerators that are under the ecosystem and to not accept any further applications.

**Mr. Rick Perkins:** I appreciate hearing that.

I'm going to go through a scenario to make sure you're eliminating this from the whole process, because former SDTC chair Annette Verschuren came to that stream seeking a total of \$6.8 million for the Verschuren Centre, which was one of those accelerators and which she established at Cape Breton University.

That got to the investment committee, which your now-acting chief operating officer was involved in, and we have emails from him in his role as VP of investments, which reported that the conflict was even too much for that group to accept and it was rejected, but it was committed in an email that SDTC staff would help find the Verschuren Centre money elsewhere.

The result of that was that, on June 9, 2022, ACOA granted \$2 million to the Verschuren Centre and ISED another \$2.5 million. In September 2023, while ISED was investigating SDTC, their regional development agency, ACOA, gave yet another million dollars, and then on September 19, 2023, the industry department gave them another \$3.1 million. That's a total of almost \$9 million of taxpayer money that the whistle-blower said staff were involved in trying to find for that centre elsewhere.

They confirmed it was a common practice for staff to be tasked with finding other money for these sometimes rejected and sometimes accepted projects in other government departments.

Have you stopped the practice of staff being the government relations and slush fund managers of the Government of Canada for either rejected or accepted projects on that? It is not SDTC's role to act as the in-house application process for other government departments, is it?

**Ms. Cassie Doyle:** As I've mentioned, we have a very particular mandate, and that mandate is, as I said, to go through those three things. The ecosystem funding stream has been discontinued, so—

**Mr. Rick Perkins:** Have you curtailed the process of staff acting on behalf of companies who apply and trying to find money for them from other government departments?

You were a deputy minister in other government departments. Have you stopped that? That seems to me not to be the mandate that Parliament gave the foundation.

• (1745)

**Ms. Cassie Doyle:** I'm not familiar with any practice like that being undertaken.

**Mr. Rick Perkins:** That means it hasn't stopped, then.

I'll move to my next thing. The order of the House of Commons was that unredacted documents from that audit period be turned over to the law clerk of the House of Commons. SDTC, as I understand it, has not fully complied with that. In fact, it put in redacted documents. The Speaker ruled on a point of privilege against the House, which we're debating as we speak in the House.

Are you, as a board member, ensuring that you comply with the order of the House of Commons to provide unredacted documents to the law clerk?

**Ms. Cassie Doyle:** We had directed, and I'm quite certain it was implemented, that thousands and thousands of unredacted documents be provided to the law clerk. None of the documents that were provided by SDTC were redacted.

**Mr. Rick Perkins:** The full order, according to the law clerk, has not been complied with because not all of the documents have come yet.

**Ms. Cassie Doyle:** The documents that were—

**Mr. Rick Perkins:** That's from a letter from the law clerk to the Speaker.

**Ms. Cassie Doyle:** Our own obligations, I believe, have been fulfilled at SDTC. There were a number of other agencies that were involved. In fact, I think almost every part of government was covered by that request.

**The Chair:** Thank you very much.

Up next is Mr. Erskine-Smith.

You have the floor for five minutes, please.

**Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.):** Thanks very much.

Thanks, Ms. Doyle.

You've implemented 10 of the 12 recommendations. When do you foresee implementing all of the recommendations?

**Ms. Cassie Doyle:** The only one that is outstanding is this re-assessment of eligibility, and our target to have that complete is the end of December 2024.

**Mr. Nathaniel Erskine-Smith:** Excellent.

**Ms. Cassie Doyle:** It's a lot of work.

**Mr. Nathaniel Erskine-Smith:** It sounded like a lot of work when I read the AG's recommendations.

One of the challenges here is that there was a conflict of interest mess in terms of the procedures being followed, but a lot of that seemed to hinge, based on what I've been able to glean from the evidence and the record, upon a particular lawyer's involvement and advice.

I just want to be clear: Is the lawyer who was offering that advice at the time still involved in any way with the organization?

**Ms. Cassie Doyle:** No, he's not in any way involved anymore.

**Mr. Nathaniel Erskine-Smith:** Is anyone involved?

Of the concerns that have been raised, the biggest, from what I've been able to see—I know there's a lot of grandstanding and political theatre to this—is that there was a bundled approval of COVID-related payments and emergency payments to a series of companies that had been previously approved for funding. There was a bundled approval. Again, the lawyer suggested that a recusal was not necessary. I think that was “incorrect...advice”, in the language of the Ethics Commissioner.

Is anyone who was involved in that approval process at the time still involved with the board?

**Ms. Cassie Doyle:** My understanding is that the main person involved in that was the CEO, and as you know, she is gone. The lawyer is no longer providing advice at all to—

**Mr. Nathaniel Erskine-Smith:** Anyone who is subject to any concerning conflict or any allegation of conflict is no longer involved.

**Ms. Cassie Doyle:** Yes, that's my understanding.

**Mr. Nathaniel Erskine-Smith:** Okay.

I'll move on to this business with the RCMP. My understanding is that there's a privilege question in the House right now, and the idea is that Parliament has demanded documents in order to turn them over to the RCMP.

