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Chair: The Honourable John McKay





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• (1545)

[English]

**The Chair (Hon. John McKay (Scarborough—Guildwood, Lib.)):** I call this meeting to order.

This is the first meeting of the study that was ordered, which reads:

That, pursuant to Standing Order 108(2), the committee undertake a study on the lack of housing availability on or near bases for Canadian Armed Forces members and their families and the challenges facing members and their families when they are required to move across the country; that the committee shall hold a minimum of four meetings for the duration of the study; and that the committee report its findings and recommendations to the House.

These are the first two hours.

We have with us Rob Chambers, assistant deputy minister. Thank you for coming, sir.

We also have Brigadier-General Virginia Tattersall and Serge Tremblay, general manager of infrastructure and technical services.

I just want to clarify with the clerk. Do they each have five minutes, or do we want to have them all in five minutes?

**The Clerk of the Committee (Ms. Hilary Smyth):** There will be two that are five minutes and one that's shorter.

**The Chair:** Okay.

You'll go in the order you wish to.

We'll start with Mr. Chambers.

[Translation]

**Mr. Rob Chambers (Assistant Deputy Minister, Infrastructure and Environment, Department of National Defence):** Thank you very much, Mr. Chair and members of the committee.

I'm the assistant deputy minister of infrastructure and environment at the Department of National Defence. In particular, I am responsible for National Defence's lands and infrastructure in Canada.

[English]

I have the chance to work closely with chief military personnel on issues involving the full range of accommodations that are available to CAF members, and sometimes their families, which includes Crown housing and residential housing. Speaking of which, I also have the opportunity to work with the Canadian Forces housing agency, which is the special operating agency responsible for the day-to-day management of that Crown housing portfolio.

As a special operating agency, the CFHA, as we call it—the Canadian Forces housing agency—has a bit more flexibility and extra authorities compared to some other parts of the organization. From a management and governance perspective, it reports in to the Defence team through my organization.

I suspect my colleagues will be fielding most of your questions today, but if I can be of any help, obviously, I am more than happy to be.

Thank you.

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

Mr. Tremblay.

**Mr. Serge Tremblay (General Manager, Infrastructure and Technical Services, Department of National Defence):** Good afternoon, Mr. Chair and committee members. Thank you for inviting the Canadian Forces housing agency to join you today.

My name is Serge Tremblay, and my title is general manager of infrastructure and technical services. To elaborate, I am a part of the Canadian Forces housing agency.

The agency's purpose is twofold. We support the quality of life of CAF members by supporting the housing services program. Also, as Mr. Chambers covered, we are responsible for the sustainable management of the actual infrastructure in support of the housing program. That's the houses.

Current demand for residential housing in DND is high, and that is owing partially to the private sector market conditions, which have increased the demand for housing for all Canadians, not just for our CAF members. CFHA has been working in lockstep with both Mr. Chambers' group and Brigadier-General Tattersall and her team to try to find living accommodation solutions for the CAF members. It's a complex problem space that is characterizing Canada's current housing situation, and the answers have not been easy.

I look forward to your questions.

• (1550)

**The Chair:** Thank you.

Brigadier-General Tattersall.

[Translation]

**BGen Virginia Tattersall (Director General, Compensation and Benefits, Department of National Defence):** Good afternoon.

I'm Brigadier General Virginia Tattersall, director general of compensation and benefits.

[English]

I'd like to take this opportunity to speak to the concerns around housing for military members and their families.

Affordability and availability of housing are concerns for all Canadians. Military members share the same concerns; however, those concerns can be multiplied when a military member is required to relocate for service reasons.

In my role, I endeavour to provide both the means and support for Canadian Armed Forces members and their families in finding living accommodation that considers the needs of their personal circumstances, and to support the Canadian Forces morale and welfare services in providing the community services and programs that members require.

I also ensure that members are appropriately compensated for their work, which is performed under a wide range of conditions. That is why this past year, the chief of the defence staff approved the remittance of rations and quarters to help members start their careers on a sure financial footing, particularly those who have not yet met their operationally functional point—or in a simplified version, who are not yet completely trained.

Moreover, the Department of National Defence and the Canadian Armed Forces implemented the Canadian Forces housing differential, a monthly payment designed specifically to assist those who need some financial assistance to secure suitable housing.

In recognition of this significant change in the benefit, we also introduced the provisional post living differential to bridge what members were receiving as the post living differential, and what they will now receive with the Canadian Forces housing differential.

Canadian Armed Forces members also received an economic increase to better reflect the cost of living. While the economic increase, Canadian Forces housing differential, and provisional post living differential are an important part of supporting our members and their families with the cost of living and affordability of housing, our work is not done.

My team and I, in concert with the associate deputy minister, infrastructure and environment; the Canadian Forces housing agency; and the Canadian forces morale and welfare services are looking at how to better support members with the challenges of housing affordability and availability.

Thank you for your time today, and I welcome your comments and questions.

**The Chair:** Thank you.

Mrs. Kramp-Neuman, you have six minutes.

**Mrs. Shelby Kramp-Neuman (Hastings—Lennox and Addington, CPC):** Thank you, and thank you for being here this afternoon.

Minister Blair has suggested that there is a significant deficit of approximately 7,000 military housing units, and noted that there are

not enough resources to construct new units on Crown land; yet, the minister proceeds to let billions of dollars of the defence budget lapse year over year, and makes over \$1 billion in cuts.

General Eyre has suggested that housing is one of the top concerns for his troops. We clearly have a retention and recruiting crisis, and the housing chaos certainly doesn't help.

How can people be motivated to join and stay when the quality, affordability and availability of housing is so dismal?

**Mr. Rob Chambers:** Perhaps I could offer some additional remarks, and I'll turn to my colleagues who can dig in on some of the detail.

It was noted in the opening remarks that Canadian Forces members and their families are facing housing challenges alongside all Canadians. The struggles that all Canadians are experiencing, and perhaps that you yourselves are experiencing, or that I am experiencing, are no different for them in certain respects.

My colleague from chief military personnel can speak a bit more to the supports that are being provided to allow for the differences. The nature of the service is obviously different, so there are supports in place to respond to that.

From an investment perspective, investments are being made in new construction and new housing. I'll let Serge speak to that in a bit more detail. At the same time, it is a challenging time. There's no denying that, but that's the job we have ahead of us here, and that's what we have to deliver on.

• (1555)

**Mrs. Shelby Kramp-Neuman:** Maybe just to add, while Mr. Tremblay's going to answer that question, could he speak to an ATIP request that was filed with the department? It asks the following:

Provide a list outlining wait times for military housing at CAF bases and wings. Limit to records since Jan. 1, 2022. Final drafts only.

My concern is that only two bases were included. They were Esquimalt and Greenwood. In addition to the other answer, why is it not standard practice for this government to regularly track the housing numbers and shortages on our bases?

**Mr. Serge Tremblay:** I am unaware of that request. I will, unfortunately, have to get back to you on the details for that particular ATIP. I'm not familiar with the details.

It is standard practice for us to regularly track wait times on an operational basis, but we don't, historically, keep records over time as far as wait times serving the purposes of our operations are concerned. It helps—

**Mrs. Shelby Kramp-Neuman:** I'm sorry to interrupt.

On that specific comment, as of October 16, 2023, there were approximately 4,500 CAF members on the CFHA wait-list for military housing.

To your knowledge, has this number decreased at all over the past month and a half?

**Mr. Serge Tremblay:** I'm sorry. Could you please repeat that?

**Mrs. Shelby Kramp-Neuman:** On October 16, 2023, 4,500 CAF members were on the CFHA wait-list.

**Mr. Serge Tremblay:** I'd like to begin by elaborating that our wait-list is divided into two groups. There's a priority-one wait-list and a priority-two wait-list. Priority one is for regular forces members who are moving at the cost of the Crown to a new location and have yet to find a house in their new location. The priority-two wait-list is for people who are already in that location and have a solution in hand, but they would like to change their situation and move into Crown housing.

While the number remains 4,500, I would focus on the priority-one wait-list, which is for people looking for houses. The priority-one wait-list has 1,398 applicants as of October 26 of this year.

**Mrs. Shelby Kramp-Neuman:** Thank you.

Further, there is aid going to service members who can't sell their houses. What aid is being given to individuals who cannot?

**BGen Virginia Tattersall:** Thank you for the question, Mr. Chair.

That's perhaps difficult to unpack in a very short time. Essentially, there are two pieces we provide to members, in terms of support.

The first one is for while you have your house listed. If you decide you're going to relocate and sell your house, and you're maintaining a residence in another location, there's a period of time during which we provide an allowance. It's called a "temporary dual residence" allowance. It offsets the cost so you're not trying to carry both—a mortgage at one place while paying for another.

The second fact that comes into play is this: If you decide not to sell your house, there is also a benefit we will provide you. We call it a "real estate incentive", acknowledging that you're actually saving us money by not selling a house, because we're not having to pay the costs of legal and real estate.

The third one is the fact that, if you sell your house and come into a situation where you are selling at a loss, there is home equity assistance, which reimburses up to \$30,000 for the loss you have sustained.

All of those measures endeavour to minimize the impact members might experience in what is obviously a significant transaction for them.

**Mrs. Shelby Kramp-Neuman:** Thank you, Brigadier-General.

Given Minister Blair's comments, as well as your opening comments to the committee about the housing differential, can you speak to the expected timeline for full implementation?

**BGen Virginia Tattersall:** The Canadian Forces housing differential was fully implemented as of July 1. What we were not able to deliver as of July 1 was the programming for our pay system. That has now been completed, and we're delivering not only the Canadian Forces housing differential to members but also the programming that allows us to deliver the provisional post living differential to members.

Again, the limiting factor was this: There wasn't capacity to re-program our pay system, given how this had a number of complexities to it.

