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# Standing Committee on Government Operations and Estimates

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Chair: Mr. Tom Lukiwski





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• (1700)

[English]

**The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)):** Good afternoon, colleagues and ministers. I will call this meeting to order.

Colleagues, I think most of you by now know the drill at these meetings, so we don't have to go over it in great detail, but I will advise all of our witnesses, including the ministers.

When you are making your statements, I would ask that if you begin your statement or question in one official language, please keep speaking in that official language and do not alternate between English and French. This would be of great assistance to our interpreters.

Second, for those of you who may be asked by the minister to answer a specific question, if you have the earbud type of microphone, please make sure you keep that type of microphone within one or two inches of your mouth so that our interpreters can hear your audio levels as best as possible.

Finally, colleagues, since this is the third time that Minister Anand has appeared before this committee in the last two or three months, I would like to go to questions as quickly as possible. I would, therefore, ask for consent for the following motion:

That the speaking notes presented by the Minister of Public Services and Procurement Canada be taken as read and appended to the evidence of today's meeting.

That would allow us to go directly into questions. Do I have consent from colleagues to accept that motion?

(Motion agreed to)

[See appendix—Remarks by Hon. Anita Anand]

**The Chair:** We will start with a six-minute round of interventions, beginning with Mr. McCauley for six minutes.

**Mr. Kelly McCauley (Edmonton West, CPC):** Ministers and deputy ministers, welcome back.

Minister, I'd like to start with you, please.

In your opening statement that you submitted to OGGO, you state that PSPC is buying aggressively and ramping up domestic production. When will Medicom start producing the N95s and have them available?

**Hon. Anita Anand (Minister of Public Services and Procurement):** Thank you so much for inviting me here today, and thank you for the question.

The contract with Medicom for surgical masks and N95 masks—

**Mr. Kelly McCauley:** When will the N95s start being produced, please?

**Hon. Anita Anand:** The surgical masks will be produced toward the end of July, and the N95s will begin production at the end of August.

**Mr. Kelly McCauley:** We heard from the Department of Industry just last week that it would not be until the end of the year.

Which is correct: the end of August or what the Department of Industry says?

**Hon. Anita Anand:** Again, I want to mention that our—

**Mr. Kelly McCauley:** Minister, please just answer the question. I'm not interested in any monologuing. We have a short amount of time. Please, just get to the answer.

**Hon. Anita Anand:** I am proceeding in a way that is professional. If you could allow me to finish the answer that I start, I would very much appreciate it.

Thank you.

The contract is, in our knowledge, going to begin production at the end of July for surgical masks and the end of August for N95 masks.

**Mr. Kelly McCauley:** How many masks will be imported into Canada by the end of July, please?

**Hon. Anita Anand:** Mr. McCauley, the contracts for N95s are multiple, and we are expecting millions of masks, N95s, to be imported.

**Mr. Kelly McCauley:** How many, please, by the end of July?

**Hon. Anita Anand:** The importation of the masks is going to continue to ramp up. For a precise number, I will check with my deputy minister, Bill Matthews, to clarify.

**Mr. Bill Matthews (Deputy Minister, Department of Public Works and Government Services):** Thank you, Minister.

I'll add some context to that. The vast majority of N95 masks that we're receiving between now and the end of July are imported from overseas, with the exception of the 3M ones, which come from the U.S.

With regard to 3M, it is roughly 500,000 a month, but in terms of masks delivered to date, as of last week for our N95s, we were showing at about 12 million—

**Mr. Kelly McCauley:** By the end of July, how many N95 masks will we have imported?

**Mr. Bill Matthews:** I'm getting there, Mr. Chair. I'm just doing some math in my head.

At the end of last week, we had 12 million N95s imported and accepted. Then, for June and July, we're looking at our target of about an additional 20 million per month, so that should give us our numbers of 40 million plus the 12 million already received.

**Mr. Kelly McCauley:** On your website, on April 23, you said that the orders for N95s were for 155 million. On May 26, it was updated to show.... The orders actually dropped to 107 million, and then June 2 it was 121 million.

What happened to the 33.6 million masks between April 23 and June 2?

• (1705)

**Hon. Anita Anand:** We are operating in an incredibly intense global environment where demand for N95s is at an extreme peak. Our fluctuations and our numbers reflect that global demand, and there are times when we do have to revisit contracts. As a result, our numbers on our web page, in which we are being fully transparent with our orders and our deliveries, do fluctuate.

I will ask my deputy—

**Mr. Kelly McCauley:** That's fine. Those are just cancelled orders, I assume.

**Hon. Anita Anand:** Excuse me, it's not specifically—

**Mr. Kelly McCauley:** Let me please continue. I'm going to take back my time. Thank you.

Of the masks that have been imported into Canada so far, we know there was a large amount that were contaminated or subpar.

What percentage of the masks that have been brought in, to date, have not been acceptable by Canadian standards, please?

**Hon. Anita Anand:** Perhaps I could just clarify.

It's not that the masks that have been brought in to date do not meet Canadian standards. It's that the Public Health Agency of Canada deemed them not to meet standards for delivery to front-line health care workers. Health care workers are our utmost priority in terms of procuring PPE—

**Mr. Kelly McCauley:** Of the N95 masks that have been imported, what percentage have been deemed by PHAC as not being acceptable for our nurses and our doctors?

**Hon. Anita Anand:** Of the masks that have come into Canada, that is about two million.

**Mr. Kelly McCauley:** Okay, what percentage have not...? We heard that it was eight million of a delivery. Now you're saying it's two million.

**Hon. Anita Anand:** Sorry, the two million were the masks that did not meet the Public Health Agency of Canada's specifications and were delivered out to other government departments.

**Mr. Kelly McCauley:** What percentage of the N95 masks that have come into Canada were deemed not acceptable for the purpose of what they were ordered for, please?

**Hon. Anita Anand:** I'm going to ask my deputy minister to respond to the question relating to percentage.

**Mr. Bill Matthews:** Thank you, Mr. Chair.

The member has referred to the website, so of the N95 on the website, the 12.2 million, those are all in and accepted, tested, and good to go.

The quality issues the member referred to related to the ones that have not passed testing. There are 10 million in Canada of those. They're not included in that number.

The minister already referred to the number of those that have gone outside and been distributed.

**Mr. Kelly McCauley:** Have we prepaid for any masks for an order that we have not received, or perhaps the order's been cancelled, as in we've prepaid for masks and we've lost the money?

**Hon. Anita Anand:** We have a number of contracts in place for N95 masks. In the terms of those contracts, we are not paying for masks that we cannot use—

**The Chair:** Thank you, Minister.

My apologies for interrupting, but if there's an additional answer for Mr. McCauley, I would ask you to put that in writing and deliver it as soon as possible through our clerk.

**Hon. Anita Anand:** That was my answer. Thank you.

**The Chair:** Thank you, Minister. Perhaps you could move your microphone an inch or two further away from your mouth. Our interpreters are getting a bit of feedback.

Thank you very much. We'll see how that works.

We'll now go to Mr. MacKinnon for six minutes, please.

**Mr. Steven MacKinnon (Gatineau, Lib.):** Thank you very much, Mr. Chair.

Through you to the minister, I thank you for pointing out that it's your third time at this committee. I want to salute the transparency that I know you take very seriously and bring to this committee every time you're here.

Can you tell us quickly how, from your vantage point, domestic capacity with respect to PPE is ramping up?

**Hon. Anita Anand:** Thank you so much for the question.

Domestic capacity has been a priority for our government so that we can have multiple, co-terminous supply chains operating in order to have short- and long-term capacity for PPE domestically available. We are partnering with Canadian industry to rapidly scale up and retool production capacity. Our goal is to be overprepared. We're building capacity in anticipation of future needs right across the country. While we continue to receive shipments internationally, we are working to source as much supply as possible from domestic manufacturers. As we move into the next phase of this crisis, we will ensure that we have domestic capacity producing the range of items that we list on our web page: face masks, gloves, face shields, N95 surgical masks, and the like.

Last week we also launched a request for proposal for the purchase of 50 million disposable, non-medical face masks, and for this RFP, there's a dedicated stream for indigenous businesses. You can see how we are moving to additional means of procurement, additional phases of procurements, as we progress through these months to ensure that we have domestic capacity but are also able to diversify within that stream.

• (1710)

**Mr. Steven MacKinnon:** Thank you very much. That's an important clarification for all of us.

Your statement contained an update on the Phoenix pay system. I know because of COVID and other things we haven't probably spent enough time discussing that.

I see Mr. Linklater is accompanying you today. Could you perhaps update this committee on the progress that has been made during the COVID pandemic on the Phoenix pay system and on that backlog?

**Hon. Anita Anand:** Thanks for that important question. The Phoenix pay system remains top of mind for our government even during this crisis, because federal employees deserve to be paid accurately and on time.

I'm going to hand the floor over to Les Linklater in a moment, but I just want to mention that since January 2018 the backlog of financial transactions has decreased by 64%. That is 247,000 transactions, down from 384,000 to 137,000 pending transactions, which is remarkable. I thank our pay centre employees for their hard work in allowing us to see a steady decline in the queue during the past couple of months.

Les Linklater, do you have anything further to add?

**Mr. Les Linklater (Associate Deputy Minister, Human Resources-to-Pay Stabilization, Department of Public Works and Government Services):** Thank you for the question.

Since COVID hit, we have not had to invoke our business continuity plan. Staff have been teleworking very effectively. With the results of the most recent public dashboard on Phoenix posted today, over the course of both April and May the queue has been reduced by about 27,000 transactions. As the minister said, there are 137,000 financial impact transactions beyond our normal workload currently at the pay centre, and we are continuing to see a downward trend despite the issues of remote work and telework.

[*Translation*]

**Mr. Steven MacKinnon:** Thank you very much, Madam Minister and Mr. Linklater.

Mr. Drouin and I represent constituencies where many public servants live. Madam Minister, we are very pleased with the efforts made.

