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Chair: Mr. John Williamson



Standing Committee on Public Accounts

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• (1635)

[Translation]

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

Good afternoon.

Welcome to meeting number 148 of the House of Commons Standing Committee on Public Accounts.

[English]

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

Before we begin, I will ask all in-person participants to remain cognizant of the rules surrounding earpieces. When not using the earpiece, put it on one of the stickers to the left or right. These measures are in place to help prevent audio and feedback incidents. I remind all those in person and online that for the safety of our interpreters, it is very important that your microphone be muted when you are not speaking.

[Translation]

Thank you for your co-operation.

[English]

I remind you that all comments should be addressed through the chair.

[Translation]

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

[English]

I would now like to welcome our witness, Mr. Navdeep Bains, who is returning as an individual.

Mr. Bains, you have time for an opening comment of up to five minutes. If you would like to take it, the floor is yours.

Hon. Navdeep Bains (As an Individual): Thank you very much, Mr. Chair.

[Translation]

Good afternoon.

[English]

Mr. Chair, at your request, I made myself available today for a third appearance at committee to answer questions about Sustainable Development Technology Canada. I'm happy to be here and will answer your questions as best I can.

At my last appearance at this committee, there were a number of questions. I want to open today where we left off.

Members posed a question regarding a phone call between Ms. Verschuren and me prior to her appointment. I do not recall such a conversation taking place. However, as I explained last time at committee, it was not uncommon for me to speak to prospective candidates during a selection process or to encourage candidates to apply for positions. Sometimes I encouraged multiple people for the same position. Canadians and our government always benefit from an open, transparent and highly competitive appointment process.

Members also posed questions with respect to the candidates who were recommended to me via a PCO advice letter. As I said in my previous testimony, I've made over 100 Governor in Council appointment recommendations as a minister. I do not recall, after several years, who applied for what specific positions at that time. Assuming there were multiple people recommended for each position, this could be in excess of 400 names recommended to me during my tenure, all of which occurred more than four years ago.

Members also offered a line of questioning regarding former Sustainable Development Technology Canada employee Amber Batool. At CIBC, Ms. Batool worked for Capital Markets and supported the team, including me. I do not recall meeting Ms. Batool before she started at CIBC. In fact, the only reason I know we ever met or crossed paths is because, during the interview, Ms. Batool stated that we had met a few times beforehand, which I did not recall at that time. It is important to note that Ms. Batool went through a rigorous process consistent with CIBC HR policies.

Finally, I would like to address a line of questioning by a few parties with respect to this appointment. At the time of her appointment, Ms. Verschuren's credentials were impeccable. She was a Canadian business leader and served Prime Minister Harper, Minister Flaherty and Minister Paradis in various capacities.

As I stated before, Sustainable Development Technology Canada is an arm's-length organization. My role as minister was to appoint seven of the 15 board members. It was not to oversee the day-to-day operations of the organization, nor was it to manage the board. As an arm's-length organization, it was the board's responsibility to manage their conflicts of interest, as is the case with all designated public office holders, and follow the rules and process, which is something the Auditor General identified as not happening.

As this is my third appearance at committee on this matter, I would like to request this: If, after my appearance, the committee has any additional questions, I would be more than happy to answer them in writing.

I look forward to answering your questions.

[Translation]

Thank you.

• (1640)

[English]

The Chair: Thank you, Mr. Bains. I appreciate that.

We will open up our first round, which has four members with six minutes each.

Mr. Perkins will lead us off. You have the floor for six minutes.

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

Thank you, former Liberal Minister Bains, for coming back, as you pointed out, for a third time before a parliamentary committee on the issue of SDTC, the Liberal green slush fund.

You're obviously aware that this committee—or at least the majority of the members—did not feel at the end of the last meeting that you were actually making an attempt to answer the questions. We had a long discussion about whether our privilege was breached and we decided, on the suggestion of a number of members, to give you another shot and see how it goes today.

With that in mind, I'm going to ask some questions similar to those I asked before. I appreciate your opening statement.

Before I ask my questions, I just want to get clarification on something. You work at Rogers currently. Could you explain to me what your title and role are, please?

Hon. Navdeep Bains: Thank you very much again, Mr. Chair, for the opportunity to speak here today.

As I've indicated, the topic I was asked to speak to was Sustainable Development Technology Canada, and I look forward to answering questions pertaining to that topic.

Mr. Rick Perkins: Here's the first answer. It was a very simple question that you didn't answer.