**Mrs. Shelby Kramp-Neuman:** Thank you.

**The Chair:** Thank you.

Colleagues, we have these witnesses for two hours. I'm hoping to get through at least three rounds of questions, so I may be a bit less harsh than I usually am.

Mr. Fillmore, you have six minutes.

• (1600)

**Mr. Andy Fillmore (Halifax, Lib.):** Thanks very much, Mr. Chair.

Thank you to the panellists for coming in. Beyond that, thank you for your service in both the civil and armed services.

Brigadier-General, this might be a question for you, to start. Of course, anyone can feel free to dish it off.

This committee has heard that the armed forces are currently in a moment of difficulty with regard to recruitment. I wonder if you have gathered any data or observations that connect difficulty with recruitment to the prospect of housing challenges experienced in the CAF.

**BGen Virginia Tattersall:** I can't give you hard numbers, in terms of a connection between those two particular issues.

I can respond in terms of our broader understanding of joining the Canadian Armed Forces. What is of value to you in joining the Canadian Armed Forces? What is the value proposition? Obviously, housing is a consideration. We all need—particularly in Canada—to have a roof over our heads.

I'm sure there are some who have given thought to what the implication is for them, but I can't give you hard numbers, at this point.

**Mr. Andy Fillmore:** Thank you for that.

I think it's safe to assume that we all understand the cost of relocation can be very expensive. If a member is transferred to another location, it's like the rent reset. They might have to move into a different rent reality. I think we also understand that housing costs associated with putting up a whole family and relocating them are high.

I want to ask you to explore for us the remittance of expenses. That wasn't exactly what you said, but could you unpack that a bit?

Then, if there's time, can you talk to us about whether the costs of relocation and family residences are starting to have the armed forces think about changing its relocation policy—the idea that members are expected to move among postings regularly?

**BGen Virginia Tattersall:** Mr. Chair, thank you. Those are three very good questions, and I will endeavour to answer them in order.

First and foremost is what I spoke to regarding the rations and quarters remittance when you join the Canadian Armed Forces and go through your preliminary training. For basic training in Saint-Jean, followed by whatever occupation or trade training you need to undertake, during that entire time frame, if you are in our quarters, and you are eating in our mess halls, you are neither paying for your room nor paying any costs for the food you are provided. That is significant. As you can imagine, that's probably putting back into those individual's pockets, over the span of a year, approximately \$10,000 in terms of costs they wouldn't otherwise have. Those are members who are making the lowest amounts. One of the positive changes to addressing the challenges, particularly in attracting individuals, is in offering that to them.

The second, if I understand the question, is regarding the cost of relocation. Just to perhaps explain this to the committee, when Canadian Armed Forces members relocate, we actually have a very robust suite of benefits we provide to members. All the costs for relocating your households goods and effects, for packing those up in a van and moving them wherever are paid for by the Crown.

The Crown also pays for your real estate fees, your legal fees and your land transfer tax. We reimburse you for the costs of your lodging and your travel expenses, as well as provide meals for you throughout that time period. Once your house is packed up, and while you're waiting for your household goods and effects to be delivered, we pay for that.

We also pay for your house-hunting trip. We pay for those costs so that you are able to go to the location and spend a week or more, if you want to extend that. Those are in addition to benefits, as I mentioned, such as the temporary dual residence, the home equity assistance or the real estate incentive. For most members, the actual costs of physical relocations are covered. In addition, we also provide a posting allowance to members, which, depending on your marital status, will be either a full month's pay or a half a month's pay.

The second piece around looking at relocation is not so much about our relocation benefits, but about looking at how we have traditionally managed our personnel in meeting the Canadian Armed Forces requirements. At the end of the day, there are certain service imperatives where, if we need someone to go overseas because we have a commitment to fulfill for NATO, that billet has to be filled. If there is a unit that needs a commanding officer or a chief warrant officer as the regimental sergeant major, then that will cause relocation.

We are certainly looking at how frequently we have to relocate members. I would say that, largely, if you are in the navy, you would tend to stay located on whichever coast is your home port for a longer period of time than, perhaps, individuals who happen to be in support trades would stay where that need is greatest. We are looking, overall, at how we can minimize some of that churn, but we understand, as part of our proposition, that we need to incentivize members to be mobile so that they can get the experience and attain the training required so that there can be general officers or senior NCOs to lead the Canadian Armed Forces.

I hope that answers all your questions in the order that you asked.

Thank you.

• (1605)

**Mr. Andy Fillmore:** Thank you very much, Brigadier-General.

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

[*Translation*]

Ms. Normandin, you have the floor for six minutes.

**Ms. Christine Normandin (Saint-Jean, BQ):** Thank you very much, Mr. Chair.

I thank the witnesses for joining us. I'm very grateful to them.

Their testimony and their comments will enable us to delve deeper into certain issues. I will have a specific problem to put to them during the second round.

I'd like to start with some questions about Brookfield Global Relocation Services, or BGRS.

Unfortunately, military members tell us that the BGRS system is often a source of frustration. I submitted a question on the Order Paper to find out, for example, how many retroactive reimbursement requests have been made to military personnel since the last contract with BGRS was signed in 2016. Just to put this in perspective, the BGRS system processed 73,000 file requests. Of that number, there were 3,285 retroactive reimbursement requests made to military members. I find that figure, in proportion to the number of files processed, quite impressive. When that happens, a lot of pressure is put on the military member. For example, it could be a brokering service that is refused or moving expenses.

Are you concerned about the high number of retroactive reimbursement requests made to members of the military after the claims have already been approved?

**BGen Virginia Tattersall:** Thank you for the question.

If it's okay with you, I will answer in English.

[*English*]

I believe where that question originated is that since we brought in the new contract in 2018, last year we went through a period of a significant recovery of funds from members. That had not occurred since we had brought the contract in, for a number of reasons. The most significant reason was of course COVID, when we were limited in what we could do.

Let me explain that this recovery comes about as a result of two reasons.

[*Translation*]

The first reason is that, when people move, they have the right to apply for an advance payment.

[*English*]

They have the right to ask because they think they will incur a certain expense. They would like an advance. There is a way we calculate it, but that advance could range in the neighbourhood of \$30,000. We will give them that advance.

That advance, however, is exactly that, which means that eventually it has to be either repaid or settled because the reason they took the advance has been adjusted. They've provided the invoices to explain the expenses, so effectively we reduce that advance down to zero.

For a large majority of those recoveries, that was the case. It was that individuals took advances.

[*Translation*]

They did not take the necessary steps to submit a claim in order to reduce the advance.

[*English*]

That was the first piece. We were catching up with that. As a part of our financial due diligence, we can't just let the money continue to sit out there.

• (1610)

[*Translation*]

The second reason is that sometimes people have not provided receipts for the expenses they submitted.

[*English*]

It will happen that an individual will submit a claim for an expense that is not covered by the policy or they have not sought that adjudication to give them.... There are situations where, upfront, they may have presented a case that they were going to move two cars,. When they go to settle their claim, they're now charging to move three cars, so we will have to adjust that.

In all cases, we certainly endeavour to make sure that when we recover funds, a thorough review of the file has been done and we're not recovering from individuals monies that they legitimately should have.

[*Translation*]

I apologize if my answer is a little long, but I want to add that we always give people a certain amount of time to repay the amount.

[*English*]

We always give them the ability to repay it over a period of time. We're not going to put someone in a situation where they have to repay \$30,000 in a month when, obviously, they don't have \$30,000 to pay back.

[*Translation*]

I hope that answers your question.

**Ms. Christine Normandin:** Thank you very much.

Concerning BGRS, I asked a question that was on the Order Paper. I asked for the number of complaints that had been filed by military members with regard to how BGRS operates—in other words, with regard to its internal management. It's not possible to get that number. I was told that it was impossible to obtain the number of complaints made with respect to Canadian Forces compensation files. As a result, in terms of the processing process or the management of files by BGRS, National Defence has no idea how many complaints have been received. You would have to go through the files manually and pull them out one at a time.

Do you see that as a shortcoming, the fact that the Department of National Defence is unable to have a real idea of military members' satisfaction or dissatisfaction with the services of BGRS? On the ground, military members generally say that they are really dissatisfied.

**BGen Virginia Tattersall:** Thank you for the question.

It is true that we do not have the capabilities I would like to have to compile the data that would enable us to say whether the military members are satisfied or not.

[*English*]

It is a piece that we are certainly working on. We're in the process of retendering that particular contract. We are working into the contracts the performance management and having a better ability to determine the level of service and satisfaction, so that we will have that information.

I would also just qualify that. We do surveys of individuals to understand if they are happy with the service or not. It's difficult because people don't like to respond to surveys. They tend to get too many of them. They get survey fatigue. They can sometimes feel like it's not going to change anything for them.

We are looking at ways for how we can better get that pulse in terms of whether individuals are happy with the service or not.

I can certainly tell you that I am made aware when there are challenges with the service. I certainly endeavour to try to resolve the issues.

**The Chair:** Thank you, Madame Normandin.

Ms. Mathyssen, you have six minutes, please.

**Ms. Lindsay Mathyssen (London—Fanshawe, NDP):** Thank you to the witnesses today.

Mr. Chambers, I'd like to ask you some questions.

Back in September, I asked Deputy Minister Bill Matthews about an audit of the facilities maintenance services. It found that your team didn't have the ability to complete a value-for-money analysis on outsourcing and on different private for-profit contractors. I think this is one of the base issues that we're trying to get into in this study today.

We've seen the stock of military housing decrease in recent years and the backlog for maintenance requests balloon. Buildings are being left under-repaired until they are falling apart and then they need to be demolished. For-profit contractors are doing rush jobs without robust oversight, instead of using the public servants they used to use to serve Canadians in the armed forces.

I've heard a lot from Canadian Forces members about the systemic challenges within your department's service delivery, the tracking of contracts, the contracting authorities involved, and feedback from service members on whether repairs are at the standards that they need to be.