Honestly, I read the Ethics Commissioner's report from July, and the Ethics Commissioner found two violations of the act. The largest violation in one case was an abstention instead of a recusal. That's certainly not criminal. It's a violation of the ethics rules in the commissioner's view, and rightly so, but it's not anywhere close to a criminal offence standard of behaviour.

Another finding was in relation to this bundled approval. In the language of the Ethics Commissioner, while the original payments to NRStor were approved on occasions before Annette Verschuren was the chairperson of SDTC, following incorrect advice, she did not recuse herself. Again, that is nowhere near criminal behaviour. I'm a bit confused.

Has there been any communication between the RCMP and the board to suggest it's taking any investigation seriously?

• (1750)

**Ms. Cassie Doyle:** No, there has not been. We have had no communication, and the RCMP has not been in touch with us at all.

I understand there was a letter that the AG prepared on July 10 this year to the Clerk of the House of Commons, which indicated that in situations where her office is of the view that activities may be of a criminal nature, they promptly inform the RCMP. She did not do that in the case of this audit.

**Mr. Nathaniel Erskine-Smith:** Of course not, because no one of sound mind reading the evidentiary record would think for an instant that this is a criminal matter, unless they were a Conservative.

Thanks. That's my time.

**The Chair:** You still have another couple of seconds, if you like. Are you good?

**Mr. Nathaniel Erskine-Smith:** Honestly, Chair, this seems like an endless series of meetings for something we know about. We know what happened. We know now that the board has concluded 10 of 12 recommendations, and it's working on the rest of them. This thing's being transitioned to the NRC, and no one who is subject to any of the problems is still involved.

I guess we can have another dozen meetings, but I don't know what we're doing here.

**The Chair:** Thanks so much.

[*Translation*]

The next person to have the floor is Ms. Sinclair-Desgagné.

Ms. Sinclair-Desgagné, you have two and a half minutes.

**Ms. Nathalie Sinclair-Desgagné:** Ms. Doyle, you said you would take it under advisement when asked to obtain information on the consulting firms that were selected. What does that mean?

[*English*]

**Ms. Cassie Doyle:** I'm sorry. Could you repeat that question? I didn't get it.

[*Translation*]

**Ms. Nathalie Sinclair-Desgagné:** I asked you a question about the consulting firms that were retained. You also told my colleague that they were selected to review projects on the Auditor General's recommendation at the end of July.

I asked you to provide us with the timeline provided in the response to the RFP.

You said you would take my request under advisement.

What does that mean?

Will you provide us with those documents or not?

[*English*]

**Ms. Cassie Doyle:** Yes, we'd be happy to provide you with the information around the specifics of the RFP. The date that it was issued, when it closed—

[*Translation*]

**Ms. Nathalie Sinclair-Desgagné:** That's not what I asked, Ms. Doyle. What I requested was the response from the consulting firms.

In any response from consultants and in any response to an RFP, a timeline is provided. It specifies the number of companies to be assessed, then it provides a timeline for the time required to conduct those assessments. It's all very clear.

Frankly, I don't understand why you're unable to answer my question. If consultants commit to conducting a review within so many months, they normally do so.

[English]

**Ms. Cassie Doyle:** Yes, and we'd be happy to provide you with that timeline.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** I finally got the answer to my previous question. I can now ask further ones.

Did you hear the testimony of the person identified as Witness 1?

[English]

**Ms. Cassie Doyle:** I'm sorry. Who is Witness 1?

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** Witness 1 is the whistle-blower who triggered this whole affair.

[English]

**Ms. Cassie Doyle:** I had some summary of that witness's testimony before your committee, yes.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** What did you think of his testimony?

[English]

**Ms. Cassie Doyle:** I was not appointed to reflect on or to second-guess what happened in the past. We have a very distinct mandate, so I don't have any comment on what a whistle-blower said about something that happened many months ago at SDTC.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** It seems you did not listen to his testimony. Also, the notes you were given were very poorly taken. That witness was talking about something that remains ongoing and about what will happen in the future. He made several references to Sustainable Development Technology Canada and what that will become of it once it joins the NRC.

Ms. Doyle, one thing that is sorely missing in all this is an apology to these whistle-blowers. These people are very brave, and they're willing to come forward when they think something is bad for taxpayers. They are often mistreated, which is why the Bloc Québécois introduced a bill to protect them.

As a member of SDTC's board of directors, will you finally apologize to these whistle-blowers? Will you listen to what they have to say and correct mistakes that were made?

That's precisely why you were hired, in fact.

• (1755)

[English]

**Ms. Cassie Doyle:** As a new board of SDTC, our focus is on moving this organization forward. We have been given a very distinct mandate, which we are implementing now. That is going to be our focus for the term of our appointment.

[Translation]

**The Chair:** Ms. Sinclair-Desgagné, your time is up, but you'll have the floor again in the next round.

Mr. Desjarlais, you now have two and a half minutes.