The Chair: Hold on, Mr. Perkins.

Mr. Bains, you're saying you can't provide your current employment title and location. That does seem a bit unusual. I suspect it's in the public domain.

Hon. Navdeep Bains: It is in the public domain, Mr. Chair. I look forward to answering questions pertaining to the topic of Sustainable Development Technology Canada today.

The Chair: All right, Mr. Bains. I don't know how this is going to go.

Mr. Perkins, you have the floor. You have five minutes left.

Mr. Rick Perkins: I'll take that as your refusal to answer the question about what you do for a living. That's the first refusal.

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): I have a point of order, Mr. Chair, on relevance. I think Mr. Bains has made himself available and has been clear that he is willing and able to answer questions relating to SDTC. I would encourage all members on this committee to restrict their questions to that.

The Chair: Ms. Khalid, as you know, I give members latitude. It seemed like a pretty easy bunt to give a location, but I'm not going to belabour it. We're going to turn things back over to Mr. Perkins.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): On that point, Mr. Chair, can you explain to me how this is relevant to SDTC and how Rogers and SDTC are connected?

The Chair: I think it's—

Mr. Francis Drouin: If you think it's relevant, then say so.

The Chair: I think it's a courtesy to state where, in fact, someone works. I don't see it as being anywhere remotely out of bounds. However, I think we're—

• (1645)

Mr. Francis Drouin: Courtesy and relevance are two different matters, Mr. Chair. It can be a courtesy, and Mr. Perkins knows he can google it really quickly.

The Chair: It seems combative right off the bat to refuse to answer a question that is in the public domain.

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

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

That's two refusals. I'll move on.

You mentioned the phone calls to Annette Verschuren. As you know, I asked you about them before. In your opening statement, you said you didn't recall them, which is what you said before. It's hard for me to believe that you don't recall them. The former president of SDTC testified before our committee that you called her twice.

I will ask you now, as I did the last time: Did you call her twice? Answer yes or no.

Hon. Navdeep Bains: Thank you very much, Mr. Chair, for the opportunity to speak to this. I've answered this question before and I'm glad to have the opportunity to answer it again.

As I stated in my opening remarks, I made over 100 Governor in Council appointments, and I don't recall any specific conversation with Ms. Verschuren. As I've indicated, she applied through the new appointments process and her name was recommended to me.

Mr. Rick Perkins: You don't recall that you were warned, both by officials and by the president—and I've asked this question before—that she had a conflict of interest and shouldn't be appointed. You don't recall that either.

Hon. Navdeep Bains: Thank you very much again for that question. Again, I want to answer this for, I think, the third or fourth time and I look forward to providing a detailed answer.

The core issue here is that public office holders must respect the obligations they have to conduct themselves in a manner that respects the Conflict of Interest Act. That applies to Ms. Verschuren and to all public office holders.

Mr. Rick Perkins: That's four non-answers in a row.

I'll ask the next question, which I asked before. Do you recall seeking \$750 million of taxpayer money for the green slush fund from cabinet when you were minister? Answer yes or no.

Hon. Navdeep Bains: Again, thank you very much, Chair.

As I mentioned last time in my testimony, as I've indicated on a number of occasions, the answer to that question is that all amounts that were allocated to Sustainable Development Technology Canada were debated and presented in the House of Commons and approved by Parliament.

Mr. Rick Perkins: That's another non-answer.

Again, it's a simple question. Did you seek \$750 million from cabinet, which was eventually approved by cabinet, as the minister responsible for SDTC? Did you seek that money? Is it yes or no? It would be difficult for me to believe that you don't remember seeking almost a billion dollars for the Liberal green slush fund.

Hon. Navdeep Bains: I think the member has answered that question. There was a process for how these funds were allocated.

Mr. Rick Perkins: There's another refusal to answer.

In the 48 times that Steven Guilbeault lobbied the PMO with meetings with Gerald Butts, in the five years that you were minister and he was lobbying between 2016 and 2019, do you recall any of those meetings when Steven Guilbeault, Gerald Butts and you were talking about Sustainable Development Technology Canada, yes or no?

Hon. Navdeep Bains: The answer to your question is that anyone who has any official engagement with the government is properly registered. Sustainable Development Technology Canada is an arm's-length organization. They make independent decisions on how to allocate the funds, and they work with management on a day-to-day basis to address these issues, Mr. Chair.

Mr. Rick Perkins: There were seven non-answers in a row. This is what led to the privilege discussion last time.