Since that 2018 audit of contracting for facilities maintenance services, I'd like to know what is being done to fix that to modernize your department.

**Mr. Rob Chambers:** Thank you very much for the question, Mr. Chair.

I could offer some general remarks in that regard, but if I could, I would like to pass this to Serge. He could speak specifically to the housing situation and the quality control that's in place around the work that contractors would be doing in the houses specifically—if that's of interest, Mr. Chair

**The Chair:** By all means, go ahead.

• (1615)

**Mr. Rob Chambers:** In general terms, this is obviously an issue that we spend a fair bit of time talking about with our union colleagues. Of course, we're all interested in the same outcome, which is to make sure that we have the infrastructure in place to support members of the Canadian Armed Forces in all of the work that we ask them to do.

Because we share that objective, we were able to come up with some arrangements and understanding about how to talk about the assessment of facility maintenance contracts, for example. Again, Serge will be able to speak to this in more detail on the housing front.

If we have a new facility, a very large facility, coming online, for example, we always take the time to do a business case analysis of how we want to maintain that building going forward: Would in-house make more sense, civil servants doing the work, as I think you're describing, or is it through private contractors or some combination of both?

Currently, I would describe the organization overall as being that sort of hybrid approach—that last approach—where some of the work is done in-house and some of the work is contracted out. There are all sorts of reasons for why we might partner with a private sector contractor. I'm happy to go into that in more detail, but I'll stop there for now.

**Ms. Lindsay Mathysen:** Specifically, it was found that the problems and the reason why.... I mean, yes, you deal with a lot of older buildings, but part of the reason that they were falling into further disrepair was the lack of quality by those for-profit contractors who were used, as opposed to public servants.

That was one of the big points coming out of a lot of the criticisms. Ultimately, it was that those for-profit contractors were potentially cutting costs, or what have you, to meet contracts, as opposed to having public servants consistently maintaining better quality buildings. I wanted to know, since that audit showed that, what have you done to better that situation?

**Mr. Rob Chambers:** Mr. Chair, we have certainly stepped back and taken a look at how we manage performance around contracts: Do we have the right contract inspectors in place, for example? Do we have people who are following up and making sure that the contractors have what they need to do the work we're asking them to do? Where there are performance issues, it's that we're following through with them and holding them accountable, as we should.

**Ms. Lindsay Mathysen:** It's my understanding that the department hired Deloitte—the largest benefactor of outsourcing by the federal government—to restructure how the department decides on that outsourcing and contracting. I think there's an inherent conflict

of interest when you hire a contractor to decide on contracts, but there you go.

Because the government hired Deloitte, can you table with this committee how much your department has paid out to Deloitte for this contract, what recommendations they gave your department, and what new contracts have been signed with Deloitte to follow up on those recommendations that they provided?

**Mr. Rob Chambers:** Mr. Chair, we're of course happy to provide that information. I apologize, but I don't have it with me today. It's readily available, so we can make those arrangements.

On the point about the work that Deloitte did with the organization—because it was done with the organization—they consulted staff, and there were surveys and working groups. We've now taken those recommendations and we're actually using an in-house team of employees to help generate the next steps on that.

We're going to take these recommendations, and then we have to translate those into measures that are meaningful to us and the staff. That's going to be a grassroots-driven process. In fact, we had a meeting with union colleagues just a couple of weeks ago. We were discussing the process around that. While I wouldn't pretend to speak on their behalf, we've made a point of being very transparent with them throughout this process. We recognize there are some sensitivities here for some of the reasons you mentioned.

We're very committed to making sure that whatever comes of this, employees are a part of that design process and a part of that implementation. In fact, it's a critical part of the process.

**The Chair:** Mr. Bezan, you have five minutes.

**Mr. James Bezan (Selkirk—Interlake—Eastman, CPC):** Thank you, Mr. Chair.

I want to thank the witnesses for joining us today.

This is an important study, because of its impact on retention and recruitment of our Canadian Armed Forces, which we know are at critical numbers. We're short 16,000 members as it stands right now.

In your opening remarks you talked about capitalization of the current housing stock. How much money is that, and over what period of time?

**Mr. Serge Tremblay:** Mr. Chair, currently we have a baseline funding allocation of \$40 million for the recapitalization of our current portfolios. This is the money we need to basically keep the plane in flight, as it were—

• (1620)

**Mr. James Bezan:** All you have is \$40 million.

**Mr. Serge Tremblay:** No, this is the baseline funding that the department has allocated to us.

**Mr. James Bezan:** Let me ask this, then. We know that over the past several years over \$10 billion in the national defence budget has been lapsed. How much money has lapsed from the Canadian Forces housing agency and just gone unspent?



**Mr. Serge Tremblay:** For the capital programming over the past few years, there has not been very much. We tend to be very judicious in our application of how we—

**Mr. James Bezan:** How many new units have been built over the past year or two to address the shortfall that we have right now in the Canadian Forces?

**Mr. Serge Tremblay:** Over the past year or two, in 2022 we closed 20 residential housing units, RHUs, across the country; this year, if all goes well, we are expecting to close out at 18.

**Mr. James Bezan:** Is that 18 in total?

Are we talking about barracks, PMQs, or—

**Mr. Serge Tremblay:** I'm talking about RHUs, residential housing units.

The capital funding that we do get goes towards both recapitalizing the existing portfolio of 11,600 units across the country as well as trying to increase our portfolio.

**Mr. James Bezan:** You're saying that fewer than 40 new homes have been built in the past two years.

**Mr. Serge Tremblay:** That is correct.

**Mr. James Bezan:** Based upon the numbers that we've received from questions on the Order Paper, the total as of May of this year was that the Canadian Forces housing agency managed 11,543 homes. Does that sound correct?

**Mr. Serge Tremblay:** It is close.

**Mr. James Bezan:** You've only added 40 new homes. We do have the minister saying that we're 7,000 homes short. General Tattersall said in a news report in the Ottawa Citizen back in October that we were short around 5,000 housing units at that time.

You're only adding 40. Based upon the numbers, in 2017, we had 1,569 homes that were rated in poor condition. In 2022, that number had increased to 2,148. That in itself is almost a 37% increase in the number of homes that are in poor condition and probably not habitable.

Out of the total number of homes, we have just under 20% that are in poor condition. You're building 20 homes a year when we have over 2,000 in inventory that are already in poor condition. Are there plans to replace them, renovate them, or are we just going to put everybody up in hotels?

**Mr. Serge Tremblay:** Mr. Chair, this question comes up regularly, so I would use an analogy. I'm a big fan of analogies to try to assist in understanding. If I were to use a high school class...if there were a few students in the class....

Perhaps, first, I'll correct some of the language that was used before I get into this. The member mentioned "poor". We've actually qualified this housing as "below average". There is a distinct difference there for us.

Going back to my analogy of a classroom, if a certain number of students have a grade that is below average, it does not necessarily mean they are failing. On the some 2,000-odd units that you mentioned, they are habitable, they are safe and they can be occupied.

We have eight units across the country that are currently deemed to be non-occupiable. We're currently studying them to determine whether or not we're going to decontaminate them or dispose of them. That is our normal process.

We have made sure that any house that we have that is in a below-average state is habitable. If we're faced with a problem that is great, and we have to worry about either the safety of the asset or the occupants, I have the ability to turn off programming within the agency and reprogram some funding to deal with those assets directly.

We do not have any houses that are not habitable.

**Mr. James Bezan:** We already have 4,500 troops who are waiting for a home. We have somewhere between 5,000 or 7,000 homes required, according to General Tattersall, the press and Minister Blair.

Does that number reflect just the current situation or are we planning ahead to when we can hopefully hit our target and fill all the empty positions in the Canadian Armed Forces?

**The Chair:** Answer very briefly, please.

**Mr. Serge Tremblay:** I would simply state that the waiting list of 1,389 people are the ones who are actually looking for homes. The full 4,500, as I mentioned—those who are priority two—already have a housing solution. It's just not what they would prefer. As far as people waiting to find a home, for those on our waiting list, it does not necessarily mean that these people don't have a home.

Oftentimes, people will put their name on our list when they get their posting message in early April and then they will not move into their new location until between May and October. While their name is on our list, they're looking for additional solutions for housing to house their families. Once they find that solution, they don't necessarily tell us whether they found that, so I would argue that number is a little high from a reality perspective. It is not indicative of the number of people who are waiting—

● (1625)

**The Chair:** Okay, we're going to have to leave that answer there. We're well over time.

Madam Lambropoulos, you have five minutes, please.

**Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.):** Thank you, Chair.

I appreciate the witnesses being here to answer our questions today.

I have limited knowledge of housing in the Canadian Armed Forces, so excuse me if some of the questions may not seem too advanced. They may be a bit basic, but I'm hoping you can answer some of them.

Given the fact there is a shortage of about 7,000 units, I imagine that means sometimes members have to go outside of the reserve of homes that may exist within your department.

How often would you say that happens?

**BGen Virginia Tattersall:** Mr. Chair, I'll jump in to provide at least the first part of the answer to that.

The reality is that those who live on base are approximately only 20% of the overall Canadian Armed Forces population. Most Canadian Armed Forces members live off the base and rent from the economy or actually buy a house, just like any other Canadian would.

**Ms. Emmanuella Lambropoulos:** It's actually a smaller number who are using the units that you have available. When we say 7,000, what does that include exactly? Can you maybe elaborate a little?

**Mr. Serge Tremblay:** Thank you for the question, Mr. Chair.

To start off, I would point out that the Canadian Forces housing agency housing stock is an option that is made available to the Canadian Forces members. It is not mandatory for them to occupy those houses. It's a personal choice in each individual's personal case.

The 7,000 basically covers off.... Sorry, I will back up a little. The Auditor General conducted an audit in 2015 of the Department of National Defence's housing program. As a result of that, DND identified that its housing requirements should be respecting seven principles. The principles are what we use to derive that number of the 7,000 extra houses.