I would like to ask one last question, because I suspect my time is almost up.

This year's tax season has been postponed to June 1. With respect to the Phoenix pay system and the erroneous T4 slips that may have been issued over the past few years, could one of you compare this year to previous years?

[*English*]

**Hon. Anita Anand:** Thank you so much.

I'll let Les Linklater take this question.

**Mr. Les Linklater:** This year we have issued over 500,000 T4s and Relevé 1 tax slips to public servants across the country. As the member is no doubt aware, the amendment of T4s is a regular course of business when we're dealing with changes to pay and looking at a number of factors that feed into that.

For comparative purposes, for tax year 2019 we issued about 50,000 revised T4s, which compares to over 200,000 for tax year 2017. We have seen improvements in the stability of the system and a significant decrease in the number of revisions to T4s. As we move into tax filing deadlines for this year, we believe that number will continue to be much lower than it has been in the past.

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

We'll now go to Ms. Vignola.

[*Translation*]

You have six minutes.

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

Ms. Anand, some employees have had problems with Phoenix. It is common knowledge. They were transferred to a department not served by the Pay Centre.

I have been told that these individuals have not been getting answers about their salary fluctuations. As of April 29, 26 departments had not transferred their pay transaction data to Public Services and Procurement Canada, or PSPC.

How does PSPC ensure that it receives a complete and realistic picture of payroll transactions?

• (1715)

**Hon. Anita Anand:** Thank you very much for your question, Mrs. Vignola.

Our priority is to ensure that public servants receive timely and accurate pay. The Pay Centre and the Pension Centre are essential, and we have the resources to ensure that their services are provided without interruption.

However, with regard to your question, I am going to ask my colleague Mr. Linklater if he has an answer. If not, we will have to answer you in writing.

Do you have an answer now, Mr. Linklater?

**Mr. Les Linklater:** Thank you for your questions.

Of course, there are still payroll problems all over the government, but they are decreasing day by day. We have established governance to ensure that information is shared. Work-wise, we are in close contact with the departments not served by the Pay Centre to make sure that payroll information accompanies people as they move around in government.

In cases of particular problems and issues for a specific individual, we can ensure expeditious processing of the file as needed. For day-to-day issues, we have set up a pilot project to determine how to better deal with the backlog of employee transfers.

**Mrs. Julie Vignola:** That does not answer my question. I will repeat it.

As of April 29, only 27 of the 53 departments not served by the Pay Centre had transferred their pay transaction data.

How do you get a complete and accurate picture, when almost half of the departments have not transferred any data?

**Mr. Les Linklater:** If I understand your question correctly, we have developed tools that we are continuing to refine and they give us the means to work with departments on a bilateral basis. We therefore make sure that they have the information on their own files and on the issues within their departments, so that they can deal with their employees' payroll issues with PSPC.

**Mrs. Julie Vignola:** All right.

The 26 departments that did not transfer their pay transaction data are therefore not included in the overall picture you provide.

**Mr. Les Linklater:** Yes, that is true. Some small departments have their own challenges, and we may not have all the data on the small agencies. That is right.

**Mrs. Julie Vignola:** In the complaints I receive about Phoenix or pay statements, people often do not understand why their pay statements fluctuate. They see that they owe money, but they do not know why; or that they are owed money, but they do not know why either, or starting on which date.

Do government employees have a guide to the codes used on their own pay slips that would help them to understand it? Does such a guide exist?

**Mr. Les Linklater:** Yes, we have a number of tools.

We have just developed and rolled out a tool called MyGCPay. Whether or not their department is served by the Pay Centre, it gives government employees an overview of their pay file: the rate of pay, pay raise anniversaries and union dues. This provides a picture of what should be in the pay file and, for those served by the Pay Centre, it also includes all transactions yet to be processed.

• (1720)

**Mrs. Julie Vignola:** All right.

When it comes to—

[*English*]

**The Chair:** Thank you very much. Unfortunately, we're completely out of time.

We'll now go to Ms. Ashton.

Ms. Ashton, welcome to our committee. You have six minutes.

**Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP):** Thank you very much, Mr. Chair.

Madam Minister, on May 3, Mathias Colomb Cree Nation found out through the media that they would receive medical tents they never asked for, despite having asked to retrofit their youth centre for use during the pandemic. Chief Bighetty called this action paternalistic.

In a letter to federal officials, the director of their health program, Barbara Dumas-Hart wrote that the approach by the government “has impacted our community with negative ramifications resulting in disharmony and dysfunction.”

At a time when MCCN and all first nations in our region have been doing what they can to save lives, your government used MCCN and made things worse. Since then, we've seen the government attempt to use national security to shield everyone from the truth. Then we saw finger pointing between Indigenous Services and Public Services and Procurement.

Will your office take responsibility for this appalling treatment of Mathias Colomb Cree Nation? What steps has your department taken since this fiasco to ensure that first nations are listened to and not used?

**Hon. Anita Anand:** The national security exception was used as a result of a decision that we made to ensure that suppliers have the ability to provide the type of product. Indigenous businesses have the full support of the federal government, and we will work with them to increase access to future opportunities.

As for the issue you identified, we are working very hard to assess what happened in this particular case. We are working with Indigenous Services and with Minister Miller to identify exactly what occurred in the decision to send that supply up there. We will continue to ensure that we are respecting the concerns you are raising, and we take them very seriously.

**Ms. Niki Ashton:** Thank you for that, but our concerns are quite extensive.

Minister, when my office looked into the contract for medical tents going to Pukatawagan, we noticed that it went to a company whose board chair sat on the COVID-19 supply council. It was former Liberal cabinet minister Cathy Bennett. When a journalist asked for comment on this, they were quickly told that Ms. Bennett resigned from her role on the supply council. Your office later informed us that she had also resigned from her role as board chair of Dynamic Air Shelters “out of an abundance of caution”.

Did you or anyone in your office ask former Liberal cabinet minister Cathy Bennett to resign, yes or no?

**Hon. Anita Anand:** I want to start by saying that the supply council has no role in procurement at all.

**Ms. Niki Ashton:** My question, Madam Minister, with all due respect, is about Ms. Bennett's resignation. It's not about the broader supply council.

**Hon. Anita Anand:** Well, the supply council member you mentioned offered her resignation.

**Ms. Niki Ashton:** Okay, so were you or your office involved in asking her to do so, yes or no?

**Hon. Anita Anand:** I was actually very surprised, as I was completely unaware of the conflict. We asked members to disclose any conflicts that they might have. This was a complete shock to me when I heard about it.

• (1725)

**Ms. Niki Ashton:** In interviews with the media and in the letter to my office, you described the COVID-19 supply council as having no role in procurement. Your department's website says that one of the topics raised was the procurement of PPE. This doublespeak is misleading to Canadians. Procurement, as we know, means "acquisition", not "supply", and now we have an example of a supplier that benefited from a contract that was never asked for by a first nation.

Is the COVID-19 supply council, whose role is to advise the government on procurement, involved with procurement, yes or no?

**Hon. Anita Anand:** The answer is a straight-up no. The supply council has met twice. I've had advice from the supply council on things such as our supply hub, which we just launched today. It brings together buyers and sellers with resources that they're able to utilize. The absolute answer is that the supply council has no role in procurement whatsoever. We've been completely transparent about that role from the very beginning.

We put the minutes of our meetings on our website, and there you will see a readout from our last two meetings.

**Ms. Niki Ashton:** We have, and they're quite sparse.

Ms. Bennett has had 12 government contracts since 2015. How is it that your office was not aware of how inappropriate it would be for her to be on the supply council?

**Hon. Anita Anand:** The disclosure that we asked members to make was to disclose any potential and existing conflicts. We put together a diverse range of members from across this country so that they could allow us to—

**The Chair:** Thank you, Minister.

Ms. Ashton, if you have another question later in the round, I just ask, for our interpreters, that you slow down the cadence of your speech slightly so that our interpreters have enough time to catch up to what you're saying and interpret the words correctly.

We'll now go to our five-minute rounds, starting with Mrs. Block.

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

I want to thank the minister for being here, as well as her departmental officials.

I believe we are going to be judged by how transparent and accountable we have been willing to be in managing this pandemic, so I'm grateful for the fact that we have the blues, the Hansard and the evidence from all these meetings so that Canadians can see how forthright or not forthright our ministers are willing to be when questions are put to them.

With that, I'll ask a question of Minister Anand.

During this committee's meeting last Friday, we passed a unanimous motion calling on your department to provide Canadians transparency by supplying this committee with documents related to the sole-source contracts for PPE.

Will you commit today to meeting the deadlines set out in that motion?

**Hon. Anita Anand:** Thank you so much. I appreciate the kind words at your opening, and I'm very pleased to be here also.

I will commit as much as I am able to meet those deadlines.

**Mrs. Kelly Block:** Minister, thank you very much for that.

I'm going to go back to the millions of substandard KN95 masks sold to your department by one supplier. I asked a question during last Thursday's COVID meeting and you responded that you were "negotiating a range of exits from this contract with the supplier".

Is one of the elements being negotiated the reimbursement of funds already prepaid to the company for these substandard masks?

**Hon. Anita Anand:** Thank you for the question.

I do remember the interchange last week.

We are working very hard to ensure that we put Canada in the best position possible in terms of this contract. We've suspended further shipments of KN95 masks from this supplier. We're not paying for masks that we can't use.

**Mrs. Kelly Block:** Then is one of the elements being negotiated the reimbursement of funds already prepaid for masks that will never be delivered?

Is that an element that you're negotiating right now, being reimbursed for masks that we will never receive?

**Hon. Anita Anand:** As I mentioned, we want to make sure that Canada is in the best position possible. That is one of the options that we are discussing, but I want to be very clear that I'm very hesitant to provide the precise negotiation information, because this contract is sensitive and I want to make sure that we maintain Canada's position in the negotiation.