I'll ask another question that I've asked of you. Why did you think it was appropriate to appoint a chair of the board, the first one in the history of SDTC, who had a conflict and was doing business with SDTC before you appointed her?

Hon. Navdeep Bains: Mr. Chair, I've been answering the questions, and I look forward to answering this question as well. It's important that I provide answers to the members because the work that they do is important.

Ms. Verschuren's credentials were well known. Her announcement was made public. She was appointed by former prime minister Stephen Harper; a former finance minister, Minister Flaherty; and a former industry minister, Christian Paradis, as well. As the PC official said in her testimony, she was vetted and she met the requirements.

• (1650)

Mr. Rick Perkins: As someone who made over 100 GIC appointments, was it your regular practice to appoint people to GIC appointments who had already been doing business with the organization? Was that your normal way of doing business as a minister of the Crown?

Hon. Navdeep Bains: Again, to answer that question in greater detail, it's important to note that all the individuals who applied to different roles or positions needed to go through the new appointment process. These names were recommended to me by PCO, and then I made a Governor in Council recommendation.

Mr. Rick Perkins: There were 10 non-answers.

The Chair: Thank you very much.

Up next is Ms. Yip.

You have the floor for six minutes, please.

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

Thank you, Mr. Bains, for coming again.

Mr. Bains, I'm looking for some clarity with the motion that brought you here today.

The committee invited you here, given it felt there were contradictions between your testimony and that of Ms. Verschuren and given that she had stated at the industry committee that she had not applied for the position.

In their correspondence on October 4 to this committee, the PCO confirms that Ms. Verschuren did in fact apply for the position. In addition, I understand that Ms. Verschuren, through her lawyers, wrote to the industry committee to correct the record to say that that she had, in fact, applied for the position.

Is it your understanding that she applied for the position?

Hon. Navdeep Bains: I appreciate the opportunity to answer that question as well.

I indicated in my previous remarks when I was at committee last time, and it was confirmed by testimony given by the Privy Council official, that Ms. Verschuren did apply. She did go through the new appointments process, a process that ultimately saw over 100 people apply. That is my understanding, based on the testimony provided by the PCO official. Her name went through a rigorous process whereby individuals were vetted, and then ultimately recommendations were made to me for a Governor in Council appointment.

Again, to summarize, she did apply, and ultimately that name was recommended to me along with other names, and then I made a Governor in Council recommendation.

Ms. Jean Yip: The PCO has stated that it is customary for departments to reach out to stakeholders and meritorious individuals to share the word about positions like that of the SDTC chairperson, and that ministers and departments would typically look to share the word with as many people as possible. Is that your understanding too?

Hon. Navdeep Bains: That is correct. It was very common for a number of people, including me, to encourage as many Canadians as possible to apply.

This was a new process. It was open to all Canadians, and we wanted to have more, not fewer, options. It wasn't uncommon for me to ask multiple people to apply for the same role because it was critical that we had Canadians engaged in this new merit-based process that was open and transparent.

Ms. Jean Yip: Could you speak to the new process at that time?

Hon. Navdeep Bains: What I recall is that in 2016, a new process was established. Regardless of whether you had a position, were applying for that same position or were applying to a new position, you needed to go through this process in which I believe you would fill out and answer a bunch of questions. They would then determine who would be vetted and ultimately interviewed. Then recommendations were made to the respective ministers who were responsible for those portfolios.

Ms. Jean Yip: When the PCO first published the appointment opening online in September 2018, did your department subsequently send a blast email to stakeholders?

Hon. Navdeep Bains: I don't know if a blast email was sent. However, I do think that it's important to note that every effort was taken, from what I recollect during my tenure, to encourage as many people as possible to apply. As I've stated, the PCO official, in her remarks at this committee, indicated that over 100 people did apply.

Ms. Jean Yip: Then you're not sure how the position was advertised.

Hon. Navdeep Bains: The advertisement of the position was public. I thought you were asking if stakeholders were sent a blast. The positions were very public. They were advertised. They were open to everyone.

Thank you for clarifying that.

Ms. Jean Yip: Ms. Verschuren was no stranger to the department. Is that correct?

• (1655)

Hon. Navdeep Bains: As I've said before, my understanding is that she was well regarded by the previous administration and government for the work she had done in the private sector, as well as in the public sector. She was appointed by Stephen Harper, Minister Flaherty and Minister Paradis, and one of those appointments was for an advisory role on the science, technology and innovation council at ISED.