[English]

**Mr. Blake Desjarlais:** Ms. Doyle, I want to return to the topic of the very valuable workforce that exists at SDTC. The people, the everyday folks who are trying to show up to contribute to their country, offer innovation and offer their skills in what is a very large emerging sector. I do believe Canada can become a global leader when it comes to the development of innovative technologies that support our economic goals but also support our sustainability goals. These are things that are important to any 21st-century country that needs to create solutions moving forward.

As part of enabling the support for these workers in their transition from SDTC to what will be a new entity, there are concerns I have, coming from labour in particular, that revolve around the treatment of workers at SDTC.

You're likely aware, Ms. Doyle, of a report internal to the government, under the name McCarthy Tétrault. It's an internal investigation by a third party to investigate the claims by workers and the conditions of workers within SDTC. There was a credible challenge and a credible concern raised by way of a whistle-blower. This whistle-blower, known to this committee as Witness 1, claimed at that time that there were severe instances of misogyny and homophobia, instances of racism—one employee was asked to remove their hijab—and very serious instances of discrimination.

It was the response of the government, when hearing these concerns, to have a third party review, which I agree with. I think it was the right call, by any reasonable government, by any reasonable party, to suggest, yes, we need to shed some light on this circumstance. Light is the best disinfectant. Let's get transparency. Let's get truth. Let's bring some of these employees forward.

The biggest concern I have related to that was the fact that there were NDAs—non-disclosure agreements—signed by those workers prior to that commission, disabling their ability to represent their truths. Will the new creation that comes out of SDTC respect workers?

Will it respect their right to unionize? Will it respect them if they choose to be represented by the Public Service Alliance of Canada? Will those workers have real protections moving forward?



**Ms. Cassie Doyle:** You refer to the McCarthy Tétrault report, which is one of the foundational pieces that we as a board have used in moving forward.

The personnel of SDTC will transition into the NRC. As you know, that is a unionized workplace as part of the more core public service of Canada. The work that's going on now is how to integrate all the individuals in SDTC into that workplace, but they certainly will enjoy the same benefits as anyone in the public service unions.

**The Chair:** Thank you very much.

You'll have one last opportunity, Mr. Desjarlais.

Turning now to Mr. Cooper, you have the floor for five minutes, please.

**Mr. Michael Cooper:** Thank you, Mr. Chair.

Ms. Doyle, I take it from your testimony that not one cent of money that improperly went out the door through the green slush fund has been recovered in the four months that the interim board has been in place. Is that correct?

**Ms. Cassie Doyle:** We have a process in place to review every single project on an individual basis, and it—

**Mr. Michael Cooper:** I understand that you have a process in place. You've explained that. My question is just to confirm that at present not one cent has been recovered.

• (1800)

**Ms. Cassie Doyle:** No. There's a process under way now—

**Mr. Michael Cooper:** Thank you. Not one cent has been recovered. Thank you for that.

The process that I presume you're alluding to is the consulting firms that are undertaking reassessments. Is that the process?

**Ms. Cassie Doyle:** Yes, that's the process, as recommended by the Auditor General.

**Mr. Michael Cooper:** I want to be clear in understanding what is being done through these independent consulting firms and the review that is taking place as to who's eligible and who won't be eligible. You've noted more than once that the projects that will be down on the list and will be flagged—and where there is wrongdoing, will not be eligible—are those where the Auditor General identified, for instance, conflicts of interest. Is that correct?

**Ms. Cassie Doyle:** The process under way is reassessing every project around its eligibility.

**Mr. Michael Cooper:** Maybe just to help you answer, the Auditor General went through 226 of 420 projects. Of the 226 projects reviewed by the Auditor General, the Auditor General identified 186 conflicts of interest. Based upon the sample that the Auditor General took, in which the Auditor General found that 82% of projects involved conflicts of interest, when you look at the balance of the projects, there could be somewhere in the neighbourhood of anywhere from 180 to 200 additional conflicts of interest that involved former green slush fund board members. Those are a lot of conflicts. That's a lot of wrongdoing to examine.

I am wondering exactly what is being done and what assurance you can provide that those conflicts and that wrongdoing are being

captured? Count me skeptical if you're telling me that some third party consultants are coming in and are doing that work in a sufficient way.

**Ms. Cassie Doyle:** I can assure you that the process is well under way. We're using a number of different consultants so we can get this work done in an accelerated fashion. Where there's any instance of wrongdoing, after each review of wrongdoing, we will take action.

**Mr. Michael Cooper:** One instance is the \$220,000 that was improperly funnelled into Annette Verschuren's company. She moved two motions to funnel \$220,000 into a company of which she was the CEO, the majority shareholder and the sole director. She has been found guilty of violating multiple sections of the Conflict of Interest Act. There is a black-and-white case of wrongdoing that has been identified by the Auditor General.

Has your process been initiated to recover those funds now that the Ethics Commissioner has issued a report?

**Ms. Cassie Doyle:** That is one of the projects that are under review now.

**Mr. Michael Cooper:** What is there to review? She has been found guilty by the Ethics Commissioner, so why is it, in the face of that, the SDTC board is not immediately, through its process, taking steps to recover those funds that improperly went out the door in a blatant conflict of interest?