• (1730)

**Mrs. Kelly Block:** Sure. You want to ensure that we have a strong position in order to extricate ourselves out of a contract that we are in.

**Hon. Anita Anand:** Exactly.

**Mrs. Kelly Block:** I understand that.

Recently, your department unveiled that it is spending \$105 million of taxpayer money on two new Challenger jets for the Government of Canada.

Does this price tag include the life-cycle costs of the two jets?

**Hon. Anita Anand:** The costing of these jets that are required to ensure that the men and women in uniform have the equipment they need is an all-in costing. The cost of each aircraft is \$29.2 million in U.S. dollars, and included in that amount is going to be an all-in type of amount.

We have the ability to hand this over to Bill Matthews, who has the precise items and can break it down if you want.

**Mrs. Kelly Block:** Minister, I want to clarify that I'm asking a question about the two new Challenger jets for the Government of Canada.

**Hon. Anita Anand:** That's right, and I'm answering with regard to the Challenger costing. The total contract value is \$75 million in U.S. dollars, and the total costing includes an all-in relating to parts and maintenance.

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

We'll now go to Mr. Kusmierczyk for five minutes, please.

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

Thank you very much, Minister—this is your third appearance in front of this committee—for always making yourself available and answering our questions in a forthright manner. I really appreciate your doing that for us.

I want to turn the attention back to the COVID crisis here and the situation that we're dealing with. In terms of the procurement of PPE, how has the procurement of PPE and medical supplies changed over the span of the pandemic? How has our strategy changed in terms of procurement?

**Hon. Anita Anand:** I appreciate the question, especially because I did not get to deliver my opening remarks.

We actually have evolved in our procurement during the pandemic and have reached a consistent pace of deliveries. There continue to be challenges, as I have mentioned. The demand for PPE is extremely high, globally and domestically, so we are constantly evolving and adapting our approach. We have an A-to-Z procurement process established. We have approximately one flight a day

arriving in Canada, and we're delivering supplies in the short term and the long term.

We've also offered assistance to individual health care centres and to provinces and territories that need it, so there's a very collaborative approach that is occurring in procurement. We've succeeded in securing contracts with a wide range of suppliers. We're receiving deliveries on an almost daily basis now.

As we move to the next phase of the response, we are launching RFPs to solicit the goods that we need over the required timelines. We're continuing to source through our [Buyandsell.gc.ca](http://Buyandsell.gc.ca) call-out to suppliers, based on the needs as they continue to evolve.

With regard to procurement, the purchasing of PPE continues—and is very important to front-line health care workers, obviously—but we are reaching a more stable, consistent pace of deliveries.

**Mr. Irek Kusmierczyk:** Thank you very much for that response, Minister.

You mentioned RFPs. What are some other ways we're letting companies know what supplies are still needed and where the emphasis is right now?

• (1735)

**Hon. Anita Anand:** The impetus that we have made for getting in touch with suppliers has been manifold. One of the most important things that we just launched today was our supply hub. On that supply hub, which is a web page on the Government of Canada's website, we are able to provide information to buyers and sellers of PPE. If you're a buyer of PPE, you will see links to other platforms, provincially and privately run platforms, that give you information about PPE that you can procure. It also provides purchasers with a list of questions that they can ask so that they're more informed in their purchasing decisions. That's probably the most important, or at least the most recent, innovation that we are using to reach out to those looking to procure and to supply PPE, but there are others.

Again, the transparency that we are utilizing on our web page, indicating our procurement orders as well as our deliveries and some high-level contracts domestically.... Those are all listed on our web page and are updated every single week. Again, we are focused on transparency while keeping in mind the need to keep our supply chains safe and secure, so that we can get materials and supplies to front-line health care workers as soon as possible to keep them and Canadians safe. That's our priority.

**Mr. Irek Kusmierczyk:** Thank you very much, Minister, for that response. Obviously, safe and secure supply chains are definitely a priority of this government.

Knowing that a large or significant portion of the PPE is still coming from abroad—from countries like China, for example—what are we doing to bring products up to Canadian standards when they enter our country?

**The Chair:** Minister, unfortunately, since we're out of time, I would ask that you provide that answer to Mr. Kusmierczyk in writing, as quickly as possible, through our clerk. I'd appreciate that.

**Hon. Anita Anand:** Most definitely.

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

Mr. Aboultaif, you have five minutes.

**Mr. Ziad Aboultaif (Edmonton Manning, CPC):** Thank you, Minister.

How many N95 masks have we ordered—originally—and how many have we received?

**Hon. Anita Anand:** This information, of course, is updated regularly on our website. As the website indicates, we have about 121 million N95s ordered, and we have approximately 12 million N95s delivered.

I would like to ask my deputy minister if he could jump in here, as I believe he has a clarification.

**Mr. Ziad Aboultaif:** I have the information—

**Mr. Bill Matthews:** Mr. Chair, if I could clarify.... I did misspeak earlier when I said that the 12 million masks did not include the ones that were rejected. They do include the ones that were rejected.

**Mr. Ziad Aboultaif:** They do include it. That's why—

**Mr. Bill Matthews:** I just want to clarify that for the record. I apologize for misspeaking.

**Mr. Ziad Aboultaif:** Therefore, 121,861,800 masks were ordered and 12,221,990 were received. Out of that, 9.8 million KN95s were defective. Out of the 10% of the original, we have only received less than 2% of the total order.

What's the cost of each mask?

**Hon. Anita Anand:** As you know, the cost is variable for N95 masks. As I mentioned, we are operating in an incredibly high period of demand, and it has caused the price of masks to fluctuate significantly.

**Mr. Ziad Aboultaif:** What's the average, Minister? Can you give me an average?

**Hon. Anita Anand:** I'm going to get the average for you momentarily.

I would have to work that out, but we are—

**Mr. Ziad Aboultaif:** Okay. There's information telling me it was \$4 U.S. or \$5.35 Canadian FOB. That's not including logistics and moves. Is that number reasonable?

**Hon. Anita Anand:** Can I just mention...? The price has fluctuated over the course of the last three months and, in fact, has come down somewhat. Each contract has a differing price for N95 masks. It would be inaccurate for me to indicate a precise price.

• (1740)

**Mr. Ziad Aboultaif:** I appreciate that, of course, but the information that we've been asking for, Minister, and haven't been receiving from your department is already on the Internet there.

There was an order of 17 million masks, and there was a deposit of \$100 million that was paid. I believe Mr. Matthews somehow said that there are some deposits being paid, but he did not clarify the number. I have numbers here: \$100 million, 17 million masks—that's \$4 U.S. each before delivery—that were ordered. We haven't received any of that. How come?

**Hon. Anita Anand:** I am not aware of the contract of which you are speaking. I'm going to ask my deputy minister, Bill Matthews, to jump in here.

**Mr. Bill Matthews:** Thanks. I'll be very quick on this one.

With regard to the N95 contracts, it is normal to make advanced payments partial—sometimes in full, but more partial now—but we have made no payments of \$100 million for any advanced payment for N95s, so I'm not sure which contract—

**Mr. Ziad Aboultaif:** You indicated, Mr. Matthews, that you have been paying deposits, or that you've been prepaying, for some of those contracts, but you did not say what the amount was. Will you be able to tell us the maximum amount that you paid for a deposit or that you prepaid to supply these masks, given the fact that we have received only 2% of what we have ordered in the last three months? How come?

**Mr. Bill Matthews:** There are two things there.

Roughly speaking, about 40% of our contracts have an advanced payment component on PPE, so I'll start there. It's not the dollar amount, but it's 40% of the contracts.

In terms of the orders and how they match up against deliveries, don't picture a giant order showing up one time only. These contracts are mostly structured, so it's a flow of goods over a number months. You will likely see about 30 million N95 NIOSH masks arriving from international destinations over the next four months. This is a staggered delivery scheme. Obviously, there has been some slippage, but that's quite normal.

**Mr. Ziad Aboultaif:** Mr. Matthews, 121 million masks at \$4 U.S. is half a billion U.S. dollars. The 40% deposit on that is \$200 million U.S. that you paid already, so my \$100 million is not out to lunch, is it?

**Mr. Bill Matthews:** No, that's not correct.

What I said was that roughly 40% of our contracts have an advanced payment component, not 40% of the advanced payments....

**Mr. Ziad Aboultaif:** Okay. You show another \$21 million—

**The Chair:** Mr. Aboultaif, unfortunately we're out of time on that, but if you'd care to have a second round, I'm sure you could pose a question directly to Mr. Matthews at a later time.

We'll now go to Mr. Weiler for five minutes.

Go ahead, please.

**Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Thank you, Mr. Chair.

Thank you again, Minister, for coming to join our committee for the third time in a couple of months.

Minister, my province of beautiful British Columbia is now in phase two of our restart plan, under which many businesses have already been open for several weeks. We're hopefully going to be moving into phase three, under which a large number of other businesses are going to be opening up. Right now there is a significant need for PPE to support those businesses to safely reopen. There's going to continue to be that going forward.

You mentioned earlier that there was an announcement today about the establishment of a supply hub. How can interested small businesses use this tool to get access to critical PPE?

**Hon. Anita Anand:** I just want to indicate, in response to the last question, that the vast majority of the supplies we are ordering are coming in—gowns, surgical masks and face shields. It's important to keep that in context, because the Government of Canada's procurement effort has been largely very successful. Deliveries are going out to the provinces and territories every day, including 2.7 million N95 masks, which have been delivered to the provinces and territories.

Now, to your question about the supply hub, I will say that we have a range of resources on our web page for purchasers of PPE. Suppliers are also able to place information through us on that website. We've introduced, for example, links to the rapid response platform and the platforms of the Government of Manitoba and the Government of Ontario, which have information about individual items of PPE that businesses might need.