Ms. Jean Yip: She had previously served, since 2017, on the clean technology economic strategy table set up by your department. Is that correct?

Hon. Navdeep Bains: I believe she played a number of different roles in working with government officials, going back to Stephen Harper's tenure. That is correct.

Ms. Jean Yip: Well, this is the first time that I've heard that she also participated in an advisory role for Minister Paradis. Is that correct?

Hon. Navdeep Bains: To the best of my recollection, she had several appointments that were made by the previous Conservative government: economic advisory appointments, supporting the work at ISED, etc. I believe I provided that information—who appointed her and in what year—in my testimony the last time I spoke here at the committee.

Again, I'm willing to provide any answers in writing if the member wants.

Ms. Jean Yip: I apologize. I believe the correct pronunciation of the name is former minister Paradis.

Hon. Navdeep Bains: It's Christian Paradis. That is my understanding as well. That's correct.

The Chair: That is about your time, Ms. Yip. Thank you very much.

[Translation]

The next questioner is Ms. Sinclair-Desgagné for six minutes.

Just a moment.

Mr. Bains, I'm speaking French now. Do you hear me in English? Are you getting the interpretation?

[English]

I just want to make sure that you're getting the translation.

[Translation]

Is it working? Very good.

Go ahead, Ms. Sinclair-Desgagné.

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

Thank you, Mr. Bains, for making yourself available to meet with the committee again.

I hope I'll get answers to my questions this time.

First of all, you said you don't remember meeting Ms. Batool when you were minister and she was vice-president of Sustainable Development Technology Canada, or SDTC.

Is that correct?

Hon. Navdeep Bains: Thank you for your question.

[English]

As I stated in my opening remarks, I didn't recall meeting Ms. Batool. As I stated the last time I was here, I met her at some public events maybe once or twice. That was really a function of the conversation I had with her when she was applying for the role at CIBC, as I mentioned in my opening statement.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Did you have any involvement in her hiring at the Canadian Imperial Bank of Commerce, CIBC?

[English]

Hon. Navdeep Bains: As I stated in my opening remarks, I was one of a number of people who interviewed her for that role at CIBC.

[Translation]

Ms. Nathalie Sinclair-Desgagné: When Ms. Lawrence appeared before the Standing Committee on Industry and Technology in January 2024, she said that two people were in direct contact with your office while you were minister, Ms. Batool being one of them.

Were you aware of that?

[English]

Hon. Navdeep Bains: No, I was not aware of that.

[Translation]

Ms. Nathalie Sinclair-Desgagné: You weren't aware, then, of the meetings with your office or what was discussed regarding SDTC.

I gather that your office staff were off working in their own corner and didn't include you or inform you of what they were doing. Was that the case?

[English]

Hon. Navdeep Bains: No.

Just to clarify, you're asking if I knew if Ms. Batool was engaged with my staff. I don't recall having any meeting with her and I don't recall my staff telling me who they were engaging with at SDTC.

[Translation]

Ms. Nathalie Sinclair-Desgagné: It never came to your attention that Ms. Batool communicated regularly with your office about what was happening at SDTC.

Is that correct?

[English]

Hon. Navdeep Bains: No. As I indicated, I had no meeting or contact with her, to my recollection.

[Translation]

Ms. Nathalie Sinclair-Desgagné: I see.

I'm going to summarize a few things that happened while you were the Minister of Innovation, Science and Industry, and obviously they pertain to SDTC. Again, this was during your time as minister.

In 2019, SDTC's ecosystem stream was developed. It was a confidential stream. It wasn't possible to apply online. The stream was never available online, in fact.

Your department informed SDTC that this didn't comply with SDTC's framework agreement. It was your department that conveyed that important message to SDTC.

At the time, were you aware of the message your department conveyed with respect to SDTC?

• (1700)

[English]

Hon. Navdeep Bains: No, I don't recall that.

[Translation]

Ms. Nathalie Sinclair-Desgagné: I'll keep going.

Your department was aware of the conflicts of interest the board members had declared in relation to the 2020-21 COVID-19 relief payments, because your department had access to the meeting minutes. The minutes clearly indicated that many of the board members were not recusing themselves even though they had declared being in a conflict of interest situation.

Since your department received the meeting minutes, did that information come to your attention?

Hon. Navdeep Bains: Thank you for your question.

[English]

To answer that question specifically, I did not receive any such information.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Very good.