I would point out it was never the intent of the department—and I believe it still is not—that we would be owning 7,000 houses. The intent was the requirement and not the departmental ownership. To make it a little clearer, we know how many roofs we need to put over heads, from our perspective. We don't have to own that, so we are looking to try to partner with local developers and with industry to see if there are any opportunities for us to get into some form of a partnership to get those roofs that we want to have available in a faster way.

I would remind everybody that we are operating in the same environment as the rest of the Canadians who are also looking for houses. It is proving to be a bit challenging.

**Ms. Emmanuella Lambropoulos:** Thank you.

I imagine that all the announcements we have made recently in housing really have nothing to do with what you would have access to. Is that correct?

**Mr. Serge Tremblay:** I believe all of the announcements that would have been made would be.... Yes, they would be related to our housing because the program would be flowing through CFHA, but I would have to look at the time frame over which that money we have been discussing has been provided. We have been operating [*Technical difficulty—Editor*] 20-year program, depending on which way we've been answering the questions.

**Ms. Emmanuella Lambropoulos:** Thank you.

The witnesses also mentioned that there are many things being done to help members find housing, but, given the market right now, it's been very difficult. All Canadians are in the same boat of having a difficult time finding housing. You mentioned that you are looking into potential alternative solutions and that you are open to them.

Can you share with us anything that is in the docket or anything that has been considered that isn't already being done?

**Mr. Serge Tremblay:** We recently concluded a call to industry in our five priority locations where we have the largest requirement, which is the gap between our existing portfolio and the requirement. We recently received those requests for information, and we haven't analyzed the final details of those.

As I mentioned earlier, we're in an environment where housing is a challenge for everyone. For people looking at partnerships with the Crown, when they're still looking at ways to address municipal requirements for housing, has been a challenge.

I will be more than happy to respond at a future date, once we've had a chance to look at the data. Legitimately, this study finished a couple of weeks ago, and we haven't had time to crunch the data.

• (1630)

**The Chair:** Thank you, Madame Lambropoulos.

[*Translation*]

Ms. Normandin, you have the floor for two and a half minutes.

**Ms. Christine Normandin:** Thank you very much, Mr. Chair.

I would like to come back to something we talked about earlier, the amount granted when someone sells their house at a loss—for example, at the time of a transfer. I understand that the maximum amount is \$30,000. If I'm not mistaken, that amount was set two and a half or three years ago. Before that, it was a little higher.

Does this amount really represent the reality of many military members? I'll give you a concrete example: A military member based in Cold Lake in 2014, during the oil boom, had to sell his house four years later, and he sold it at a loss of \$80,000. Let's remember that, when military members are transferred, they have to sell their house quickly.

Is the \$30,000 still representative of military members' needs?

**BGen Virginia Tattersall:** Is \$30,000 enough? Honestly, that depends on everyone's individual situation. For example, did the person buy a house that, because of the location, will be easy to re-sell?

[*English*]

There are a number of factors in what individuals choose to do, and what they may choose to do to sell, but the \$30,000 was the amount, in conjunction with the RCMP and the remainder of the public service, that was deemed to be equitable to try to address this.

[*Translation*]

I'm very familiar with the situation in Cold Lake. We're working on a solution to compensate people who sold their homes at a loss for the difficulties they encountered.

[*English*]

I can't provide further details than that, because it is something for which we don't yet have authority. Believe me, I am very aware of that file, and we hope to be able to announce something within the next six to eight months.

[Translation]

**Ms. Christine Normandin:** Relocations involve a lot of expenses, including legal expenses. Should we be trying to minimize forced relocations to avoid making the Department of National Defence pay those expenses? Maybe, instead of forcing people to relocate, there should be financial incentives to get people to relocate to less desirable places.

**BGen Virginia Tattersall:** We're working on that issue, looking at whether we should offer an incentive to encourage people to move to places that aren't as desirable.

[English]

It's one of my many initiatives.

Thank you.

**The Chair:** Madam Mathysen, you have two and a half minutes.

**Ms. Lindsay Mathysen:** From what was said before by Mr. Tremblay, talking about trying to find all of these different ways to ensure that roofs are made available, and thinking about that, I had previously asked the minister about the option of transferring the somewhat larger amounts of underdeveloped DND property to not-for-profits, co-operatives, and affordable housing, using non-market housing near those bases.

Can you tell us if there has been an analysis done on that, and what that might suggest?

**Mr. Rob Chambers:** Mr. Chair, we're working very closely with the Crown agency that's responsible for real estate and development within the federal family, so to speak. It's the Canada Lands Company. It's been a very busy time for it. Obviously, there's a lot of activity on this front right now.

Yes, we are working very closely with CLC, as we call it—the Canada Lands Company—to identify surplus properties that we have now that would lend themselves to housing, and that are in markets where there's the greatest demand and the greatest chance of a successful project. CLC in turn works with some of the organizations you just described, ma'am.

The answer is yes, we are doing that work right now.

**Ms. Lindsay Mathysen:** Perfect.

One of the folks who has reached out to me has had some issues with moving, as we were talking about earlier and as Madame Normandin was talking about. In 2021, Mr. Sewell was medically released, but he had a surgery scheduled for shortly after his release. He knew he wouldn't be able to find a new family doctor to reschedule that surgery. It would have been so difficult to keep that in line with his first move, so he tried to delay his move until he had recovered from the surgery, but then he was denied that compensation. Even years later, he hasn't received it. I'm sure he is one of many who fall into that position.

Can we talk about how flexible that access is to those funds? Are you working on any ways to compensate those who have missed out because of the lack of medical positions and doctors we have to serve our armed forces?

• (1635)

**BGen Virginia Tattersall:** Mr. Chair, if I understand the context of the individual—because, obviously, I can't recall all of the names of those who have potentially raised a question—I believe what you're referring to is called an "intended place of residence move". When you have served a certain number of years or if you are released medically, you have the entitlement to relocate to a location that is your choice. That benefit is for two years. Everyone is extended that benefit for two years.

If, within that two-year time frame, you realize there is a reason why you may not be able to complete that move—and there are very specific criteria; medical is one of those that we would consider—you can request that my organization grant a one-year extension. That means that once you're released, you now have three years.

If you find that there are still implications—a lot of the time, medical makes it extremely complicated—you can request us to approve another three years. That is at the chief military personnel level. In total, that means an individual would have almost six years as a time frame. Again, there are very specific criteria that we consider for whether we would approve that or not for an extension.

Thank you.

**The Chair:** We'll go to Mr. Kelly for five minutes.

**Mr. Pat Kelly (Calgary Rocky Ridge, CPC):** Thank you.

I want to go back to some of the numbers here. I found your responses to Mr. Bezan quite troubling.

The budget for the entire capitalization of housing is \$40 million. Is that correct? I think that's what you said.

**Mr. Serge Tremblay:** I said we get a \$40-million-a-year baseline from the department.

**Mr. Pat Kelly:** That's 11,000 units in total.

**Mr. Serge Tremblay:** It's 11,006 and a bit.

**Mr. Pat Kelly:** That's \$3,500 per unit per year.

**Mr. Serge Tremblay:** That's correct.

**Mr. Pat Kelly:** Every year, about 200 houses or more are dropping into "below average". Is that correct?

**Mr. Serge Tremblay:** Over the course of the years of the pandemic, which are the years we're talking about, that would have been correct, but this year, our numbers are actually decreasing.

**Mr. Pat Kelly:** Of the numbers that are in...

**Mr. Serge Tremblay:** That are going into "below average" condition.

**Mr. Pat Kelly:** If you have to maintain all of these homes just in their current condition on \$40 million, that leaves you with enough to build 20 houses a year. Is that correct?

**Mr. Serge Tremblay:** Thank you for the question.

If I can contextualize, perhaps it might assist the discussion.

Recapitalization for us is the money we get from the department to extend the life of the assets. The repairs, condition and planned maintenance for those assets are actually not paid for by the department; they are generated from our revenue stream within the agency and paid for internally.

We control the degradation or decrease in our condition assessment by focusing our investments from our revenues to deal with just that problem. We turn our revenue stream over back into the portfolio to keep it on track and prevent it from degrading.

**Mr. Pat Kelly:** There was an information request. Ms. Kramp-Neuman asked you about it. The response to that ATIP was a lengthy response of dozens of pages, yet only Esquimalt and Greenwood were referenced in that ATIP. Why?

**Mr. Serge Tremblay:** I repeat that I am not aware of the details of that particular ATIP.

**Mr. Pat Kelly:** Okay. You're aware that your department is required, by law, to answer questions that are put to it through access to information requests.

**Mr. Serge Tremblay:** Yes, I am. I am just simply advising that I don't have the answers with me.

**Mr. Pat Kelly:** Okay. Could it possibly be that your department only knew the wait-list information for those two bases and that you just simply don't even know how many are on the wait-lists for all the other bases?

• (1640)

**Mr. Rob Chambers:** Mr. Chair, I feel that we're at a bit of a disadvantage here because we don't have the ATIP request in front of us. We would be happy to provide you with wait-list information by site. We can do that. We don't have the information from the ATIP.

**Mr. Pat Kelly:** That would be very helpful if you could that. It was a request that was made of your department.

The Brookfield hack disrupted a number of CAF members' moves. Why did it take so long for that leak to become known publicly?

**BGen Virginia Tattersall:** Mr. Chair, I don't think that I can respond as to why it was that we were not aware of the leak when it first occurred. It would be for SIRVA and BGRS to provide that explanation. However, I would like to clarify that moves continued throughout the entire time frame. Even during the period when the website was down, we were still able to provide members with the advance of funds that permitted them to be able to close on houses and to complete their moves.

Thank you.

**Mr. Pat Kelly:** There have been complaints to the contrary that we have heard: that transactions were affected, that people did not get their money, and that there were problems with house transactions closing. What information was leaked in this hack?