**Ms. Cassie Doyle:** Yes, and I understand that she was also the subject of a conflict of interest in the Ethics Commissioner's report.

**The Chair:** Thank you very much.

Up next is Ms. Bradford.

You have the floor for five minutes, please.

**Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.):** Thank you, Mr. Chair.

Thank you so much, Ms. Doyle, for joining us today and giving us your testimony.

Just for clarification purposes, can you tell us how many different third parties—

**The Chair:** I'll have to stop you.

Gentlemen, order, please.

Ms. Bradford, you have the floor again. It's five minutes from the top, if you like.

**Ms. Valerie Bradford:** Thank you, Mr. Chair.

Thank you, Ms. Doyle, for attending today and for your testimony. For clarification, can you clarify how many different third party consultants are doing these reviews in order to expedite the process?

• (1805)

**Ms. Cassie Doyle:** I believe there are three consultancies that have been retained.

**Ms. Valerie Bradford:** Okay, and the aim is to have these completed by the end of December this year—is that correct?

**Ms. Cassie Doyle:** That is correct.

**Ms. Valerie Bradford:** Will you be able to share the results of the project reviews with this committee once available?

**Ms. Cassie Doyle:** Yes, I think we can make those available.

**Ms. Valerie Bradford:** Okay.

**Ms. Cassie Doyle:** It's subject to commercial confidentiality.

**Ms. Valerie Bradford:** That's understood.

**Ms. Cassie Doyle:** That's always kind of a—

**Ms. Valerie Bradford:** Right.

Would it be fair to say that the project reviews are happening before the folding of the programming into the NRC, so that the programming may start with a clean state once at the NRC?

**Ms. Cassie Doyle:** Our schedule would have that complete before the programming is integrated. That's correct.

**Ms. Valerie Bradford:** When the STDC is folded into the NRC, at that time, is it your understanding that funding decisions will very much function in the same way as other programs under the NRC, meaning decisions are no longer happening at the board level but by public servants instead?

**Ms. Cassie Doyle:** That's my understanding. The NRC doesn't have a board. It's more integrated into the core public service.

**Ms. Valerie Bradford:** Right. Hence why you only have a one-year term, because the goal is to have this all wrapped up and folded into the NRC one year from when you were appointed, which was in June of this year. Is that correct?

**Ms. Cassie Doyle:** That's correct.

**Ms. Valerie Bradford:** You mentioned in earlier testimony that there are new conflict of interest rules. Who is developing that? Is that the new ethics adviser, or who's developing those?

**Ms. Cassie Doyle:** They were developed under the advisement of the Ethics Commissioner and with input from, I'm sure, ISED. The new code had been developed in advance of our appointment. We also have now, as I've said, an independent ethics adviser who's providing regular advice to the board and organization.

**Ms. Valerie Bradford:** You said that these conflict of interest rules apply to staff and contractors. Do they also apply to the board members?

**Ms. Cassie Doyle:** Yes, absolutely.

**Ms. Valerie Bradford:** Okay.

I was wondering if you have been hearing from organizations and companies over the summer. Are they coming to your door for funding now that the funding has been officially unblocked?

**Ms. Cassie Doyle:** Yes, we have heard directly from those we hold partnership agreements with, which are feeling the stress of the funding having been paused.

**Ms. Valerie Bradford:** Right. That was my next question. What position is the industry in after a year of frozen funding at SDTC, and what are you hearing from them?

**Ms. Cassie Doyle:** We've certainly been hearing that there's a real interest in getting on and having the funding resume. In many cases, that means that they can then continue in terms of their own business development, because most of our companies are in the process of developing innovative technologies.

**Ms. Valerie Bradford:** However, the position is that you won't be doing any more funding until the reviews have been completed, and there will be no new funding done until it gets rolled into the NRC. Is that the plan?

**Ms. Cassie Doyle:** No. As I said in my opening remarks, we're very close to resuming disbursements for projects where there are no eligibility issues, as deemed in the Auditor General's report.

It's our intent to resume funding. We had to have the contribution agreement completed before we could resume funding, but we're now getting very close.

**Ms. Valerie Bradford:** The holdup is that you don't have the new agreement quite finished, and that's why you can't start looking—

**Ms. Cassie Doyle:** The agreement is finished, but we are really dedicated to making sure we've done the due diligence and have all of the reporting and paperwork done. We're very close now to having the first round of disbursements go out the door.

**Ms. Valerie Bradford:** Do you have any guesstimate as to when that might happen?

**Ms. Cassie Doyle:** I'd say in the next few weeks.

**Ms. Valerie Bradford:** It would definitely be by the end of the year. Would that be safe to say?

• (1810)

**Ms. Cassie Doyle:** Yes, definitely it will be by the end of the year. I'd say the restart will definitely happen before the end of October.

**Ms. Valerie Bradford:** Thank you.

**The Chair:** Thank you very much.

We are beginning our fourth and final round.

Mr. Brock, you have the floor for five minutes, please.

**Mr. Larry Brock:** Thank you, Chair.

I'm going to follow up on a couple of loose threads from the questioning of my colleagues, starting with Madame Sinclair-Desgagné.