Did you know that SDTC, an organization you were responsible for, didn't have a conflict of interest register and was putting its blind trust in members to declare their conflicts of interest on a case-by-case basis? It wasn't until 2022 that the foundation created a register of conflicts of interest, so after you left.

Did you know that?

[English]

Hon. Navdeep Bains: To your point, through the chair, they may have set up a registry. As I stated in my opening remarks, the onus is on the board members to make sure that they follow the Conflict of Interest Act. That's my understanding.

[Translation]

Ms. Nathalie Sinclair-Desgagné: The committee found that extremely concerning. According to the Auditor General, there were 41 cases of conflict of interest between 2017 and 2020, in other words, while you were minister.

Did all that surprise you when you read the Auditor General's report?

[English]

Hon. Navdeep Bains: It's very important to note that I respect the work of the AG, and these findings are very important. I think we all are here to talk about these important matters.

[Translation]

Ms. Nathalie Sinclair-Desgagné: I see.

I asked whether the Auditor General's report surprised you because you said you weren't aware of the discussions your own office had with SDTC leadership.

You did not know there wasn't even a conflict of interest register. You did not know that directors on the board who had declared having conflicts of interest were not recusing themselves from those meetings. You also did not know that a quasi-secret stream had been developed to fund companies that were ultimately in a conflict of interest situation involving board members.

What did you know about? Were you overseeing anything?

[English]

Hon. Navdeep Bains: As I indicated, this was an arm's-length organization, and my responsibility, as the minister, was to appoint seven of the 15 members. As I've indicated on several occasions, I think it's very important to note that members on a board are to conduct themselves in a manner that respects the obligations they have to follow under the Conflict of Interest Act.

[Translation]

The Chair: Thank you.

[English]

Up next is Mr. Cannings.

Mr. Cannings, I haven't had a chance to formally welcome you to the committee. I was going to take note of that the other day, but you were swapped out.

Welcome to the public accounts committee. We look forward to having you here.

You now have six minutes.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you very much, Chair.

Thank you, Mr. Bains, for being with us today, at least virtually.

As the chair mentioned, I'm new to this committee, so forgive me if I take a higher elevation look at this. I don't know a lot of the details in this file.

At the heart of this is an Auditor General's report that had findings of mismanagement, lack of proper board oversight and conflicts of interest within SDTC.

First of all, do you accept the findings of the Auditor General's report? That question was perhaps asked in a different way just now.

Hon. Navdeep Bains: Mr. Chair, as I've indicated, I very much respect the work of the Auditor General and the findings that were presented.

Mr. Richard Cannings: As a minister in the "food chain", if you will—I'm an ecologist, so I think in those terms—one of your main roles was to make sure that the act behind this was adhered to. One of your roles under that act was filling board appointments. You mentioned that you signed off on the board appointments. I believe you said the recommendations came from the PCO, and then you recommended them to cabinet, where they were approved.

I'm not talking so much about the initial appointments now. There were times when board members left the board and there were many vacancies. That went on for some time. From my own experience, I've sat on a couple of cabinet-appointed boards and administrative tribunals. There always seem to be issues around ministerial appointments taking forever.

I wonder if you were aware of those openings on the board, and why they weren't filled at a time when it seemed there was a real need to have board action in order to do a lot of important things. There were very few board members there. I wonder if you can speak about that. That was your role under the act. You were supposed to make those appointments to fill those positions.

• (1705)

Hon. Navdeep Bains: Again, I appreciate the opportunity to answer that question.

You're absolutely correct. The minister was responsible for appointing seven of the 15 board members. That process was undertaken. The appointments were made. The remaining appointments were done independently, but seven of the 15 were the responsibility of the minister of ISED, and I did that.

Mr. Richard Cannings: From my understanding, there were times when the number of board positions, even ones you were responsible for, were left open for periods of time, which I find troubling.

I want to now turn to the conflict of interest situation.

When I was on a couple of administrative tribunals or boards, we were given lessons from judges about what conflict of interest was in order to make sure we didn't act in a conflict of interest. As I recall, the test for conflict of interest is not so much whether I'm going to make any money or get any benefit; it's about the public perception of that conflict—what the person on the street would think. If a person is appointed to a role and they already have a company doing that work, what would the person on the street think? It strikes me that in many of these cases, the perception would be that there is definitely a conflict of interest there.