**BGen Virginia Tattersall:** That is not, at this time, fully known. As you are aware, this was not just BGRS and SIRVA Canada. This was worldwide. The company is still working through the analysis in that regard, and we expect—

**Mr. Pat Kelly:** How many individuals were affected?

**BGen Virginia Tattersall:** Again, Mr. Chair, I can't give you the total number because, at this point, that has not been fully validated, either by the company or then, by extension, as we get the information to know that.

**Mr. Pat Kelly:** What steps have been taken to ensure that CAF members have their information protected?

**BGen Virginia Tattersall:** Mr. Chair, there are a number of things. The website is back up with additional protective measures. We are looking at the contracting clauses so that, as we go forward, we can ensure that we have a more robust requirement contractually to provide that protection.

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

Mr. Fisher, you have five minutes.

**Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.):** Thank you very much, Mr. Chair.

Thank you, folks, for being here today.

We owe a huge debt of gratitude to Canada's military families. Military spouses, of course, support their loved ones in numerous ways when they are serving here or serving abroad. How are we currently supporting military spouses as they pick up their lives and relocate? Are we assisting with employment? Are there other things that we do for military spouses during relocation?

**BGen Virginia Tattersall:** I'd like to expand on two elements of exactly what we're doing. The first would be the work that the Canadian Forces morale and welfare services is doing to deliver a spousal employment program, which is already delivering success, and I will give you two clear examples of that.

It has conducted virtual career and networking fairs. There were three events this fall, which we had 120 spouses and 14 employer partners attend, and there was a 71% follow-up with spouses to, in fact, engage in those discussions about potential employment. There was also a LinkedIn content-creation session, and we had 30 attendees across those two sessions. The intention is, in 2024, to offer online career counselling where we will offer virtual career support to military spouses to support them.

Again through the Canadian Forces morale and welfare services, in concert with Maple, the other way that we support our families—because we are aware that medical care is often a challenge—is through the military family virtual healthcare program, which offers the ability for telehealth that permits members who may not yet have a family doctor to be able to access medical advice and to obtain prescriptions and lab or imaging requisitions. It's just one of the many ways that we are endeavouring to better support families in their relocation.

Thank you for the question.

**Mr. Darren Fisher:** Thank you very much.

My riding of Dartmouth—Cole Harbour is home to CFB Shearwater, and the military family resource centre is an incredible resource for military families.

I remember that back in 2018 we delivered new funding to modernize the military family services program and provide additional support to military families.

I'm interested in your thoughts on just how important MFRCs are to ensuring that military families are supported, especially in relation to relocation.

• (1645)

**BGen Virginia Tattersall:** I don't work for Canadian Forces morale and welfare services, but I will certainly acknowledge the valuable role that the military family resource centres play. Certainly for CFMWS, our morale and welfare services, they continue to look at the support they provide and how they can better support the MFRCs.

I realize that doesn't necessarily give you the answer that you're looking for, but I also know well not to over-promise for CFMWS.

**Mr. Darren Fisher:** I appreciate that.

When it comes to accessing military housing, are difficulties the same for men and women?

**BGen Virginia Tattersall:** Mr. Chair, I think that's a difficult question for us to try to unpack. It's not something that we would specifically ask members, because there are so many factors that would go into that.

We tend to think that it might be a question of whether they have children. Are they required to then find a larger residence? Are there funding implications that they might not be able to afford it?

I'm not sure that there is any greater difficulty for women than there is for men, but I will be honest that that is an opinion, and that is not based on any facts.

**Mr. Darren Fisher:** Minister Blair talked about phasing in the CFHD.

Can you expand on the expected timeline for full implementation?

**BGen Virginia Tattersall:** The Canadian Forces housing differential came into effect on July 1 of this year. At this point in time, we are still seeing members going through the application process to attain the benefit, because they need to apply for it, but it is fully implemented, in that, if you qualify for it, then you will receive it.

I think the piece that you may be referring to is the provisional post living differential, which is the measure that bridges the gap between the previous benefit that existed and this new benefit that we have created. That will be over a three-year timeline, where we will reduce how much it is that we provide to offset that gap every year until, I believe, July 1, 2026—if I have done my numbers correctly—when that benefit will cease to exist. At that point in time, the only benefit that Canadian Armed Forces members will receive for affordability will be the Canadian Forces housing differential.

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

Mr. Ruff, welcome back to the committee.

You have five minutes.

**Mr. Alex Ruff (Bruce—Grey—Owen Sound, CPC):** Thanks for coming.

There are roughly 1,398 personnel on the priority one list. Do you know which bases they're at primarily?

**Mr. Serge Tremblay:** I can look through my notes and consume some time, if you wish. I can answer, perhaps, a bit later on, but yes, we do have the breakdown.

**Mr. Alex Ruff:** Are we still roughly posting about 4,000 to 5,000 people per APS?

**BGen Virginia Tattersall:** Those numbers are around 8,000, but that 8,000 includes those who are completing their training and coming off of basic training.

**Mr. Alex Ruff:** It's hard to know without the exact locations. I know that Mr. Tremblay's going to try to find the primary bases.

To me, if you're talking of 1,400 people on the primary list, we're posting another... Let's say, for regular force people who are permanent and not going on a training, we're talking almost 25% who may or may not have the option of even getting access to a residential housing unit because they're just not available, right? They need to go on the wait-list, or they have to find something else, just based on the number as it escalates.

Esquimalt seems to be one of the problem areas. The new post living differential—or whatever the new name for it—stops after seven years, if I understand it correctly, but, as we mentioned, the navy barely moves.

My concern is for those lower ranks. Because it is basically income tested, if I understand it correctly, after seven years, if you're a master seaman in Esquimalt making—I'm grabbing numbers off the top of my head—\$60,000 or \$70,000 a year, and you're living in one of these high-end markets with no housing that's available to you, you're living in a very expensive place and then, all of sudden after seven years, you lose that allowance that right now they continue to get under the current structure, and it's being phased down.

What options do they have?

• (1650)

**BGen Virginia Tattersall:** Mr. Chair, perhaps I will clarify the seven years.

This is a new methodology for the Canadian Forces housing differential. It's to address the affordability of housing. We needed to find a way to ensure that what we are delivering is going to address the need, which is affordability. Seven years allows us, right now, to attain five years of data. We're not even through year one. By that five-years we'll be able to do an assessment to understand whether we need to change the methodology. Then, potentially, by year seven, we can decide, "Okay, the methodology doesn't work."

If you look at the numbers within seven years, many members in many locations will have been promoted. Right now, they may be making \$77,000, because that is approximately what the lower ranks make on average. In seven years' time, they're more likely to be making an amount over \$80,000, because that is where the bulk of Canadian Armed Forces members' salaries sit, in fact.

We are saying “seven years” at this point, but a lot can change between now and our reaching that seven-year mark.

**Mr. Alex Ruff:** It's good to hear that you will go back, look at it and base it on the data.

However, I can give you plenty of examples across.... At least, in the army, we have career lower-rank members who are essential to the Canadian Armed Forces' survival—people who never leave whatever base they get posted to. Again, not all bases have residential housing unit options. I represent Bruce—Grey—Owen Sound. It has the Meaford base in it. Looking at your latest annual report, and through my own knowledge of the base, I see zero options there. You have quarters for people going through training, but any of the permanent 400 to 500 military personnel posted there don't even have that option.

I want to build on one of the questions asked earlier by Ms. Normandin, I think, about the \$30,000 housing equity assistance program. That changed about five or six.... How many years ago was it? The last time I was aware of it, it was \$15,000, so it's nice to see that it's up to \$30,000.

When did that change occur?

**BGen Virginia Tattersall:** Mr. Chair, that change in policy came into effect, I believe, in 2018. It replaced a far more difficult and onerous system that required the member to take on the onus of proving it was a depressed market and there should therefore be reimbursement for the losses. The \$30,000 makes it much easier now. The member only has to demonstrate that there has been a loss and can then be reimbursed up to that maximum of \$30,000.

**Mr. Alex Ruff:** I know that, in some of the case studies—

**The Chair:** Thank you, Mr. Ruff. You've obviously been studying the techniques of some of your colleagues on expanding.

Mr. Collins, go ahead for five minutes, please.

**Mr. Chad Collins (Hamilton East—Stoney Creek, Lib.):** Thanks, Mr. Chair. Through you to the witnesses, I'll ask this question of whoever chooses to answer it.

I'm concerned about the numbers as they relate to the number of units required.

We're all reading from the same documents and have access to parliamentary budgets and reports prepared by the Auditor General. We're all using the same media accounts. We pull numbers from those documents. I've heard, sitting here in the meeting today, that anywhere between 4,000 and 6,000 units are required. I've heard the number 7,000. Of course, there was reference to the Auditor General's report, where that came from. These numbers are used in public documents and the media, then become “the number”. There's a wide range there. Of course, the analysts are going to present a report to the committee. I want to nail down what that number is and what it represents. This is from a transparency perspective so that, when we prepare our report recommendations, we know with some certainty what that number is.

I ask this through you, Mr. Chair: How do we drill down to get a number that truly represents how many units are required? Is it 4,000, 5,000, 6,000 or 7,000 units?

**Mr. Serge Tremblay:** Mr. Chair, I will clarify that the number of people—with rounding errors or depending on how it gets reported—gets a little confused. The number was decided in 2018 by the Department of National Defence living accommodation board, which is the authority for setting the requirement for the department.

The number—it was a range that was approved—was 17,000 to 19,000 RHUs across the country. We derive that number based on the principles that the chief of the defence staff issued for the justification of an operational requirement for the housing program for the CAF. When we presented the numbers, the 17,000 to 19,000 was quoted. You will start seeing 5.2k versus 7.2k as the range. That would have been because of what the portfolio was in 2018. The 17,000 minus what we had as a portfolio was the gap to be bridged.