She asked you whether or not you're in a position to apologize for the mis-characterization of the whistle-blower who blew the lid open on this scandal. I believe your response was simply that it was "in the past" and that you're part of a new board.

Representing the board and governing under SDTC, you are not taking a position to apologize for the state of affairs at this particular corporation. Is that what I'm hearing?

**Ms. Cassie Doyle:** No, we were brought in to provide strong governance and executive oversight to SDTC. I wasn't in the organization at the time that Witness 1 was working there—

**Mr. Larry Brock:** I'm sorry to interrupt.

No one has accepted responsibility. No one has apologized for this boondoggle that the assistant deputy minister called, on a secret tape, a sponsorship-like scandal, the likes that this country has not seen since the demise of the Chrétien-Martin government. We're talking about almost a billion dollars of taxpayer funds that went out the door that should not have.

If you're not prepared to apologize.... I'll keep on record that you're not prepared to do that because you're part of a new board.

My colleague, Mr. Cooper, also asked you a question regarding recovery. I know you have a mandate with respect to recovery, but despite being four months into the job and despite clear evidence from the Ethics Commissioner about violations under the Conflict of Interest Act with a defined amount of money that was improperly disbursed to the former chair, Annette Verschuren—that is conclusive evidence—I guess what I'm hearing from you is that it's not a priority. It's not a priority for you. It's not a priority for the board. It's certainly not a priority for this government.

What are you saying to taxpayers?

**Mr. Francis Drouin:** I have a point of order, Mr. Chair.

I respect my colleague, Mr. Brock, but he's putting words into the witness's mouth without even providing any evidence to this committee. The witness has answered to me that there are investigations currently going on.

I love to follow the evidence, but when we're opining, this is where I question the auditor's ability, on the other side, to actually get to the bottom of this and find the truth.

**The Chair:** The witness can add. While you might find the questions—

**Mr. Francis Drouin:** You can put that on Rebel News if you want.

**The Chair:** Mr. Brock, I've stopped the clock.

That is not a point of order. You might be irritated with the style and the question, but it is Mr. Brock's time and the witness is able—

**Mr. Larry Brock:** Why don't you stop interrupting, so I can ask a question? How's that, Mr. Drouin?

**Mr. Francis Drouin:** That's not a question. That's opining. Follow the truth. Follow the evidence.

**The Chair:** Gentlemen, the witness is here to answer questions.

Mr. Brock, you have the floor again, please.

**Mr. Larry Brock:** Thank you, Chair.

I apologize, ma'am, for the interruptions from the Liberal bench. They don't like hearing tough questions.

I want you to address Canadians because there are hundreds of thousands of Canadians who are following the scandal and following my social media posts and my colleagues' social media posts about this scandal.

What are you saying to Canadians about your priority in terms of ensuring money is paid back? What is the plan?

**Ms. Cassie Doyle:** The plan is to implement the findings of the Auditor General's report of June 2024, and we are well advanced in that work. Every recommendation has been implemented now except one, and that is why we are now reviewing every single project on an individual basis, as per her recommendation. Where there is any—

**Mr. Larry Brock:** Are you completely disregarding the findings of the Ethics Commissioner, who made a finding of two violations under the Conflict of Interest Act with a defined amount? Why is it not a priority for your board, working with the ministry, to recover those funds from Annette Verschuren? Why aren't you doing that?

● (1815)

**Ms. Cassie Doyle:** We are in the process right now.

**Mr. Larry Brock:** That doesn't say anything. "Process" is government speak for "Take our word for it; we are going to make this a priority when we get to it." You've had four months to do something about it. This is a priority for Canadians. It's not a priority to continue the funding. The priority is to get back almost a billion dollars of taxpayer funds that's just not being recovered. There is no process to recover that. That's a real, significant problem.

You also mentioned that you complied with the disclosure requests from this committee. Who gave you direction from the ministry to supply all the information as requested?

**Ms. Cassie Doyle:** We received the direction from the law clerk directly to SDTC.

**Mr. Larry Brock:** Did I hear directly from you that you complied with each and every request from the law clerk and these documents were unredacted?

**Ms. Cassie Doyle:** Yes, you heard that correctly.

**Mr. Larry Brock:** When were they delivered to the law clerk?

**Ms. Cassie Doyle:** Because of the thousands of documents that were requested—pretty well every document that's been produced in the organization in the last 20 years—they were produced and delivered in tranches. Every two or three weeks, another 13,000 documents were provided. They were provided over the course of the summer. I don't have the dates in front of me, sir, but we have complied with the request.

**Mr. Larry Brock:** Thank you.

This is my last question: When was the last tranche delivered?

**Ms. Cassie Doyle:** I'm guessing, because I don't have that on the top of my head, but I would say it was in early September.

**The Chair:** Thank you very much.

Mr. Drouin, I appreciate your patience and I appreciate your swapping turns. It has been noted by the chair. It's over to you for five minutes, please.

**Mr. Francis Drouin:** Thank you, Mr. Chair.

Ms. Doyle, I've asked you when these potential reviews by the third party would be done. You've mentioned a date in December 2024. Obviously there have been some mentions about it, and it's no news to anybody that the Ethics Commissioner has ruled on two cases specifically.