We are continuing to update that website, and I encourage you to take a look at it because it is an innovation. It connects businesses across the country with a one-stop shop of resources for the acquisition of PPE.

• (1745)

**Mr. Patrick Weiler:** Thank you for that.

Judging from some of the questions earlier, there's a huge degree of interest in the supply council. Just to clarify for the committee, what is the role of the supply council in relation to procurement?

**Hon. Anita Anand:** I didn't have a chance to provide detail on the role of the supply council earlier. From the beginning, we've been working with partners at all levels of government and with industry to secure life-saving medical equipment so that we can keep front-line health care workers safe. We as the federal government can do our part in the procurement effort.

As part of that process, we put in place the supply council. It brings together a diverse range of leaders to provide advice on establishing further diversified supply chains for key items so that we are prepared for any eventuality. This council builds on our collaborative approach to help us address current and future supply challenges and to ensure that Canadians are able to access PPE. The

supply hub I just mentioned is one innovation that the supply council was able to provide advice on in terms of ensuring we have enough resources for diverse communities across this country.

The council is in place to provide advice on our work, but it has no role in procurement whatsoever.

**Mr. Patrick Weiler:** Thank you.

I'm going to switch gears quickly here.

Construction on Parliament Hill has been able to continue throughout the period of social isolation. Can you tell us how you worked with the construction industry to ensure that extra health and safety measures were put in place for government projects and how that has translated into private projects?

**The Chair:** If you can respond in about 30 seconds, Minister, I would appreciate it greatly.

**Hon. Anita Anand:** PSPC temporarily demobilized 85 projects in the precinct. This included projects taking place in occupied space, including fit-up and building improvement. However, construction activities continued on the Centre Block and the East Block, though to mitigate the transfer of COVID-19, they were limited to activities undertaken in unoccupied spaces. Both projects are able to facilitate social distancing and compartmentalization.

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

Now we'll go to our final, two-and-a-half-minute interventions, starting with Xavier Barsalou-Duval.

[*Translation*]

**Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ):** Thank you, Mr. Chair.

Madam Minister, in a previous meeting, you or one of your officials mentioned that you had an exclusive transportation agreement with Air Canada and Cargojet to transport supplies from abroad.

I would like to know the total value of contracts between Air Canada and your department since March.

**Hon. Anita Anand:** Thank you for your question.

Let me give you an answer on that later, since I do not have the details in front of me right now. Having said that, I want to make it clear that those flights were very important. There were over 50 of them.

**Mr. Xavier Barsalou-Duval:** I would be very grateful if you could send me the total value of the contracts. I am also certain that those flights were important.

However, I would like to know if, before awarding public contracts to Air Canada, you took the opportunity to discuss whether or not it intends to obey the law and refund travellers who have not been given refunds.

• (1750)

**Hon. Anita Anand:** I thank you for your question, which is very important.

I feel that the question should be directed to the Minister of Transport. However, I would also like to say—

**Mr. Xavier Barsalou-Duval:** Perhaps, but your department awarded the contract.

**Hon. Anita Anand:** Yes, but as far as upholding Canadian law is concerned, that is up to the Minister of Transport.

**Mr. Xavier Barsalou-Duval:** Okay, but do you not think it is a little strange to award contracts to a company that does not obey the law?

[English]

**The Chair:** Thank you very much. Unfortunately, we're out of time, Mr. Barsalou-Duval.

Our final intervention will go to Mr. Green, for two and a half minutes.

Go ahead, please.

**Ms. Niki Ashton:** Actually, Mr. Chair, I'll be taking this one, with Mr. Green's approval.

**The Chair:** Please go ahead.

**Ms. Niki Ashton:** Minister Anand, earlier I pointed to the conflict of interest involving former Liberal cabinet minister Cathy Bennett. Are there other members of the COVID-19 supply council who have similar conflicts of interest and would be forced to resign out of an abundance of caution, as was said about Ms. Bennett?

**Hon. Anita Anand:** As I mentioned, I was very surprised to learn of the issue relating to that member of the supply council, and I accepted her resignation as soon as possible. I also instructed my team, as soon as that occurred, to go back and check to see if there were any similar issues that had arisen. We have not uncovered any. As I said, the obligation was placed on the individual to make sure they did not have a conflict, and we asked for that disclosure at the very beginning.

**Ms. Niki Ashton:** I appreciate that you looked into some of the other folks on the supply council. I just want to go through some of those.

David McHattie is the second vice-chair for the Petroleum Services Association of Canada and vice-president of institutional relations for Tenaris. We know that the Petroleum Services Association of Canada has met with the government over 40 times since April. Tenaris, a pipeline company, has met with the government on 31 separate occasions since 2017 on issues including development of oil and gas.

Jodi Hall is with the Canadian Association for Long Term Care, including for-profit, private long-term care homes. Perrin Beatty is with the Chamber of Commerce. I would say all of them have po-

tential conflicts of interest similar to Ms. Bennett's. All are still on the supply council.

Is your government comfortable with the presence of lobbyists promoting oil and gas, as well as private long-term care homes, being this close to advising your department on procurement contracts during a crisis?

**The Chair:** Could we have a 30-second answer, if possible, Minister?

**Hon. Anita Anand:** Ms. Ashton, that's simply untrue.

Council members were selected based on their expertise and their leadership in their respective fields to represent a range of sectors, backgrounds and regions across the country. Given that members of the supply council are leaders in the private and non-profit sectors, there's a chance that they may represent or have prior relationships with the government, but they have no role in contracting whatsoever, as I have previously clarified for this committee, and I will repeatedly say it.

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

That ends our first hour with Minister Anand.

I will suspend in just a few moments, but I do want to thank you, Minister, and your officials for being here again.

As I noted in my opening remarks, this is the third time you've appeared before this committee in the last three months, so I do appreciate your taking the time. I hope you take my final comment with the greatest amount of respect, with which I am delivering it. Because you have appeared for us so frequently—and when I say this I mean it with the greatest amount of respect—I hope we don't see you again for at least another three months.

[Translation]

**Hon. Anita Anand:** Thank you very much. The same goes for me.

[English]

**The Chair:** All witnesses are excused.

Colleagues, we will suspend for a few moments while we get ready for our second panel of witnesses.

We are suspended.

• (1755)

(Pause)

• (1800)

**The Chair:** I call this meeting back to order.

We will start with the opening statement by Minister Hussen.

Minister, I understand you have a brief opening statement of no more than five minutes. The floor is yours.

**Hon. Ahmed Hussen (Minister of Families, Children and Social Development):** Thank you very much, Mr. Chair and committee members.

The Government of Canada continues to implement extraordinary measures to protect the health of Canadians and to shelter them from financial hardships during the COVID-19 pandemic. I'm proud to present the Government of Canada's COVID-19-related measures and my portfolio as Minister of Families, Children and Social Development, and as the minister responsible for the Canada Mortgage and Housing Corporation.

Let me take you back to March 2020. With the pandemic just starting in Canada, it became clear that our normal social safety net would not be able to handle the volume of people who were losing their jobs as part of the quarantine. Our government acted fast and introduced the Canada emergency response benefit. Through it, we are providing a taxable benefit of \$500 per week for up to 16 weeks to eligible workers who stopped working due to the COVID-19 pandemic.

As part of our plan, we've also given 3.7 million families currently receiving the Canada child benefit a one-time \$300 boost per child with their regular May 2020 payment. Starting next month, on July 20, the Canada child benefit will again be increased to keep up with the cost of living. This additional tax-free support will help Canadian families pay for things such as healthy food, clothing and activities that they can do together at home.

Additionally, we've taken action to ensure that all Canadians have a safe and affordable place to call home during the COVID-19 pandemic. For example, if a homeowner's mortgage is insured through the Canada Mortgage and Housing Corporation, Genworth Canada or Canada Guaranty, we have taken action to ensure that homeowners in financial need can access a temporary deferral of mortgage payments for up to six months.

Sadly, people experiencing homelessness are at heightened risk of contracting COVID-19 and suffering severe health consequences as a result of that. This is why the Government of Canada moved quickly and early to provide \$157.5 million to communities combatting homelessness and to make sure that the organizations serving the homeless populations are prepared for and manage the impact of the COVID-19 pandemic.

We also moved quickly to support charities in the non-profit sector to continue the important work they are doing to support vulnerable populations by setting up the emergency community support fund in the amount of \$350 million. Organizations that require that support can go through our three partners: the United Way Centraide Canada, Community Foundations of Canada and the Canadian Red Cross.

In closing, Mr. Chair and colleagues, by addressing the financial need of families, workers, renters, homeowners and landlords, and the additional needs of the more vulnerable in our communities, the Government of Canada is doing its part to mitigate the spread of the COVID-19 virus and to continue to protect Canadians' health and financial security through the pandemic.

Thank you. I will now be happy to answer any questions you may have.

• (1805)

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

Colleagues, I think we'll start with five-minute rounds of questions. We'll go from five minutes to four minutes to two minutes.

Mr. Aboultaif, you have five minutes. Go ahead, please.

**Mr. Ziad Aboultaif:** Minister, I hope you and your family are safe. Welcome to the committee today.

You mentioned the CERB program. The news says that CERB fraudsters could face fines, jail, and maybe new enforcement measures or mechanisms. Can you comment on that, please, and give us any details you have on what kind of mechanisms are in place to go after the people who are fraudulently or misleadingly, if you wish, claiming CERB financial assistance?

**Hon. Ahmed Hussen:** I want to assure you, the members of the committee and all Canadians that everyone who receives the Canada emergency response benefit must first attest that they are indeed eligible for the benefit and that they meet the program requirements. While our primary focus has always been to get money out the door to eligible Canadians, we continue to regularly conduct file reviews. We continue to engage in investigations to identify and address cases of error, fraud and abuse. We are using computer tracking, data analytics and linked data systems to detect mispayments and any fraudulent activity.