Can you explain how it got past the PCO, you and cabinet without someone saying, “Hey, maybe we should appoint someone who's good at financial markets and things like that, but who doesn't have positions directly related to the fund we're talking about”?

Hon. Navdeep Bains: Again, thank you very much for the question.

As I've answered before, the vetting was done based on the person's credentials, recognizing that if any such conflicts existed, the onus was on the individual to seek the appropriate advice. To my understanding, based on the testimony provided by Ms. Verschuren, she did reach out to the Ethics Commissioner to get advice, and then ultimately this recommendation was made.

I also believe it's important that, as you say, when individuals are on the board, they, along with other public office holders, hold themselves to the highest possible standard when it comes to dealing with conflicts of interest. I think that's the key take-away here.

Mr. Richard Cannings: I'll leave it there for now. I'll come back to you later.

The Chair: Thank you. I'll give time back to you later, then.

We will begin our second round, which consists of six members with various times.

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

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

Former Liberal minister Bains, you continue to be less than forthcoming about your active involvement in hand-picking conflict-ridden Annette Verschuren as chair of SDTC. You have repeatedly represented that you got a recommendation from the PCO and that it was only thereafter that you made the decision to appoint Ms. Verschuren, as if your role was passive, but that isn't true, and you know it not to be true.

You received a list of five recommended candidates from the PCO in March of 2019. You ignored that list. In April of 2019, you contacted Ms. Verschuren and asked her to apply for the role. It was only thereafter that Ms. Verschuren applied. It wasn't the PCO that reached out to her; it was you, and that is detailed in the Ethics Commissioner's report, so why do you continue to mislead the committee?

• (1710)

Hon. Navdeep Bains: As I've indicated, these names were recommended by the PCO. They went through the vetting process. As the PCO official has indicated, over 100 people applied. This was open to everyone. This was a process that people could—

Mr. Michael Cooper: Former Liberal minister Bains, you hand-picked her. That is established. You're misleading the committee. That's now very clear, just as you continue to not answer questions.

I'll move on. Who asked you to contact Ms. Verschuren to apply as chair of the green slush fund? Who called you to tap her on the shoulder? Was it someone in the PMO?

Hon. Navdeep Bains: To answer that question, as I stated in my opening remarks, I don't recall any such conversations, but it's not

uncommon for me to speak with multiple people, even for the same role, to apply. As the previous—

Mr. Michael Cooper: Former Liberal minister Bains, I'll move on. Since you can't recall this and you can't recall that, maybe there is something you will recall, which is that you knew Ms. Verschuren had a conflict of interest in that her company, NRStor, was receiving \$12 million in funding from SDTC at the time of her appointment. You knew that and you appointed her anyway. Isn't that right?

Hon. Navdeep Bains: Ms. Verschuren's credentials are well known. All that information is—

Mr. Michael Cooper: Former Liberal minister Bains, I didn't ask about Ms. Verschuren's credentials. I asked you whether you knew that she had a conflict of interest at the time you made the decision to appoint her—yes or no.

Hon. Navdeep Bains: As I've stated, Ms. Verschuren went through the vetting process. Her name was recommended—

Mr. Michael Cooper: Former Liberal minister Bains, I asked you a yes-or-no question. Did you know that she had a conflict of interest at the time you appointed her as chair of SDTC—yes or no?

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

The Chair: There's a point of order, Mr. Cooper.

Go ahead, Ms. Khalid.

Ms. Iqra Khalid: I have two separate points. The first is with regard to the respect for witnesses as they come before our committee. I've heard the member opposite say a lot of interesting things and pose a question that he thinks is a question but is actually a statement and then not allow the witness to answer the question.

The Chair: What is your second point, Ms. Khalid?

Ms. Iqra Khalid: It's on relevance, Chair.

The Chair: As I've said, with some back-and-forth and with courtesy, members are entitled to try to press witnesses for more specific answers, something that Mr. Cooper is doing. I think we're here today to answer these questions, so I'm not sure about relevance.

Look, this is going well in that members are being allotted time and Mr. Bains is providing answers that some members wish to probe further.

Mr. Cooper, you have just under two minutes left.

Mr. Michael Cooper: It's a yes-or-no question, former Liberal minister Bains. Did you know that she had a conflict of interest at the time of her appointment, yes or no?

Hon. Navdeep Bains: Again, these names were presented to me. They went through the vetting process, and based on that, I made a recommendation.

Mr. Michael Cooper: Former Liberal minister Bains, your amnesia is unacceptable. Ms. Verschuren said that she spoke to you—

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

The Chair: Go ahead, Ms. Khalid.