There was always an intent—and it remains the intent—that once the living accommodation policy was finalized, which was one of the other findings in the Auditor General's report, we would revalidate the housing requirement. I will remind the committee that the numbers we came up with were pre-pandemic. The world has changed, and we appreciate that we will have to revalidate what that requirement means. We will be doing that.

The policy is expected to be finalized by the end of this fiscal year, by the end of March, at which point in time we will have 12 months, according to our remit to Parliament, to come up with a resource plan to bridge the gap, which means that we would have to redefine what that gap is.

• (1655)

**Mr. Chad Collins:** For the purposes of writing and preparing this report, Mr. Tremblay, what number do you suggest in that range of 4,000 to 7,000 that has been referenced for today's committee meeting?

**Mr. Serge Tremblay:** Thank you for the question.

The requirement for the Canadian Armed Forces housing at this moment is 17,000 to 19,000.

**Mr. Chad Collins:** Okay.

You said today that “it was never the intent” of the agency to build 7,000 units. That was in response, I think, to Mr. Bezan's earlier question. You were very clear, I think, that this includes both a requirement from the agency in the units that you build on an annual basis but also what you can seek to secure from the private sector for members who require housing or who are seeking housing from the private sector.

Can you expand on that in terms of that split? When the agency hears questions like you heard today and you go back to your team, what are your expectations? What does the organization intend to build and what do you expect to secure from the private sector to meet that number if in fact resources are provided in whole or in part?

**Mr. Serge Tremblay:** Mr. Chair, I was in the room when the decision was made or the requirement was approved for the 17,000 to 19,000 RHUs. Discussions surrounded how much of that portfolio we needed to be owned and how much of it should be sought elsewhere. It was a philosophical discussion as far as it was difficult to decide how much we should own.... I don't believe that we are still fixed to an actual number. However, we have been operating off a concept to have about 1,300 units built over the course of 10 years, based on the funding that we would be requesting from the department.

I would caution the committee that CFHA doesn't build as we see fit. We try to build to match the department's requirements and as it can be resourced. We try to optimize the capital funding that we do get. As I mentioned earlier, we try to do a balancing act between recapitalizing our portfolio of 11,600 units as well as build new. Last year, in the face of the crisis—

**The Chair:** I'm sorry. We're going to have to leave the answer there. Thank you.

We have Madame Normandin for two and a half minutes, please.  
[Translation]

**Ms. Christine Normandin:** Thank you very much, Mr. Chair.

I'm going to ask some specific questions about Saint-Jean, which I represent. I'd like to talk about separation expenses, which were mentioned earlier and that, in a best-case scenario, enable people to avoid moves and the associated expenses.

My riding is home to the Royal Military College Saint-Jean and the military base that has the Canadian Forces Leadership and Recruit School. I know the school has a hard time recruiting instructors.

Separation expenses went from about \$1,700 to \$1,150 for housing in Saint-Jean. The amount went down, but for places 20 minutes away from Saint-Jean, the amounts went up. As a garrison town, that sends us the wrong message. It also sends the wrong message when it comes to recruiting instructors, for people who are just joining the Canadian Armed Forces.

First of all, are you aware of this situation?

• (1700)

**BGen Virginia Tattersall:** Yes, I'm well aware of the situation. I'm expecting a Treasury Board decision about it today.

We asked for an extension to enable people to keep their housing unit without worrying about not getting the difference between the previous monthly rate and the monthly rate that was approved in June.

**Ms. Christine Normandin:** If I understand correctly, the separation expense for people just joining is reduced. That \$1,150 to find housing in Saint-Jean-sur-Richelieu with Internet, garage and so on does not reflect the market at all.

Apparently the reduction was justified by a market study. Is it possible to get a copy of that market study? I'd also like to know if a market study was done for all the other municipalities in the Canadian Forces General Message 106/24. The amount went up for some municipalities. Saint-Jean-sur-Richelieu is one of the few for

which it went down. I'd like to know if a market study was done for all the municipalities in that message.

**BGen Virginia Tattersall:** We can certainly provide you with a copy of the report. The report covered every place in Canada where we have Canadian Armed Forces personnel.

[English]

**The Chair:** Thank you, Madame Normandin.

Ms. Mathyssen, you have two and a half minutes,

**Ms. Lindsay Mathyssen:** I want to quickly get back to the situation I was talking about regarding Mr. Sewell. You had been talking about the program for covering moving funds, but that program had actually changed. The person I was talking about actually got caught in a time before that change in policy.

Is there any sort of reconsideration that could be attempted for people who have found themselves now out of luck, because they didn't happen to fall within the timelines before the changes were made to make that policy better?

**BGen Virginia Tattersall:** No. There is no recourse to change the current policy. The current policy did not provide for a grandfather clause, so when the policy was approved for a change, it was for whomever had a valid intended place of residence request in at that time. We have moved into the new policy, so for those who had already completed it, we can't go back to change that. So no, there is no recourse.

**Ms. Lindsay Mathyssen:** Those people are just out of luck, apparently, and, unfortunately, in a really harsh way.

Okay, fair enough.

One of the things you talked about in your exchange with Mr. Fisher and that I want to get a better understanding of is jobs for military family members. We have talked about that before at this committee. I had asked the minister, and I think it was the deputy minister who answered. Ultimately, those are non-public funds for employees that are covered by some of these military families. Unfortunately, they are not paid the same basic minimum wages. I've challenged numerous people at this committee who have run that program.

Can you tell me whether or not that's been changed yet. so that they are, in fact, paid a minimum wage standard?

**BGen Virginia Tattersall:** No. I cannot comment on your question, because it is outside of my lanes of responsibility.

**The Chair:** Thank you.

Mr. Melillo, you have five minutes, please.

**Mr. Eric Melillo (Kenora, CPC):** Thank you, Mr. Chair, and it's a pleasure to join the committee today.

**The Chair:** It is the elite committee on the Hill. I want you to know that.

**Mr. Eric Melillo:** I'm getting that vibe. It's good to be here.

I appreciate our witnesses, as well, for a very important conversation here today.

I want to note some information we received from an ATIP. It was a briefing note dated May 5, 2022, and dealt with the presentation of 14 Wing's future housing requirements to the RCAF and living accommodation board.

Its conclusion stated that "14 Wing has an established requirement for an additional 34 housing units. This is on top of the planned builds for attrition. Both types of construction need to be advanced faster than the current 10-year timeline for a new RHU construction. The type of RHU growth also needs to be tailored to the needs of 14 Wing personnel so that single members are not occupying units better suited for small families."

In the email chain for the above, it was indicated that at Greenwood people were told they needed to wait two to eight months for a unit to be prepared for a new tenant after the old one left. I would imagine there would be simple renovations that needed to take place.

What would be the rationale for those renovations to take up to eight months?

• (1705)

**Mr. Serge Tremblay:** Thank you for the question.

Mr. Chair, I got a little bit confused on the facts. Unfortunately, again, I'm not familiar with this particular ATIP, if it were from 14 Wing—

**Mr. Eric Melillo:** It was in an email from the department. It's referring to Greenwood specifically. They're saying to folks there that they need to wait eight months to prepare a unit for a new tenant. Do you have any information on what would cause that eight-month delay, in terms of what renovations would be needed?

**Mr. Serge Tremblay:** Thank you. I would have to get back to you to provide those details. Off the top of my head, I cannot comment on a delay of that nature.

**Mr. Eric Melillo:** I appreciate that. Would you be able to comment perhaps on what measures would be taken through the department to ensure there are faster turnaround times, so that those types of renovations can be done more quickly?

**Mr. Serge Tremblay:** If it's for a simple—well, simple.... If it's for a "march in, march out", which is a turnover of occupancy from one to the other, the turnover timing is not very challenging. I would conjecture that for a larger turnover of this nature, there's either a larger degree of intervention required in the house or there's a problem.

Again, I can't really respond directly to that particular question. I will get back to the committee as far as the lengthy preparation time that was quoted here.

**Mr. Eric Melillo:** Okay. I appreciate that. Any information you are able to get to us with, of course, will be a help. I might not be

sitting here the next time that information gets here, but I know my colleagues would certainly appreciate that.

Quickly, with some of the time that I have, I'd like to talk about how this whole situation impacts retention. I think it was during Mr. Bezan's remarks that you noted the gap that we're seeing in terms of how many people we need to fill the positions we have. I'm wondering if you could put that back on the record. How many vacancies are there, and how big is that gap?

**Mr. Serge Tremblay:** Mr. Chair, I mentioned earlier the principles of the CDS to justify the housing program for DND. One of those principles was "unique military lifestyle", and I would call particular postings for senior members who have to be posted to a given location as part of that. Those numbers are integrated into the numbers we were talking about.

Depending on the nature of the position we're talking about, occasionally they get attributed with something we call a "designated residence". That means that the individuals are given a specific address for that position to which they are posted. This is something that we maintain directly with the chief of military personnel, and those can be requested directly as required.

**Mr. Eric Melillo:** I don't think I have much more time. I'll maybe ask this quickly.

With regard to the inability to find adequate housing—people who are losing money—do you have any comments on those who are either already members of the armed forces or those who are interested in joining and how an issue like this, obviously becoming more and more public, would impact those wanting to join or wanting to stay?

**Mr. Rob Chambers:** Mr. Chair, I'll just mention something that we commented on a bit earlier in the meeting. There is a whole range of accommodations available to a member, and sometimes their families, over their lifetime in the forces. With regard to those quarters that are available or of interest to someone who's just joining, someone a little bit younger maybe, my colleague mentioned the benefits that are provided to them to help them pay for.... Well, in fact in certain circumstances, they don't have to pay for the costs of their room and board.

There is an entire accommodations program here that offers different things to different people as they move through their careers. From a recruitment perspective, I guess I would recommend that folks take the time to talk with us to find out those options. The housing crisis that's affecting people like you and me is not necessarily going to show up the same way for everyone who's looking to join the Canadian Armed Forces.