**Mr. Ziad Aboultaif:** So that's the mechanism you're using. Is that correct?

**Hon. Ahmed Hussen:** Yes. We are using a number of methods and tools to detect fraud and abuse, and of course that hasn't stopped. We're continuing to conduct investigations as well.

**Mr. Ziad Aboultaif:** In order to assist Canadians or to save some of the mortgages, the Bank of Canada bought some mortgages from the banks. Can you advise us of the total amount of money, or how many billions of dollars were spent in that regard?

**Hon. Ahmed Hussen:** We have ensured that we protect homeowners, that we keep them housed, that we continue to allow them to access their homes and get through this COVID-19 pandemic.

In terms of the specific numbers, I will defer to my officials to provide that further information to you.

**Mr. Ziad Aboultaif:** We can take an answer on that later. I'd like to carry on with my questions, if that's okay.

Now, the policies of CMHC regarding the... You know, with people trying to sell their homes, there are some new conditions right now. The home values are going down. The prediction is that house prices are going to go down by 10% to 18%, which means that if someone bought a house for \$300,000 and paid a \$15,000 deposit to buy the house, now the house price has gone down by \$60,000. They're at \$45,000 as losses before they even get to enjoy the house.

The question is, who is the beneficiary of the new policies? It doesn't seem to make sense in this time of pandemic.

**Hon. Ahmed Hussen:** I will answer the question and then also defer to the head of CMHC to provide further information.

Our government is putting forward measures to help Canadians, businesses and the non-profit sector, but we know that this pandemic is also affecting Canada's housing market. We are committed to ensuring that we provide a safe and affordable home to each and every Canadian, through different mechanisms.

I will now pass the floor over to the head of CMHC to provide further input into your question.

**Mr. Evan Siddall (President and Chief Executive Officer, Canada Mortgage and Housing Corporation):** Thank you, Minister.

The answer to the prior question is that we have bought \$5.8 billion of mortgages thus far under the insured mortgage purchase program, of a total availability of \$150 billion, and we tightened our underwriting policies, as many lenders have done. That's because of the potential for decreased house prices in the future and the fact that we don't want to put vulnerable Canadians into mortgages that they can't afford, sir.

**Mr. Ziad Aboultaif:** What's the risk to...? There must be a risk to CMHC as well as to the Bank of Canada, and down the road to taxpayers.

What is the risk of doing what you're doing?

• (1810)

**Mr. Evan Siddall:** There's no risk to the Bank of Canada. The Bank of Canada only buys mortgages that have CMHC insurance on them, or Government of Canada insurance, so they don't have credit risk associated with that.

We are actually reducing our risk as a result of these changes, so that homeowners have more equity, stronger credit or better ability to pay, in the event that they buy houses over the next period of time.

**Mr. Ziad Aboultaif:** One in five mortgages in Canada—

**The Chair:** Thank you very much

Now we'll go to Mr. Jowhari for five minutes.

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Thank you, Mr. Chair.

I would like to welcome the minister and the department. I'll start by acknowledging the great work your department has been doing, especially the CRA, with the number of calls and the number of

supports that have come over the last few months. It must have been challenging. We acknowledge the great work they've done.

Minister, as you know, the 12-week period for CERB is near completion. Can you give us a quick update of what the plans are as we are opening the economy? What do you see happening to CERB? Is CERB going to stop, or is it going to be modified?

**Hon. Ahmed Hussen:** We introduced the Canada emergency response benefit to make sure that every Canadian who had lost their job or whose job had simply disappeared would be protected. As provinces begin to lift restrictions and businesses ask Canadians to return to work, our government will continue to be there for them.

We have structured the Canada emergency wage subsidy, the employee top-up, the Canada emergency business account and other support measures to ensure that workers are supported and businesses are in the best possible position when coming out of this crisis.

We're going to make sure that our priority remains Canadians having the support they need, and we will continue to support businesses and workers during this difficult time.

**Mr. Majid Jowhari:** Do you anticipate that the CERB will be coming to a termination when the 12-week term is up? Or do you feel that the government will continue supporting Canadians?

**Hon. Ahmed Hussen:** We will always support Canadian workers, either the ones who have lost their jobs or those who have been recently laid off. For those whose jobs have simply disappeared, they have had access to the CERB. The Canada emergency wage subsidy is having a great impact in keeping people employed but also in allowing businesses to re-employ recently laid-off workers.

We are heartened by the fact that many folks have gone back to work. We'll continue to monitor the situation, but make no mistake, we will be there for Canadian workers as we continue to assess the situation.

**Mr. Majid Jowhari:** Thank you, Minister.

Allow me to switch to what I call the "rent subsidy", the CE-CRA. Can you give us a comparison of the rates of adoption that your department has seen between CERB and the CECRA? Has there been the same pickup on the rent subsidy?

**Hon. Ahmed Hussen:** On the commercial rent, I would say that we know that small businesses across the country are important. They are the job creators. They create prosperity, not only for the families but also for the communities. The program was launched on May 25. It offers assistance for the months of April, May and June of 2020 and can be applied retroactively.

There are over 26,000 property owners who have registered in the Canada emergency commercial rental assistance portal. As of June 2, applications approved or in progress represent approximately \$73 million, supporting almost 20,000 small business tenants. I'm proud of the work we've done, but we have to continue to encourage more businesses to take advantage of this wonderful program.

**Mr. Majid Jowhari:** How do you think we can encourage them? In my riding, I have a lot of small business owners who are renting. They're reaching out to our office saying that they're not getting the support they need from the landlords and from other levels. Has your department heard anything on that? Do you have any response to that?

**Hon. Ahmed Hussen:** We have been encouraging landlords to be there for their tenants. We have been trying very hard to publicize this program. I have been making outreach phone calls with members of the small business community in various parts of Canada and just highlighting the number of supports we are providing, including the Canada emergency commercial rental assistance program.

• (1815)

**Mr. Majid Jowhari:** How do you think we can encourage the landlords to participate in this? There are small business owners, and there are landlords. The landlords are not as enthusiastic to participate as we had hoped.

**Hon. Ahmed Hussen:** Yes, absolutely, and I think—

**The Chair:** Minister, unfortunately we're completely out of time. I would ask that if you want to give a complete answer to Mr. Jowhari's question you do so as quickly as possible, in writing, and submit that answer to our clerk.

We will now go to our third intervenor, for five minutes.

Madame Vignola.

[Translation]

**Mrs. Julie Vignola:** Thank you.

Good evening, Mr. Hussen.

As you know, we are asking that Service Canada be reopened. I have had some answers, but I would like to know why Service Canada offices are not reopening, given that all constituency offices have received a reopening kit, that restaurants and hair salons are reopening, and that everyone has measures in place.

I know some spaces are tight. Nevertheless, measures are in place to protect Service Canada employees and customers. I would like to know the basic reasons why the offices are not reopening.

**Hon. Ahmed Hussen:** Thank you for your question.

[English]

Our government is very much committed to ensuring that Canadians continue to have access to the benefits provided by Service Canada. We are currently working with our public health experts and officials on how best to reopen the Service Canada network for the public, but make no mistake about it, throughout the COVID-19 pandemic we have worked very hard to ensure that Canadians have

kept the access that they're used to for quick and reliable Service Canada services. I can go into detail on how we've done that.

[Translation]

**Mrs. Julie Vignola:** It would be nice to have that in writing, at the very least, and to get a reopening date, if possible.

In my constituency, and I know it has happened elsewhere as well, people wanted to drop off documents in outdoor boxes at Service Canada, but they were closed and people did not know who to turn to. They turned to us, which was a good reaction, but it raised some questions in my mind.

How did you ensure that the general public, not just community resources, received information about what to do in a given situation? People do not actually seem to do a lot of research to find this information.

[English]

**Hon. Ahmed Hussen:** I want to assure the honourable member that we have not stopped providing Canadians with access to Service Canada. We have redeployed almost 3,000 additional staff from other, less critical activities in Service Canada to support the delivery of employment insurance and the new CERB to Canadians. We've established a 1,500-agent call centre dedicated to supporting clients calling about the CERB. We have also deployed outreach and liaison officers to contact over 4,000 trusted intermediaries across the country.

We are doing whatever we can to make sure that we are there for Canadians who need services that Service Canada offers.

[Translation]

**Mrs. Julie Vignola:** The CMHC made it possible for multi-unit building owners to take advantage of a loan payment deferral. Do you have specific data on how many multi-unit building owners took advantage of this option?

[English]

**Hon. Ahmed Hussen:** I will turn to the CEO of CMHC to provide you with that answer.

**Mr. Evan Siddall:** We'll provide an answer in writing. I don't have those exact numbers at my fingertips at this moment.

• (1820)

[Translation]

**Mrs. Julie Vignola:** The payment deferral was primarily intended to allow landlords to reduce the rent for their tenants.

I was wondering if the landlords who used the deferral had actually reduced the rent for their tenants. Is it possible to get data on that as well?

[English]

**The Chair:** Could we have a brief, 30-second answer, if possible?

**Hon. Ahmed Hussen:** We have ensured that we are there to help Canadian families pay the rent by providing them with the Canada emergency response benefit, the wage subsidy, the extra payments for the Canada child benefit, and the GST tax credit. We will be there to support Canadians throughout this difficult period.

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

We'll now go to Mr. Green for five minutes.

Go ahead, please.

**Mr. Matthew Green (Hamilton Centre, NDP):** Mr. Chair, my questions may be limited in scope, but I just want to put on the record that if Ms. May, given that it's her birthday, wants to take a little bit of my surplus time, I would allow that to happen.

Happy birthday to you.

Minister, you'll recall that when the first iteration of support for Canadians rolled out, it was a form of EI that came in three different variations. It was kind of confusing and not very well defined, and of course it was quickly scrapped in favour of the proposal that we put forward, which was to get money directly to Canadians at around \$2,000 a month. We know that it changed from people who couldn't earn any income, to some income, and then to a little bit of income.