If we are to recover any monies, what would be the legal risk of your starting to send letters to those particular companies—I don't know; I'm still waiting to see the reviews—that may or may not have done anything wrong? Could those companies be a legal risk to the Government of Canada?

**Ms. Cassie Doyle:** We have received legal advice on the whole question of recovery. The project agreements that we enter into with the recipient companies are legal documents. They're binding documents. There needs to be a violation of some aspect of that document for us to recover any funds, but we have been forthright in receiving advice on that.

I think one of the risks with some of the very small companies is that to go after them and to recover the funds might actually cost more money, from a legal perspective, than it may actually bear for the Crown, so to speak, but we are receiving advice on that right now.

**Mr. Francis Drouin:** I'm assuming that the legal advice you're receiving is to make sure that we get all our ducks in a row and to make sure that the third party review is completed before we make any conclusions, as my honourable colleague on the other side is making, with all the companies. They're not mentioning any companies. They're just saying that everything's been.... They're opining on this stuff.

I want to get to the bottom of this and get the truth. In order to get the truth, we have to let the investigation or this particular process—the other side seems to be against the process or against the recommendations of the Auditor General now, I understand—take its course.

● (1820)

**Ms. Cassie Doyle:** Yes, that's correct.

**Mr. Francis Drouin:** Once the reviews are completed, and you mentioned December 2024, there will be certain recommendations by the third party in terms of saying where you, as the board, could potentially recover some dollars if the contribution agreements were not respected in terms of achieving the said goals within the contribution agreements.

How long do you anticipate that this may take once the report is received and then the work completed that will be outlying in the next month or few months?

**Ms. Cassie Doyle:** It's a few months, yes.

We are certainly preparing the ground, because this is all connected with the restarting of funding. As I mentioned, we will not restart any funds where there's any finding of wrongdoing or serious non-compliance with the contribution agreement.

In terms of the timing on this one, we are operating in a really accelerated fashion. I can't give you an actual date of when that's going to happen, but we are preparing the ground, I can say, at this time.

**Mr. Francis Drouin:** Is the board thinking about potential scenarios, such as the one you already mentioned? If it's about recouping \$1,000 or \$10,000, and it will cost us \$20,000 in lawyer fees, obviously it would be a bad investment to try to recoup those particular dollars. Are you setting a criteria sheet where, for instance, it makes sense to go after ABC Company because important dollars were involved or important breaches were involved from the contribution agreement?

Is the board starting to think about this right now? When you say you're preparing the groundwork, is that what you guys are thinking about?

**Ms. Cassie Doyle:** Yes, absolutely.

**Mr. Francis Drouin:** Okay.

I think I'm out.

**The Chair:** If you have a brief question, I'll allow it.

**Mr. Francis Drouin:** Thank you, Mr. Chair.

**The Chair:** Thank you very much, Mr. Drouin.

[*Translation*]

Ms. Sinclair-Desgagné, you have two and a half minutes.

**Ms. Nathalie Sinclair-Desgagné:** Ms. Doyle, conflict of interest was clearly central to this whole situation.

We talked about the former board's conflicts of interest, but it's increasingly clear that there could also be conflicts of interest within the executive branch and among consultants, whether they are self-employed or consultants working at firms.

In June, the committee heard from Sheryl Urie, vice-president of finance at Sustainable Development Technology Canada.

She mentioned that they were already working with Deloitte, and that they had not yet ascertained whether Deloitte was going to audit eligible businesses, as has been mentioned several times. The answer we received did not clearly establish whether they were going to conduct a conflict of interest audit between Deloitte and the companies they audited.

I think it's very important to clear that up and to submit evidence to this committee showing that the verification was done between the firm that assesses whether projects are eligible and the companies that are assessed.

Can you provide that important piece of evidence to the committee, please?

[*English*]

**Ms. Cassie Doyle:** Thank you for the question.

Yes, I can confirm that there is a conflict of interest screen for any consultant working on the eligibility under these contracts. We can provide that as part of the information around this process.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** Is an audit even done when it comes to large firms like Deloitte, and not just independent consultants?

[English]

**Ms. Cassie Doyle:** Yes, every consultancy working on this, big or small, is subject to a conflict of interest screen.

[Translation]

**Ms. Nathalie Sinclair-Desgagné:** All right.

How have you improved the process for logging declarations of conflict of interest, for example in board meeting minutes? We know that one of the main findings was that, in the minutes, there was no indication that a director had left the room after declaring a conflict of interest. How have you changed that process? Are the minutes now complete? Do board members read all the minutes to make sure they're complete?

• (1825)

[English]

**Ms. Cassie Doyle:** Yes, we have made a couple of improvements. One is having an independent recorder of the minutes, so a professional—a lawyer, in fact—who records the minutes of the board. At the start of each board meeting, we ask, “Is there any conflict of interest?” At times when we are looking at projects specifically, the projects are sent in advance so that there can be a screen.

Right now, this small, new board of SDTC has no conflicts of interest with any clean-tech company that has either been funded or is being proposed for funding by SDTC.