Ms. Iqra Khalid: That's quite disrespectful, Chair.

The Chair: Ms. Khalid, I did anticipate that this meeting would be a little bumpy because we're dealing with a former official who I'm certainly glad has appeared today.

Mr. Bains is not unfamiliar with the push and pull of this place, so I am confident that he's going to be able to respond to Mr. Cooper—

• (1715)

Ms. Iqra Khalid: I'd like to speak on that same point, Chair.

The Chair: —and I'm not worried about Mr. Bains' ability here.

Go ahead, Ms. Khalid.

Ms. Iqra Khalid: On that same point, Chair, it's not about whether a witness is able to handle rudeness or not; it is the conduct of our committee that concerns me.

In the public accounts committee, I would prefer that we be respectful to anybody and everybody who comes before our committee, whether we agree with them or disagree with them.

The Chair: Ms. Khalid, you would agree that there's lots of testimony out there that is contradictory, and members, I think, on both sides are pressing as hard as they can for clarity or, as Mr. Drouin likes to say, truth.

I'll turn things back over to Mr. Cooper for a minute and a half.

Go ahead, please.

Mr. Michael Cooper: Former Liberal minister Bains, the Ethics Commissioner's report says that Ms. Verschuren specifically raised the fact that she had a conflict of interest with you. Are you claiming that you don't recall that Ms. Verschuren raised that conflict of interest with you?

Hon. Navdeep Bains: Again, Mr. Chair, I've answered that question a number of times. I've been crystal clear that the names that were recommended to me went through a vetting process. Again, that's the answer I provided.

Mr. Michael Cooper: I asked you if you recall that conversation. Do you not recall that Leah Lawrence, the former CEO of the green slush fund, spoke to officials in your office and that the manager of communications and projects at SDTC also informed your

office of Ms. Verschuren's conflict? Do you not recall any of that? Did none of that get to you? Is that what you're trying to represent?

Hon. Navdeep Bains: Again, Mr. Chair, as I said in my opening remarks, I don't recall having such conversations, but it wouldn't be uncommon for me to encourage multiple people to apply for roles. I think it's important to know that—

Mr. Michael Cooper: I would put it to you, former Liberal minister Bains, that you knew full well that Ms. Verschuren had a conflict of interest, and you simply didn't care. As a result, you appointed someone who was conflict-ridden, and that set a culture of conflict that led to conflict after conflict and mismanagement and corruption at SDTC, as chronicled in the Auditor General's report.

Do you accept any responsibility for those damning findings?

The Chair: Thank you, Mr. Cooper. I'm afraid that is your time. I will come back to you.

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

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

We have certainly spoken a lot about amnesia, and I'm hoping that the official opposition spent Wednesday morning reminding their leader where those six homes were built, because we're still waiting for the answer, but I welcome the criticism.

Mr. Bains, I want to ask a question, because the opposition is trying to paint a picture of you being personally involved in the minutiae of SDTC. You personally nominated seven candidates, a minority on the board. There were 15 who are not nominated by a GIC, so it has nothing to do with politics, but seven of them....

Somehow, if you wanted to really control the committee, you would appoint somebody who was appointed by former Conservative minister Paradis and former Conservative minister Flaherty, whom I respect, and former Conservative prime minister Stephen Harper. If you were trying to pull out a big Liberal scheme, would you appoint former Conservative candidates to this board?

Hon. Navdeep Bains: Chair, I'd like to thank the member for the question.

To answer that question, I think it's important to note that Ms. Verschuren's name went through a process that was led by the PCO. The points highlighted by the member speak to her credentials and her work in government. Regardless of which government she served in, we were looking for a person who had the experience. She went through that vetting process and her name was recommended because of that experience that she had on both the public side and the private side.

I know that members have raised questions about Ms. Verschuren and her roles in different organizations. All that information was public knowledge. People were fully aware of the work she had done in the private sector and in the public sector. When the chair was announced, there was a press release. This was public knowledge.

This was done with openness and with transparency. This was done as part of the new appointments process. It was done to engage Canadians across the country. My understanding, based on the PCO official, was that over 100 individuals applied for this role.

• (1720)

Mr. Francis Drouin: Mr. Bains, you may not be aware—because you weren't working hard for the next leader of the Conservative Party—but obviously Ms. Verschuren did the same thing that Mr. Perkins did on the other side. Both donated the same amount to a Conservative candidate. The idea that this was a Liberal hack connected to Liberals—I can't buy it. I don't know many Liberals who are donating to the Conservative Party of Canada.