Would you acknowledge that this program has been evolving over the course of the COVID crisis?

**Hon. Ahmed Hussen:** I think the pandemic and our response to the pandemic have certainly tested our ability to respond quickly and effectively to Canadians. They have tested our traditional programming and have made us move more quickly than we are normally used to moving.

I'm proud of the work that our civil servants and our world-class public officials have been able to put together.

**Mr. Matthew Green:** So it's complicated.

**Hon. Ahmed Hussen:** Let me give you an example. The employment insurance payments would take more than three weeks to get out. Now, through the CERB, we're getting payments out in a matter of two to three days.

**Mr. Matthew Green:** I'll accept that quick turnaround, Mr. Minister, and through you, Mr. Chair—

**The Chair:** Mr. Green, I'm sorry to interrupt. I wonder if I could get you to speak a little closer to the microphone. Our interpreters are having a bit of a problem.

**Mr. Matthew Green:** I'm happy to. Thank you very much.

Mr. Minister, I appreciate that because there's certainly some complexity. I know that most of the casework we did was in trying to explain to people just how CERB would roll out, and in some instances, we actually had senior members—parliamentary secretaries—giving people online counsel to apply, to go ahead and do that. Also, we had noted labour lawyer Joshua Mandryk, from Goldblatt, talking about how his law firm actually had to do 19 or so posts just on COVID alone.

How do you square the fact that this program has evolved so much, and that while your government has said that they commit to

helping Canadians, they now have pivoted and have framed this as some people are in fact fraudsters? I mean, actually—

**Hon. Ahmed Hussen:** Sorry. I completely disagree with the assertion in the question. I will submit to you that I am proud of the fact that we have delivered CERB payments to millions of Canadians. We've moved very quickly to do that, and it is because of our public officials. Our world-class civil servants came together and put together a mechanism to do that. I'm so proud of the fact that they were able to do that.

We have been informed by a compassionate lens to make sure that we move fast to get real money into the hands of Canadians. Yes, there are elements of fraud—

**Mr. Matthew Green:** I appreciate that—

**Hon. Ahmed Hussen:** —but the vast majority of Canadians are of good faith and we've gotten assistance to them.

**Mr. Matthew Green:** I don't want to run this clock out, Mr. Minister. I want to get right to the thrust of it.

Are you going to throw people in jail while simultaneously putting \$750 billion out to big banks in quantitative easing and into liquidity supports without any real restrictions or requirements? Are you really going to frame the most vulnerable people in this country as fraudsters and throw them in jail?

**Hon. Ahmed Hussen:** I appreciate the question, sir, but I reject the premise of pitting Canadians against businesses. I am proud that we have been able to be there for both Canada's businesses and families. The CERB—

**Mr. Matthew Green:** How many tax dodgers have you put in jail?

**Hon. Ahmed Hussen:** The CERB has been there to help Canadians quickly and effectively. People are paying their rent. They are buying food. I am proud of that record. I will put that record against any other government any day.

**Mr. Matthew Green:** How many people do you anticipate will be pursued and prosecuted and thrown into jail for trying to survive through a global pandemic?

**Hon. Ahmed Hussen:** We have been informed by a compassionate lens, a reasonable lens, to get money out the door to Canadians. We don't view Canadians as inherently fraudsters. We view Canadians as people of good faith who just want to get by, as either a result of losing their jobs or whose jobs have simply disappeared. That was the thinking that informed the CERB.

● (1825)

**Mr. Matthew Green:** Will your government take responsibility for some, perhaps, of the misleading directions that members of your caucus have provided to Canadians online?

**Hon. Ahmed Hussen:** I can speak to—

**The Chair:** A brief response, please, Minister.

**Mr. Matthew Green:** I'll give Ms. May my next round, Mr. Chair.

**Hon. Ahmed Hussen:** I'm proud of our response. We've been there for Canadians and we'll continue to be there.

**Mr. Matthew Green:** Thank you, Mr. Minister.

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

We'll now go to our second round of questions, which will be four minutes in length, starting with Mrs. Block.

Go ahead, for four minutes, please, Mrs. Block.

**Mrs. Kelly Block:** Thank you very much, Mr. Chair, and I do thank the minister, as well as his departmental officials, for joining us.

Minister, Canadian families who don't normally qualify for the Canada child benefit have received a payment of approximately \$300 per child as part of the COVID-19 CCB top-up. When they have called Service Canada to report the error and return the benefit, they have been told to donate it to a children's charity if they don't need it. This scenario that I've just described to you happened to our colleague, Rosemarie Falk, member of Parliament for Battlefords—Lloydminster.

Can you confirm whether or not Canadians who receive the CCB top-up in error will be asked to repay it come tax time?

**Hon. Ahmed Hussen:** Let me speak about the Canada child benefit. We introduced it because we wanted—

**Mrs. Kelly Block:** No, no. Listen—

**Hon. Ahmed Hussen:** Well, I mean, if I'm allowed to respond, I—

**Mrs. Kelly Block:** Excuse me, Mr. Chair. I don't—

**Hon. Ahmed Hussen:** You don't get to determine my answer, Ms. Block.

**Mrs. Kelly Block:** I didn't ask you to speak about the CCB. I asked—

**Hon. Ahmed Hussen:** I didn't interrupt your answer. I am speaking about the CCB.

**The Chair:** One at a time, please. If I had a gavel, I'd be gaveling it right now. We had a specific question, I believe, from Mrs. Block.

**Hon. Ahmed Hussen:** I'm trying to answer, Mr. Chair.

**The Chair:** If you could, get to it quickly, then, sir.

**Hon. Ahmed Hussen:** I am. I didn't interrupt her, so she shouldn't interrupt me.

The Canada child benefit is there to help families. It has provided more money to nine out of 10 families. It has lifted hundreds of thousands of kids out of poverty. It has ended the practice of sending cheques to millionaire families. I am proud of what we've been able to accomplish through the Canada child benefit.

**Mrs. Kelly Block:** Mr. Chair, on a point of order, I asked a specific question about the CCB top-up. I do understand why the CCB exists. I understand what it is meant to do, but I would like to know—

**The Chair:** I have to rule that's more a point of debate than a point of order, but certainly you're more than able and willing to pose the question again if you wish.

**Mrs. Kelly Block:** Thank you.

Minister, I understand what the CCB is intended to do, who it's for and the benefit of it, but I'm asking you a specific question. Will Canadians who receive the CCB top-up in error be asked to repay it at tax time?

**Hon. Ahmed Hussen:** With the Canada child benefit top-up, we are providing a one-time support top-up of \$300 per child for families that are already receiving the Canada child benefit to help those families through the COVID-19 pandemic. If there are certain issues that have come up as a result of providing that additional payment, we will deal with those issues, but I am proud of our government's effort to support families with an extra CCB payment at this difficult time.

**Mrs. Kelly Block:** We understand how proud you are, Minister. You had questions from my colleague Mr. Green about how you're going to deal with fraudsters. We recognize that in these unprecedented times errors are made. What I guess I'm wanting to hear from you is how you are going to determine what's an error and what may be a fraudulent claim. Are you going to ask families who have received this benefit in error to repay it at tax time?

How are you going to determine what is a fraudulent claim or who has received something fraudulently and who has received something in error?

**Hon. Ahmed Hussen:** I believe I've answered the question. What I said earlier is that we will deal with any issues that have come up, any minor issues that have come up as a result of the additional payment, but the essence of the additional payment is something that, yes, I am proud of. I will continue to say that because it is lifting families out of poverty. It is helping families at this difficult time and it is doing something that you guys did not do—

• (1830)

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

**Hon. Ahmed Hussen:** —which is not sending cheques to millionaires.

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

We'll now go to Mr. Kusmierczyk, for four minutes, please.

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

I am replacing Mr. Kusmierczyk for now.

Minister Hussen, thank you for appearing before our committee.

I know on Friday you took part in the march in support of Black Lives Matter. I know the Prime Minister announced that Canada will be supporting the UN Decade for People of African Descent. Minister Hussen, I know you've had a lot of conversations with the black community in Canada throughout your whole mandate.

What have you heard that relates to COVID-19 and the impacts it has had on our black community in Canada, but also what have we done to support the black community in Canada?

**Hon. Ahmed Hussen:** Thank you so much for that really important question.

Anti-black racism is real. It impacts the lives of millions of our fellow citizens. We have done a lot, but more work needs to be done. We have supported black Canadians through a \$25-million investment in building capacity and infrastructure in black Canadian community organizations so they can better serve black Canadians. We are the first government to sign on to the UN Decade for People of African Descent, which has a number of commitments under it. We are committed to making sure we address the aspirations of black Canadians to live a life free of anti-black racism. We will continue that work together with members of the black Canadian community who, as a result of the marches and the calls to action, are asking us to listen more carefully to their lived reality and to address their aspirations in a way that is inclusive and that pays particular attention to the reality of anti-black racism in Canada.

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

I want to move on to the CERB. I am interested in the thought process and how.... Obviously you are responsible for Service Canada. Overnight, many people lost their jobs and you had to find a way to deliver the CERB.

Can you talk about how, with Service Canada, you were able to deliver CERB to millions of Canadians across Canada?

**Hon. Ahmed Hussen:** I believe that when the story will be written about how our government was able to move quickly to help Canadian workers and families who had lost their jobs or whose jobs had simply disappeared because of the COVID-19 pandemic, there will be a very major section on the CERB, the Canada emergency response benefit. I believe that the government moved very quickly and effectively to deliver real and tangible support to Canadians.

I will now turn over the rest of the answer to my officials to provide a bit more granular detail on how Service Canada was able to collaborate with the Canada Revenue Agency to put the mechanism of delivery together.

**The Chair:** They will have about 40 seconds to respond.

**Ms. Lori MacDonald (Senior Associate Deputy Minister, Employment and Social Development, and Chief Operating Officer for Service Canada, Department of Employment and Social Development):** Thank you, Minister, for the question, and thank you, Mr. Chair.