[Translation]

**The Chair:** Thank you very much.

[English]

Up next is Mr. Desjarlais. It's your last turn, and you have two and a half minutes.

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

I want to thank Ms. Doyle again for being present here.

I want to continue with the Auditor General's report. We've spoken about paragraph 6.29, which is something I brought up at the very beginning of our discussion here today. It's what I believe to be an important process to recover funds. You've been asked several times by my colleagues about that process.

I would request that, if you can, throughout your continued review of that process, you regularly update this committee when those new criteria are implemented so that we can review instances where there could potentially be some persons who are deemed ineligible under your new rubric. Those persons, of course, in my mind, should be subject to the recovery of taxpayers' money. That's money that's owed. If they were not eligible under the former process and are still not eligible under the new one, we should know about it. Canadians should know that we're in the process of recovery.

I want to move to section 6.26, which is another recommendation partially agreed to at the time by SDTC. It's in relation to a recommendation made by the commissioner of the environment and sustainable development Canada that SDTC “should improve its challenge function over projected sustainable development and environmental benefits.”

We've seen throughout the process of the audit that some projects—shockingly, to many Canadians, including me.... People were dismayed by the fact that projects that didn't have any real benefit for the environment, particularly through innovation, and wouldn't have contributed to the reduction of greenhouse gases, for example, received funding. The purpose of SDTC was to ensure innovation toward economic and environmental improvement, and there were instances discovered by the Auditor General when that failed to happen. It did not happen. It makes sense that the environment commissioner is asking for improved challenge functions.

How do you respond to section 6.26 of the Auditor General's report?

**Ms. Cassie Doyle:** Yes, I agree with you that this is a really important part of the mandate. As part of section 6.29 and the review of eligibility, one of the eligibility requirements being verified is the environmental benefit of each project.

I know there has been an improvement in the quantification of environmental benefits from projects under review. However, I can assure you that, under the eligibility review process under way now, “environmental benefits” is one of the explicit eligibility requirements that has been checked by two independent consultants.

**The Chair:** Thank you very much.

Up next is Mr. Nater for five minutes, please.

**Mr. John Nater (Perth—Wellington, CPC):** Thank you, Mr. Chair.

Through you, thank you to Ms. Doyle for joining us this afternoon.

I want to start with a request. Would you be willing to share with this committee copies of the minutes of all board meetings and investment committee meetings for the audit period from March 1, 2019, right up to today? Is that something you could provide this committee with?

**Ms. Cassie Doyle:** Yes, and I understand that those have already been provided under the production of papers request, like all of the minutes, because we're going back now to 2017, sir, but—

**Mr. John Nater:** Thank you, but I'm asking about directly to this committee, not—

**Ms. Cassie Doyle:** Directly...? Yes...to this committee.

**Mr. John Nater:** Maybe you could do that within a reasonable time period, which the chair and the clerk could work out.

The second thing I wanted to follow up on—it's been mentioned a few times—is the non-disclosure agreements that current and former employees have been required to sign. Would you be willing to withdraw those NDAs and allow all current and past employees to speak freely? Is that something you as a board member would be willing to undertake?

• (1830)

**Ms. Cassie Doyle:** We have a very specific mandate that's been provided to us on this transition period, so I would take that under advisement. I can't make any commitment on that right now. I'm not sure that it is appropriate. Some of those NDAs were entered into because of a particular severance on the departure of employees from SDTC. That's my understanding in the past.

I would have to open up the whole thing, but I can't make that undertaking right now.

**Mr. John Nater:** I will leave that point for now, but I do know we have other directors who are coming. I think this is an issue that you as a board member will have to deal with, and I think it is something that would be in the interest of transparency, that those who have been eager to speak but are unable to do so because of these NDAs that SDTC have placed on them....

I will come back to that, but I think you should be strongly considering that.

I want to move on quickly to this review of the projects that is being undertaken. In response to a question from Ms. Bradford, you did say that you would provide this committee with that information, but then you made a bit of a caveat, subject to certain commercial confidentiality.

You have served as a deputy minister of a federal department, so you, I'm sure, are aware that committees can request any information without limitations. Are you aware of that?

**Ms. Cassie Doyle:** Yes, I think I do recall that.

**Mr. John Nater:** I just wanted to clarify, because whenever I hear stipulations being placed—subject to this, subject to that—I will note that the power of committees to send for documents is without restriction. I did want to clarify that, so we look forward to receiving that information when it is finished.

Now, I have about a couple of minutes left. I want to go back a little bit in time, because there's an interesting quirk of history. The last time you appeared before this committee it was dealing with another energy and clean energy issue when you were the deputy minister of NRCan, dealing with a period between 2003 and 2005 when the former Liberal government came under conflict of interest challenges, and that's in an AG report. It was written that:

Before signing the five contribution agreements, NRCan knew that a consultant who had provided services to the Department relating to the contribution programs would also be working for the organizations that received NRCan funding under these programs. In our view, [the AG's view] this is a conflict of interest that NRCan did not identify.