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

Mr. Collins, you have five minutes.

• (1710)

**Mr. Chad Collins:** Thanks, Mr. Chair.



I have a quick question on the whole issue related to the stock in terms of its built form. I served for over a decade on our municipal non-profit...prior to my election here. I know that the most expensive types of housing to maintain are the singles and the semis. As an organization, we gravitated away from singles and semis and tried to build more medium and high-density housing.

Through you to the witnesses, what percentage of the housing stock managed by the agency is singles, semis, and I guess medium or high density?

**Mr. Serge Tremblay:** Mr. Chair, I do not have those statistics available. I can definitely return that information to the committee.

I would, however, comment on the fact that all of the new forms we have been building—the numbers I quoted earlier and for the foreseeable future—will be more densely built forms, very much for those reasons. It's not just for operations and maintenance, but also to reduce the departmental custodial load, as far as having additional houses is concerned.

If I could have one building with 12 apartments in it, it would be much better than having 12 singles, so we are on that path at this moment.

**Mr. Chad Collins:** Great. I know that because of the location of wings and bases, in some cases you're faced with infrastructure challenges. I've met with many rural housing providers in my time here, in all provinces and territories, and they highlight the fact that it's not just about building the house or the stock in a medium- or high-density form. There are water and waste water issues. There might even be other infrastructure issues, like transportation.

Do you run into those as an agency in trying to accommodate housing needs in areas outside of urban centres?

**Mr. Serge Tremblay:** Thank you for the question, Mr. Chair.

Yes, we do, but we have the benefit of being located within Mr. Chambers' group, which is responsible for that municipal infrastructure. As we've been progressing with the acceleration of our construction program, we have been going for what we would call the low-hanging fruit in the sense that we are targeting infill development in locations where we already know the servicing can be provided by the base or wing. That will give us the time to work with our colleagues in the real property operations group to put in place the infrastructure to support our remaining growth.

Here's the perfect example. In the last two or three years, the RP ops group in Edmonton has been extending the local municipal infrastructure for us to plug in the apartment buildings that we plan to be tendering in the next couple of months and start construction on very soon.

**Mr. Chad Collins:** That's great to hear.

I want to talk about the pandemic. You mentioned that earlier. Looking back on my time on our city's housing board, we were substantially impacted by the pandemic. It impacted our ability to get into units and make the necessary repairs. There was a reference made earlier to the condition of the units. When there were provincial lockdowns—I'll highlight that they were provincial—our staff had challenges getting into those units to make timely repairs.

We were also subject, obviously, to the provincial rent freezes that were extended to all landlords. That created, for an organization much like yours, which relies on rent revenues to pay for maintenance...it impacted our ability in future years to, again, undertake necessary repairs that were delayed through the pandemic.

Can the committee get a glimpse of how the agency was impacted by operating under standard operating procedures with the pandemic in place, and what you've done coming out of the pandemic to make up for lost time?

**Mr. Serge Tremblay:** Mr. Chair, throughout the pandemic, as the member mentioned, we minimized the amount of time we interfaced with the houses as much as possible. We tried to not go into the homes. We only did emergency repairs over the course of that period of time.

We saw the effect in the sense that we were getting eyes on all of our assets on a regular basis in a cyclical way, as we normally would. We saw some degree of degradation, hence the numbers we've seen of more houses in “below average” condition.

In addition, our houses continued to age, regardless of the pandemic, and some of the older homes...our condition assessment template doesn't count for the aging of the asset. We had a very large investment in our housing portfolio back in 2015-16 from the federal government. We built those houses, and after five years, they fell into a category that is no longer new, but now they're average. That is a degradation in condition that is simply the passage of time. Unfortunately, that five-year window hit during the pandemic, so it was a double whammy as far as why our condition dropped.

Since the pandemic, we have put the ship back on track. As I mentioned earlier, our “below average” housing numbers are decreasing, and we are getting back into those houses and catching up on those inspections that we missed.

As some of the members mentioned, in our case, the housing portfolio is inspected by our public servants. We contract those services out, but we have our personal eyes on them and we take care of them directly, so I'm very confident in the condition of our assets.

● (1715)

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

That brings to a conclusion our third round.

On behalf of the committee, I want to thank you for your participation. It starts our study off on the right foot.

**Mr. James Bezan:** Can we do one more round? We have time.

**The Chair:** I'm open to that if others are. We finish at 5:30, so that's 15 minutes. Divided, that's five minutes for each party. That's way too much for down there.

**Mr. Darren Fisher:** It's too much math.

**The Chair:** Yes.

**Some hon. members:** Oh, oh!

**Mr. Darren Fisher:** I am okay with doing that.

**The Chair:** We'll have four minutes each.

Mr. Bezan.

**Mr. James Bezan:** Thank you. I will be quick.

We hear stories all the time of people struggling to pay for homes, especially in Esquimalt, Cold Lake, and, as we're also hearing, in Halifax.

I just had a couple who transferred from Shilo to Halifax with the Canadian Forces. They are living out of a camper because they can't find a home. I know a young guy from my hometown who has been serving in Esquimalt for 10 years. He and his wife live in a one-bedroom apartment with a young family. To afford that one-bedroom apartment, on top of being a 10-year veteran of the Royal Canadian Navy, he has to work a second job to make ends meet. We need more homes. We can be either part of the problem or part of the solution.

When you talk about the Canada Lands Company and about federal assets that we can build more homes on, have you looked at everything from private-public partnerships to getting more expenditures from the government? You talk about \$40 million for capitalization. Has that \$40 million changed in the last number of years? Has there been a flat set rate?

Has the ask gone in that we have to build 7,000 more homes, we want to do that over the next X number of years, so we need this much more in expenditures to get those homes built? If we can't get it from the government coffers, can we do it through private-public partnerships?

**Mr. Rob Chambers:** Mr. Chair, I would say there are three lines of effort that we're currently working on right now. There's the Crown housing, which is what the agency is delivering directly for CAF members and their families. There is the capital funding—public funds—that's made available to them, which they're implementing. They have a construction program; we've talked about that a little bit already.

**Mr. James Bezan:** Well, we talked of 20 homes a year. That's nothing.

**Mr. Rob Chambers:** There are a series of administrative practices in place that the agency is using to try to facilitate that matching up of supply and demand. There are a lot of people in communities like Halifax and Kingston.... I could list pretty much every city where there's a military base.

There are landlords and landowners who are willing to work with the agency to help facilitate the matching of members to residences. There's all that sort of practice happening below the radar, so to speak. The agency is also working with the private sector to figure

out exactly under what parameters the private sector would want to partner. We mentioned the RFIs that had gone out and just recently closed. We're analyzing those results and maybe I'll be able to talk further about those. That's just within the Crown housing piece.

On our side, one of our priorities is getting properties back into the community. That's getting surplus properties through the Canada Lands Company so they can be reintroduced in the local economy. I can talk more about that if you'd like.

The third line of effort is along the lines of what you're discussing. Within the federal family, who has the flexibility, the capability and the authority to do some of the things that you're talking about?

**Mr. James Bezan:** We're going to have that plan, you said, by the end of this fiscal year. There should be a plan or strategy going ahead on how we're going to make that all happen. Is that a yes or no?

**Mr. Rob Chambers:** I did not say that, but—

**Mr. James Bezan:** Okay.

I thought Mr. Tremblay did.

**Mr. Serge Tremblay:** I did say that we were going to have a plan in place in accordance with a remit to Parliament at the end of next fiscal year, so we're looking at—

• (1720)

**Mr. James Bezan:** That's the next fiscal year. Okay.

Just one last question for General Tattersall on the BGRS hack. We started receiving information in early October that the website was down. Members couldn't get funding and they were concerned. Then on about October 18, I was told that somebody had actually hacked in. It wasn't just that the website was down; it was hacked. I alerted the ombudsman the very next day. Then you put out, on CANFORGENS, the notice that you had known since September 29—for three weeks—that it was a hack.

Why didn't we notify members earlier that their personal financial information had been stolen? In those first three weeks, stuff could have gone sideways on them.

**The Chair:** If I can just point out to the member that this is a four-minute round, not a four-minute round stretched to five and a half minutes. Please, respond very quickly, if you can.

**BGen Virginia Tattersall:** Yes, thank you very much for the question.

I'll just reiterate that at this point in time, we don't actually have that confirmation as to what exactly was taken and who may be impacted. That is in progress.

The department and, in fact, the government have communicated to members on at least two occasions, if my memory serves, as well as through internal forums, the fact that this has happened. Members have been advised as to what they should do as preliminary measures, such as keeping a watch on their banks or considering potentially changing their passwords.

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

Mr. Collins, you have four minutes.

**Mr. Chad Collins:** Thanks, Mr. Chair.

I want to focus on our tenants.

The agency is obviously a landlord. I wonder whether they've conducted any satisfaction surveys, in terms of the quality of housing provided to CAF members across the country and their opinion regarding the same.

**Mr. Serge Tremblay:** Thank you for the question, Mr. Chair.

We conduct cyclical customer satisfaction surveys. We recently received the most recent report.

As far as satisfaction about assets is concerned, it is a corollary to that. We don't specifically address those directly when we do our recapitalization. We have consistently been....

Actually, I don't have the results with me, so I won't quote anything.

**Mr. Chad Collins:** I read that 85% of occupants are satisfied with their home.

Does that sound accurate?

**Mr. Serge Tremblay:** It was a trend comment, but the number is correct. I was going with a trend observation, but I wasn't ready to go there. I apologize.

**Mr. Chad Collins:** Okay. Thank you for that.

In terms of the constructive criticism—let's call it—that comes back to the agency, what issues do you need to resolve, in order to get at some of the complaints coming from tenants, whether they're underhoused or...? Maybe they are a family of three and have two bedrooms. I know that much of your stock is like that of municipal non-profit housing providers. It was built post World War II, so it may not be accessible for someone living with special needs—a unit that's 40 or 50 years old.