I'd like to share, first and foremost, that our teams have been working collectively with CRA and here at Service Canada, both on the policy and on the operational side, to ensure we're able to develop a plan and a mechanism to deliver this program to Canadians.

We had staff here working 24 hours a day, and at some points actually sleeping here overnight, to make sure our systems were working correctly and that in fact we were finding the right mechanisms, the policy's implications and the appropriate IT to deliver this service to Canadians. At the same time, we redeployed 3,000 staff to do processing. We hired—

**The Chair:** Ms. MacDonald, I hate doing this. I honestly mean that. However, we are limited in time. I would ask that the fullness of your response be provided in writing as soon as possible and directed to our clerk.

We will now go to our next four-minute round, and that goes to Mr. McCauley.

• (1835)

**Mr. Kelly McCauley:** Tom, I'd like to start by introducing my motion that I submitted a few days ago regarding the PBO report, please.

**The Chair:** Please, go ahead. You can introduce it, Mr. McCauley.

I don't know if you want to read it into the record.

**Mr. Kelly McCauley:** I don't wish to take up time reading it into the record.

I'll wait for the clerk to say it's in order, and perhaps we'll go—

**The Chair:** It is in order.

**Mr. Kelly McCauley:** I would suggest that perhaps for the sake of time, we could move right to a vote.

**The Chair:** We will have a speakers list for those who want to comment on Mr. McCauley's motion, which all of you, as committee members, will have received. It is admissible and amendable.

I'm looking now for anyone who wishes to speak to it. I'd ask you to please put up your virtual hands and we'll try to collect names.

Seeing none, I would ask Paul to conduct a vote.

(Motion agreed to: yeas 10; nays 0 [*See Minutes of Proceedings*])

**The Chair:** Now Mr. McCauley, you only took a few moments of your time to introduce the motion, so you have about three and a half minutes left.

**Mr. Kelly McCauley:** Great.

Mr. Siddall, the first-time homebuyers incentive, which of course the government is putting money toward, is kind of in direct conflict with your new rules on mortgage eligibility. One of them fuels the housing fire and the other one stamps it out. I wonder if you could give your thoughts on that.

Why do we have taxpayers' money going toward inflaming the market when at the same time you've introduced new rules to dampen it down?

**Mr. Evan Siddall:** Thank you for the question. It's an important one.

Of course, even mortgage insurance is supportive of demand. The first-time homebuyers program was meant to be a replacement for mortgage insurance debt with a form of equity so that prospective homeowners, first-time homebuyers, would not be burdened with debt itself. This program may in fact be increasingly attractive to people as they concern themselves with falling house prices.

**Mr. Kelly McCauley:** You don't see any irony here. On one side, you're trying to flatten the demand for housing, with people not getting in over their heads. At the same time, government's providing money for people to get in over their heads on mortgages.

**Mr. Evan Siddall:** The difference, of course, is the form of debt support versus equity support. The changes we put in place were to avoid excess borrowing in support of house prices, which of course the first-time homebuyer plan is not. I don't see the conflict, no, sir.

**Mr. Kelly McCauley:** Okay.

Is there a worry that we're dampening...? We're changing the rules, obviously. We don't want people taking on too much in a mortgage. At the same time, we're looking at housing prices dropping, and the demand for housing dropping. Is now the time to bring in more rules to make it more difficult to take on a mortgage?

**Mr. Evan Siddall:** That too is an important question. We've been accused of making a procyclical decision like many other lenders—

**Mr. Kelly McCauley:** You guys get accused of everything, so that's not surprising.

**Mr. Evan Siddall:** We do indeed, sir. We do. We're accountable to Canadians, so those accusations are welcome. I say that with my tongue planted in my cheek sometimes.

Nevertheless, the—

• (1840)

**Mr. Kelly McCauley:** It just seems counterintuitive.

**Mr. Evan Siddall:** Well, it is procyclical, as economists would say, but the net benefit is positive. The alternative is to put people into houses with effectively 1% equity after mortgage premiums, with house prices falling, we estimate, something in the neighbourhood of 9% or more, and that feels irresponsible.

**Mr. Kelly McCauley:** Do you think this a temporary measure to be reversed in three months or six months if things improve?

**Mr. Evan Siddall:** No, I... We'll monitor the market, as we always do. We think this is responsible risk management. We have put it in place now. We make changes from time to time. We'll continue to monitor how markets develop.

**Mr. Kelly McCauley:** Minister Hussen, we saw Mr. Duclos today saying that the expected fraud on CERB will be extremely rare. Why would you put in legislation to jail someone over CERB fraud if it's supposed to be so rare?

**The Chair:** Minister, give a brief answer, if possible.

**Hon. Ahmed Hussen:** Mr. Chair, I want to respect the honourable member's question, but I cannot speak about legislation that has not yet been presented in the House.

**Mr. Kelly McCauley:** But you leaked it to the media.

**Hon. Ahmed Hussen:** That would be a violation of parliamentary privilege. The honourable member knows that, so I don't know why—

**Mr. Kelly McCauley:** The honourable minister knows he leaked it to the media, so he can talk about it.

**The Chair:** Thank you very much, colleagues. Again, if I had a gavel, I'd be gavelling it.

I have Mr. Drouin on my list.

Francis, you gave the last intervention. I'm not sure if you or Mr. Kusmierczyk will do this one.

**Mr. Irek Kusmierczyk:** Mr. Chair, I'll take Mr. Drouin's spot.

**The Chair:** Please go ahead, Irek. You have four minutes.

**Mr. Irek Kusmierczyk:** Thank you very much, Chair.

Minister, it's wonderful to see you here. Thank you again for your excellent testimony and your wonderful answers to the questions.

I want to speak to you a little about the emergency community support benefit. We know that charities and not-for-profits are playing an incredibly important role in Canada's response to COVID-19, and are really supporting the role that the government is playing as well. We know more than ever that Canadians are relying on local community organizations. I can tell you that in our riding of Windsor—Tecumseh, we have excellent organizations. Whether it's the Unemployed Help Centre, the United Way or the Windsor-Essex Community Foundation, they are doing tremendous work supporting our community and supporting vulnerable members in our community.

We've seen this government take some really important steps—for example, making charities and not-for-profits eligible for the wage subsidy program. Can you talk a little about the development of the emergency community support program and detail how this fund will support community organizations across Canada and in ridings like Windsor—Tecumseh?

**Hon. Ahmed Hussen:** Thank you so much for that question. You point to a really important need during COVID-19 to support the non-profits and charitable organizations that are providing much needed services to the most vulnerable populations in our community.

The emergency community support fund comes from feedback we received and discussions we had with the charitable and non-profit sector. The \$350-million fund was essentially put together to help the helpers, to help them continue the work they're doing, but also, hopefully, to expand their capacity to deliver even more support and more services to the most vulnerable populations in Canada.

We are doing everything we can through that fund to make sure they cover every vulnerable community across our great country from coast to coast to coast. We have a rural lens and an urban lens on it. We have demanded disaggregated data up front with respect to that fund. We will continue to monitor any gaps that emerge in the implementation of that fund. I'm very proud of the fact that we moved very quickly to establish it and we are getting money out the door.

Many organizations that already provide important services to our most vulnerable are themselves facing financial pressures, and the \$350-million emergency community support fund is meant to support them.

• (1845)

**Mr. Irek Kusmierczyk:** Thank you very much, Minister.

I've heard from a number of constituents that parents with children really have been hit particularly hard during this COVID-19 crisis. Many parents, for example, have lost their jobs or they have had to leave their jobs or have reduced hours, and they also have to stay home to be with their children. What has our government done to support parents and families during COVID-19?

**Hon. Ahmed Hussen:** Thank you so much for your question.

The Canada emergency response benefit as well as the wage subsidy are ensuring that Canadian workers are supported through this difficult process and, indirectly, are supporting their families. The one-time top-up to the Canada child benefit is also a recognition of the financial pressures that families are facing at this difficult time.

We're moving ahead on July 20 with an additional increase to the Canada child benefit. The GST tax credit is also delivering more money into the pockets of Canadian individuals and couples. We are doing everything we can to continue to support Canadian families.

**The Chair:** Thank you, Minister.

We'll now go to our final interventions of two minutes each.

[*Translation*]

Mr. Barsalou-Duval, you have two minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

My question is for Minister Hussen. I have heard him say on many previous occasions that his government is working hard to help society's most disadvantaged and most in need.

There is a housing shortage in Quebec. People have been waiting a long time for access to government-assisted housing. Unfortunately, for the past three years, Quebec has been waiting on the federal-provincial-territorial housing agreement. Quebec is the only place in Canada where people have no access to financing for their housing.

Is the Minister finally going to give the grant to the Government of Quebec so that it can put it to good use and help people in need?

[*English*]

**Hon. Ahmed Hussen:** We will ensure that we work diligently and continuously to make sure that we reach a bilateral housing agreement with Quebec, an agreement that is signed in the spirit of

collaboration and true partnership. We are very keen to ensure that this is an agreement that works for Quebec and Quebecers.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** Mr. Minister, while we are waiting in Quebec, ribbons are being cut across Canada and people are very happy to have some money. Housing is a Quebec jurisdiction. When will we get some money? We have been waiting for three years and I feel it is time we got some.

**Hon. Ahmed Hussen:** We have committed to entering into a bilateral agreement with the province of Quebec based on the principles of partnership, cooperation, consensus and accountability. This is not about imposing an agreement, but about working with the Government of Quebec to make a real difference for Quebecers who want access to affordable housing.

**Mr. Xavier Barsalou-Duval:** I just want to hear a date, Mr. Chair.

[*English*]

**The Chair:** Thank you, Minister.

Our final intervention is a birthday present, I believe, from Mr. Green to Ms. May.

Ms. May, you have two minutes.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Yes, it's very nice.