Payments totalling about \$3.2 million that NRCan made under the contribution agreement with CEEA Transport were not in accordance with the terms and conditions of the agreement.

Now granted, you were not the deputy minister at the time that the Liberal government was undertaking this program, but you

were the deputy minister when the audit came out. I'm just looking at these two AG reports, looking at these conflicts of interest.

Why is it, Ms. Doyle, that SDTC was able to operate under such terrible conflict of interest challenges when we've seen these challenges happening before with a former Liberal government? Why did this happen once again with the Liberals back in power, going back to their old ways of allowing these conflicts of interest to get back into the play of things, with money going to friends, going to those who are in conflicts of interest?

Why did this happen from your expert view?

**Ms. Cassie Doyle:** Let me just say that you have a very good memory or somebody who's a good researcher, because that is exactly the last time when I was in front of this committee. At the time, I can only say that it was very.... It was in one of the research labs. It was an individual in a research lab who didn't really have any kind of a political affiliation from what I can recall.

**The Chair:** Thank you very much.

We now go to our final member, Ms. Khalid.

You have the floor for five minutes, please.

**Ms. Iqra Khalid:** Thank you very much, Mr. Chair.

Thank you again, Ms. Doyle. You've been here for a long time, and I really appreciate your patience and your calmness in answering all of our questions. We really do appreciate it.

My understanding is that you appeared during former prime minister Stephen Harper's time. I find it quite telling that the opposition is trying to find ways to link this to a Liberal government, any Liberal government, current or in the past.

I want to talk to you about the impact of that maligning, that constant questioning, that constant needling into democratic institutions and that public trust. Can you help us understand what the impact of this has been on the industry?

After a year of frozen funding at SDTC, what exactly have you been hearing from the industry in your four months in your position?

• (1835)

**Ms. Cassie Doyle:** I certainly feel that what the industry would like to see is us getting back to business and getting back to the mission of advancing clean-tech innovation in Canada. The pause has had an impact on individual companies that have had their work suspended or paused because of the funding pause. I think, by and large, there is a feeling that this is a really important sector, that SDTC has been an important partner over the last 20 years in clean tech and that it has seen some significant successes come out of that.

I do think that the industry is just anxious, whether it be in SDTC or NRC, for Canada to get on with promoting and supporting the evolution of clean tech in this country.

**Ms. Iqra Khalid:** Thank you.

To be clear, the minister, once he identified this entire thing as an issue, took action.

As we're going through the transition process, what is the outlook for that industry to ensure that we are supporting that industry as we transition to the NRC from the SDTC?

**Ms. Cassie Doyle:** I think that the prospects are fairly strong. I've learned again or kind of gotten back into understanding the strength of the clean-tech sector in Canada. Many of our partners and recipients are making real progress in advancing the sustainability of every kind of sector across the country. It's impressive, the diversity of projects that are being funded from the agricultural sector, transportation, oil and gas and all areas. I think it is fairly strong. It's a sector that deserves public investment.

**Ms. Iqra Khalid:** Why is that, do you think?

**Ms. Cassie Doyle:** It's to stay competitive globally. Many other countries are investing in their clean-tech sectors, and it's not only a question of strengthening sustainability. It's also the economic prospects. Yes, it's really important in terms of the economy of this century.

**Ms. Iqra Khalid:** I realize that you've only been in your role for four months, and that's not a very long time. I'm sure you're still trying to learn the ropes, but I want to know what your vision is, say, 10 years from now with respect to how the NRC is going to function, where you see this industry going and where it will lead Canada globally.

**Ms. Cassie Doyle:** You know, I have to say that, since taking on this role, we've had little opportunity for imagining the future, because there's a lot of work to be done in implementing the AG's report and within our mandate, but I do feel optimistic in what I've learned about the partner companies that SDTC is supporting. I feel

optimistic around the level of innovation in the sector, and I see the future as fairly bright. I'm sure the NRC will serve it well.

**Ms. Iqra Khalid:** Thank you very much again, Ms. Doyle, for your time today and your expertise. We really appreciate it.

**The Chair:** Thank you very much, Ms. Khalid.

Thank you, Ms. Doyle, for your testimony and participation in relation to the study. You can send in any of the requested materials to the clerk. If you have any questions, please raise them with the clerk.

I'm going to make two points just to set things off.

I know that, at one point, Madame Sinclair-Desgagné asked for some documents, and you said that you would review that or take it under advisement or words to that effect. If you could let us know... I always encourage as much disclosure as possible. I realize that sometimes it can be tricky. I would just remind you that this committee—as well as Parliament—does have the ability to call for documents, although we don't go from zero to 60 overnight. Should you feel that you cannot provide the documents, please provide an explanation as to why that is the case. Again, I would urge you to fall on the side of transparency and openness.

As well, we generally like to have a response back within three weeks, please, if that's possible. Again, sooner is always preferred, but we'll begin to sniff around for the documents within three weeks and begin to ask questions. I appreciate that, and I just wanted to raise that with you.

Again, thank you very much, Ms. Doyle.

I will adjourn the committee. We're out of resources. We'll see you back here on Monday. The notice is going out very soon.

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