Can you give us a glimpse of some of the issues you need to address as part of the surveys you take of tenants?

**Mr. Serge Tremblay:** Mr. Chair, the recapitalization program I referred to earlier is very much about modernizing that portfolio. It is an observation we see. This is 1950s stock housing: postwar and very small. It's three bedrooms but still only roughly 1,000 square feet. We see “how do we fit our size-five foot into this size-two shoe?” observations. We take that away. We are now accommodating the larger footprints with new housing, but we still have requirements for a smaller number of bedrooms per unit, to accommodate smaller family sizes.

Basically, right-sizing the portfolio is a challenge for us, because that involves recapitalization or replacement construction where we know we have to grow. There is a balancing act we also have to try to figure out, in terms of where to have the right bedroom count and location based on the demography, knowing the demography may change in the next 10 or 15 years and that our housing solutions are always 20, 30 or 40—if you look at our current stock, it's 90—years old.

There is a balancing act we have to accommodate there.

**Mr. Chad Collins:** Mr. Chair, how am I for time?

**The Chair:** You have one minute.

**Mr. Chad Collins:** Great.

I'm going to follow up on Mr. Bezan's question about the private sector.

For bases and wings where you have housing, are there any developments that are mixed—having members and those who are in the regular market, so to speak?

• (1725)

**Mr. Serge Tremblay:** Mr. Chair, I'm sorry. I need clarification.

Are you talking about a partnership in existence at this moment in time?

**Mr. Chad Collins:** It's about a partnership in terms of tenancy and the private sector.

**Mr. Serge Tremblay:** We have, in some locations, rented off the private industry directly, on behalf of the member.

I will use Masset as a good example of that. There are no accommodations there. In order to ensure people who get posted there are in place, we lock in with local private landlords for those assets. That's the only place where we have this in place.

We also currently depend on PSPC in Yellowknife and Iqaluit locations.

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

Madame Normandin, you have four minutes.

**Ms. Christine Normandin:** Four...?

**The Chair:** I'm such a generous chair.

[*Translation*]

**Ms. Christine Normandin:** Thank you.

There was a report in the French-language media recently about a family with one child living in a very small military residence not at all suited to their needs, which was negatively impacting their desire to have another child. Because of the situation, they were considering having the father, a member of the military, change careers and look for civilian work.

That made me wonder if, when people are being relocated, more consideration should be given to a family's current situation as well as their needs a few years down the line.

Are those factors taken into account? If not, should they be?

**Mr. Serge Tremblay:** When a member of the Canadian Armed Forces accepts one of our houses, what they have in mind is the smallest layout that will meet their needs at the time they take possession of the house.

Obviously, families evolve and grow. It's like the shoe example I gave. Eventually, size 10 doesn't fit anymore, and now you need size 12. What do we do then? We have options in the portfolio of units available to us, especially in Ottawa. The problem is that other people have needs too. It's hard to strike a balance when we're figuring out which units go to which people.

I'm well aware of the example you mentioned. I'll reiterate what I said about priority one compared to priority two. In this example, the unit in question is priority two, because the family does have a solution. It's not ideal for them, but some people have nothing and are looking for a house. We have to meet the needs of newly arriving people first, then we can find options for priority two people.

I should point out that occupants are also responsible for thinking about their future situation, because we can't do that for them. As their situation evolves, they have to consider the changes they need to make in their lives to adapt to their new reality.

**Ms. Christine Normandin:** Let's take that a little further and look at the example of the member who already has a child but wants to have more in the next two or three years. Can that member tell you they're going to need an additional room in two years and get a unit with an extra bedroom right away rather than moving later or ending up in a situation where their needs aren't met?

**Mr. Serge Tremblay:** At this point, I'd have to say no. I was just going to say that we have 11,600 units, but about 10,000 of them are occupied. As you can imagine, we're moving a lot of pieces around the board, and it's very hard to predict how the game will go. Also, just because people want a family doesn't mean they'll get one. It would be kind of unrealistic for us to try to manage a situation so far in the future, especially at this point, given the existing pressures and needs that are hard to meet.

[English]

**The Chair:** You have 30 seconds, but I'm sure you're happy to donate them to Ms. Mathysen.

Thank you.

You have four minutes and 29 seconds.

**Ms. Lindsay Mathysen:** I'll take them.

I want to go back to the conversation we were having about BGRS. We've gone over the issues of the hack and what that breach caused for members.

It's my understanding that this was only the latest issue with that contract. In fact, the RCMP had been on contract with the same company for relocation services and had repeated issues with BGRS, and that led them to bring those relocation services back in-house.

Could you tell the committee what analysis was done on whether to end the contract? Why was it chosen after all of these issues and with all of that history from the RCMP as well? Why would DND then chose to retender and renegotiate that contract as opposed to doing what the RCMP did, which was to bring it in-house?

• (1730)

**BGen Virginia Tattersall:** Thank you very much for the question.

I'll simply say that we have outsourced this service since approximately 1998, which means that we have almost 23 years plus of a contracted service. That means that both the resources and the knowledge and the ability to bring that back in-house and deliver that support to members do not exist.

Furthermore, what I would indicate to you is that perhaps it's a bit of a myth to think that we could deliver the same scale of services that we currently receive from that company. I'll explain it this way. Currently, that company operates extended hours for us to cover off both coasts of Canada as well as the fact that we have members who need services OUTCAN. It offers an email response within a certain period of time. It will respond and process transactions over the weekend.

For our military members, while I realize we use the phrase that we are "24/7/365", that does not translate—particularly given our current personnel shortages—to our being able to provide that same service wherein a member could expect that they could walk in at seven in the morning and see someone to ask their questions to, or whether they could send an email in the evening and expect within a period of time to get a reply or that they would have transactions processed over the weekend. That's simply not feasible.

We are retendering the contract with the understanding that there need to be improvements to it, but we're also looking internally at how we can better bridge the understanding of our members to the benefits and perhaps better enable them to be able to have that dialogue with the service provider about what their benefits are, and also, then, speaking specifically, can we leverage generative AI as a tool to be able to provide sort of benefits adviser to say to you, "Okay, here's what you should ask of BGRS specifically." There's an aspect of this that also goes back onto the members to understand what are their benefits and what they are intending to do so that BGRS can provide them their correct service.

Thank you for the question.

**Ms. Lindsay Mathysen:** You're talking about AI providing services now that humans normally would. That's dangerous, I would suggest, and we've certainly seen that backfire at Veterans Affairs, but I digress.

I would also argue that those complaints have been happening for pretty much the entire time the contract has been in use. One would argue that if you're going to say that you've had this long-standing contract, you would also want to re-establish or relook at, or review, all of those complaints as well and take them into account.

I would also like to know if you could file with this committee what the cost of that contract was and what we're looking at paying into the future.

Thank you.

**BGen Virginia Tattersall:** Mr. Chair, for a couple of things, first and foremost, let me reassure you that what I was not proposing by my comment about generative AI was in any way or shape to say that now that member would actually talk to this and get services in terms of "here's your benefit and we'll pay you this amount".

What I was referring to was that our policies are very detailed. They can be difficult to understand at times and, much like I use Google to get an answer to help me inform myself before I have a discussion, that was not what my proposal was. My apologies if I misled you.

With respect to the contract, I can certainly provide you the costs of the contract that we have currently. What I obviously cannot provide you is the cost of the contract that in fact we're still in the request for proposal phase for: We haven't actually settled on or selected who the next contractor will be. Unfortunately, I can't provide you specific costs for that.

**The Chair:** Thank you, Ms. Mathysen.

Because it's not well known that I'm a warm and generous chair and as Ms. Gallant was jumping up and down and wishing to ask a very short question, please go ahead, Ms. Gallant.

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Thank you.

With respect to Brookfield, the hack was reported to me on October 5. The hack had been in progress. Nobody was able to reach Brookfield for two weeks before that. It was in the news around October 20. My question is, for military contractors, what is the required timeline within which a contractor is required to advise the military that they have been hacked?

• (1735)

**BGen Virginia Tattersall:** Mr. Chair, I can't specifically give you that time frame, but what I would like to reiterate for the members of the committee is the fact that this data breach was world-wide at Sirva, and has impacted them around the world in addition to specifically Sirva Canada and BGRS.

I cannot give you a time frame as to how much. Did they have 10 hours? Did they have 24 hours? I'm sorry. I'm not able to provide that response to you at this time.

**The Chair:** Thank you to you all for staying with us.

Before I gavel this to an end, in my riding, there is a large college of 25,000 students. Of course, they have really difficult housing issues. They entered into a pretty innovative public-private partnership. I'm curious if there is any structural impediment to the military, or the military housing service, to entering into a significant public-private partnership to address this need, because, as I listen to the testimony, we'll just be back here next year and the year after that. Is that at all realistic?

**Mr. Rob Chambers:** Mr. Chair, thank you for the question.

It really does depend on the details. In our case, the minister is empowered, through the National Defence Act and the Federal Real Property and Federal Immovables Act, to hold real property for the purposes of the Defence mandate. There are constraints that pop up as a result of that on potential public-private partnerships, but even so, the details matter, so there are some flexibilities there.

We're focusing our energy on working with partners like Canada Lands Company and potentially with Public Services and Procurement Canada, which have commercial authorities that would allow them to more easily enter into those sorts of arrangements on our behalf. I would say there are possibilities. We are actively looking at them. I certainly hope we're not back here next year having the same conversation.

**The Chair:** Thank you for that.

Both the university and the college have entered into public-private partnerships, and it's alleviating a housing crisis, but it's by no means the end all.

On that note, thank you very much for your presence here and for your patience. We appreciate your contributions to this study.

The meeting is adjourned.

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