Thank you very much, Matthew.

First of all, thank you, Mr. Minister, for being here with us. I know that you won't discuss legislation that hasn't been tabled yet, but I just want to put on the record that I think the structure of the not yet tabled legislation is a poor one. There are much easier ways to create an incentive for people to go back to work without creating what I think amounts to fake threats that will be unpleasant and cause trouble down the road. I hope that before we see this bill tabled it can be improved.

My questions are really for your officials. I know CMHC is the agency to house the Canada emergency commercial rent assistance for small business, so I turn to Mr. Siddall.

I'm wondering about it. It's one of those programs that seems not to have been terribly easy to access, in having the property owners and landlords have to make the application. I hear from a lot of small businesses that it's not working, and I wonder if there are plans to improve it.

**Mr. Evan Siddall:** Mr. Chair, if I may wish Ms. May a happy birthday, I will do that too.

• (1850)

**Ms. Elizabeth May:** Thank you very much.

**Mr. Evan Siddall:** In response to your question, we've actually staged the rollout of this program deliberately. We've held back large landlords, with their understanding, and we're working with them proactively so that those can funnel through.

This program was actually established in record time and with no infrastructure in place. I'm actually quite proud of that. We are working day to day to improve it. We've doubled our call volumes. We've prepared our partner for an increased volume in the future and we are in active consultations with landlords and tenants on how to do so.

**Ms. Elizabeth May:** Is there more time to pursue this, Mr. Chair?

**The Chair:** You have 10 seconds, Ms. May.

**Ms. Elizabeth May:** Okay.

In 10 seconds, comment on the deferral cliff, if you will, Mr. Siddall.

**Mr. Evan Siddall:** We are concerned about the volume of mortgages. I was trying to get the number for you, but we don't have much time. We'll get you some numbers.

We're concerned about that now. Deferred mortgages don't necessarily mean that they will go into arrears or result in claims, but there can be a correlation. We're looking forward to the economy being restarted so that this won't happen.

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

Colleagues, that brings to an end our questioning of Mr. Hussen.

Minister, I want to thank you and your officials for being here with us today. I wish that you and all of your officials remain safe and healthy, as I wish that for all of our committee members. You, sir, are now excused.

Colleagues, I would like to keep the rest of you on the screen for just a few moments. I have a couple of quick things to go over with you prior to this Friday's meeting.

Minister, you and your officials are excused. Thank you.

Colleagues, we are in public. As all of you are aware, we have now received authorization from the House that the committees have been fully restored in terms of their powers, so that we are not restricted only to asking questions of witnesses about COVID-19. We have also been informed by the party whips, all four of them, that committees are authorized, if they so wish, to continue to meet over the course of the summer until Parliament is resumed sometime this fall. My understanding is that there is at least one committee planning to meet over the summer and perhaps more. I am not suggesting that by any stretch of the imagination, but I am asking all committee members to think about what your plans might be for this committee.

We have three meetings left. One is for this Friday at 11 a.m. eastern time. That's June 12, by the way. Next week, we meet on

Tuesday from 5 p.m. to 7 p.m. eastern, and finally, on Friday, June 19, from 11 a.m. to 1 p.m. Sometime within the next three meetings, I will be scheduling a brief period of time for committee business, if you will, for us to discuss future plans for this committee. In the interim, I would just like all of you to consider whether or not you feel we have exhausted all of the questions and all the witnesses we have called or wished to call for this study, and what you think our plans could be or should be throughout the summer months.

Just to let all of you know, from a personal standpoint, I will definitely be taking some time off this summer. I've also talked to many of my colleagues who inform me that they find the Zoom meetings—Elizabeth and I were talking about this earlier before I convened the meeting—far more trying in many respects, and far more exhausting, than meeting in public. I would like all of you to consider that. I want everyone, frankly, to be able to take some time off this summer, to spend it with friends and family, and to recuperate and to recharge your batteries, but I also don't want to direct this committee away from any meetings that they feel might be necessary over the summer months.

I raise all of that for your consideration.

Ms. May, I see that you have your hand raised, so I will go to you.

**Ms. Elizabeth May:** I know I'm not a member of the committee, but I want to propose that we all go to your place. Saskatchewan in the summer is lovely. I think we could have bonding time at a six-foot distance.

**The Chair:** You might not be able to get a six-foot distance on my deck, but I'd accommodate as many of you as I possibly could.

Anyway, colleagues, those are the only comments that I have. I'm not looking for—

**The Clerk of the Committee (Mr. Paul Cardegna):** Mr. Chair, I believe Mr. McCauley had a comment.

**The Chair:** Please go ahead.

**Mr. Kelly McCauley:** On the estimates...?

**The Chair:** Yes. They are scheduled for Tuesday, June 16.

**Mr. Kelly McCauley:** Thank you.

**The Chair:** Colleagues, with that, I would ask you to consider my comments and to think about what we may want to do as a committee for the future, after June 19, which is the scheduled end of this suspended Parliament.

Seeing no more questions or hands raised, colleagues, once again I will thank you all for participating. We will see you this Friday at 11 a.m.

This meeting is adjourned.





**DRAFT**

**Opening Remarks**

**The Honourable Anita Anand,  
Minister of Public Services and Procurement**

**Canada's Response to the COVID-19 Pandemic:  
Procurement  
Standing Committee on Government Operations and  
Estimates**

**Ottawa, ON**

**June 9, 2020**

Check against delivery

## **Opening**

Thank you for inviting me to speak to the committee.

Let me begin by acknowledging that I am meeting with you from Gatineau, which is on the traditional territory of the Algonquin peoples.

Since we last met, the COVID-19 pandemic is entering a new phase. Thanks to the efforts of Canadians to reduce the spread of the virus, some restrictions are slowly being lifted across the country.

However, the course of the pandemic is still unpredictable, and Canada will need supplies and PPE for some time to come.

## **Procurement update**

Our approach is to buy aggressively and to diversify our supply chains, which includes ramping up production of vital supplies here at home.

Before I provide this committee with an update on our progress, I would like to talk about our efforts to be open and transparent.

### Transparency

Accountability is critically important to our Government, and that means being as transparent as possible.

However, given the intense global competition we currently face and the volatility of the marketplace, we are being careful with the information we are releasing at this time.

Simply put, some procurement information could jeopardize our orders and compromise Canada's negotiating position. That is why most contract information has not been disclosed, and I can tell you that similar approaches are being applied by other countries around the world.

Nevertheless, we want to be as open as we can, and we have taken some measures to do just that.

We are posting some solicitation documents for COVID-19 related procurements on our website, particularly in cases where we need to broaden our search for information or sources of supply.

We have also publicly announced several contracts and we are posting details of our orders and deliveries of PPE online every week, for all Canadians to see.

I want to be clear that more information will be made available as soon as our procurement of vital PPE is no longer at risk.

### *International*

Despite the persistent risks which we have discussed at this committee—such as dealing with unfamiliar suppliers, strained supply chains, and complex logistics—progress is being made.

We are seeing more reliability and consistency with international supply chains.

A total of 58 cargo flights have come in from China to date, with flights now arriving daily, carrying all types of PPE.

In addition, we are now transporting tens-of-thousands of litres of hand sanitizer from China by sea.

And, of course, we continue to receive supplies from the United States—such as N95 respirators from 3M at a rate of approximately half-a-million a month.

### *Domestic*

Domestically, we have increased our capability to produce supplies.

I am pleased to report that, as of today, we have put in place 26 contracts with Canadian manufacturers that are making supplies to fight COVID-19 right here at home.

Since we last met, we have contracted companies such as GM Canada that are retooling part of their production line to make 10-million surgical masks and face coverings for Canadians over the coming year.

They join a growing number of companies that are helping us to fight COVID-19 while sustaining and creating much needed jobs for Canadians.

Since I last appeared before this committee, our delivery numbers have grown considerably.

We have significantly increased our deliveries of face shields and hand sanitizer into the millions, with the much of those products being produced in Canada. We have also surpassed the 100 million mark when it comes medical masks received.

These are just a few examples. We continue to order and receive more, and we are now preparing for future needs.

## **Planning ahead**

### *More testing and preparing for a possible vaccine*

We know that testing will need to increase across the country as restrictions are eased. In addition to our contract with LuminUltra, we have since put in place four

contracts with major companies for the procurement of reagent and other lab products.

In addition, we now have a contract in place for the delivery of enough syringes to ensure that if a vaccine becomes available, all Canadians can get it.

### Access to PPE

We know that availability of PPE will be another factor as the economy recovers.

Business owners, organizations and all Canadians need access to the right PPE and we have taken action to help on that front.

Earlier today, we launched a new PPE Supply Hub.

This web site brings together a broad collection of important resources that will help link buyers and sellers of PPE across the Canadian market. It also includes consumer information for any Canadian who wants to buy PPE, to help inform their buying decisions.

Over time, we will continue to enhance this online Hub, working with provinces and territories and industry to look for additional ways to support Canada's PPE needs.

## **Phoenix**

As we fight COVID-19 and prepare for the future, PSPC continues its most vital work in other areas, such as ensuring that public servants are paid accurately and on time.

Pay and pension services are essential. That's why we have the resources in place to make sure they are operating without interruption, and our Client Contact Centre remains available to respond to pay issues.

Despite the pandemic, we continue to make great strides in eliminating the backlog of pay issues related to the Phoenix pay system.

Since March, we reduced the backlog of transactions at the Pay Centre by approximately 29,000.

Overall, since January 2018, we have reduced the backlog of transactions with a financial impact by 64%, as of May 27.

And in that same time, more than \$2.4 billion in collective agreement retroactive payments have been paid to employees.

## **Closing**

Mr. Chair, I want this committee to know that my department will continue its important work while also navigating the next phase of COVID-19.

And Canadians can rest assured that we will continue to get safe and effective supplies to the front lines as quickly as possible.

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