Regardless of that, I want to talk about governance.

You've talked often about how in SDTC or in any government agencies, whether it's the minister of PSPC.... The idea that the minister of PSPC, for instance, would be involved in daily operations at Canada Post is ridiculous.

How much time did you spend...or did you have any sign-offs on SDTC on a contribution agreement that they would have signed with a client that they had done business with?

Hon. Navdeep Bains: I've stated on a number of occasions, including in my opening remarks, that Sustainable Development Technology Canada is an arm's-length organization. It has an independent board that oversees the day-to-day operations of management. It ultimately determines how the monies will be allocated. This is a decision it makes independently. That's how this is structured.

As you've highlighted, the minister is responsible for appointing seven of the 15 board members, but ultimately the board oversees their conduct.

With respect to the whole notion of conflict of interest that's been raised on a number of occasions, I understand the question that's being raised, but the onus is on all public office holders to engage with the Ethics Commissioner with regard to any real or perceived conflicts of interest. That is the way many public office holders conduct themselves, and that is my understanding of what Ms. Verschuren did before she was appointed as chair.

Mr. Francis Drouin: Obviously, what you're saying is that public office holders are not beholden to a Governor in Council ap-

pointment or to be reporting to their ministers and asking, "Minister, do I have a conflict of interest?"

Obviously, there's a non-partisan body that reports to Parliament, and that would be the Ethics Commissioner. That is the proper way, when you take away the politics, to govern themselves. We have, in this case, some members who didn't do that. I wouldn't expect a minister of the Crown to be responsible for making a decision on conflict of interest.

Hon. Navdeep Bains: Yes. As I've indicated, it's important to note that if you're a public office holder and you're dealing with either real or perceived conflicts, actually it's the proper practice to engage with the Conflict of Interest and Ethics Commissioner to say, "Look, this is the situation I'm in. I need advice, feedback, guidance and counsel in making sure that the proper rules are followed to avoid any conflicts of interest."

That is incumbent upon all public office holders, for the Governor in Council appointments that I've made as well as for members in this committee and anyone else who serves in the public domain.

The Chair: Thank you, Mr. Bains.

That is the time.

[*Translation*]

We now go to Ms. Sinclair-Desgagné for two and a half minutes.

Ms. Nathalie Sinclair-Desgagné: Mr. Bains, I'll rephrase the question I asked you previously about the COVID-19 payments.

Your department knew about the conflicts of interest declared by board members, not only because it had access to the minutes of the board meetings, but also because Mr. Noseworthy, your assistant deputy minister, attended the board meetings at which the board approved practically all the COVID-19 payments.

Were you aware of that?

[*English*]

Hon. Navdeep Bains: I recall that during the pandemic, funds were allocated to a number of organizations, including Sustainable Development Technology Canada. That is the extent to which monies were allocated. How they were disbursed was never brought to my attention, because, as I indicated, that's a decision the board would have made.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: Your assistant deputy minister attended the board meetings and witnessed board members who had declared having conflicts of interest not recuse themselves. Nevertheless, that information never came to your attention. The assistant deputy minister of your department never sent the information up the chain and didn't even find the board members' conduct shocking. Perhaps he was used to that kind of thing.

• (1725)

[English]

Hon. Navdeep Bains: The way you have presented the question.... I did not receive any such information from the ADM regarding the conduct of the board members.

[Translation]

Ms. Nathalie Sinclair-Desgagné: What exactly did you know about the COVID-19 funding SDTC allocated and paid out?

[English]

Hon. Navdeep Bains: As you have indicated, there were a number of payments made to individuals and organizations during that time period. In this particular instance, monies were allocated to Sustainable Development Technology Canada. It was designed to support Canadian businesses and Canadian entrepreneurs in dealing with this unprecedented crisis, and this was done across a number of industries and across a number of regions in Canada.

[Translation]

Ms. Nathalie Sinclair-Desgagné: All right.

I'm going to quote from a letter you sent. Unfortunately, it's in English, so I will read it in English.

[English]

"Innovation, Science and Economic Development Canada and SDTC share a strong working relationship, and I look forward to this continued collaboration."

[Translation]

Despite that, then, you really weren't aware of how that money was allocated, even though the assistant deputy minister attended the meetings. You had no idea how that process worked.

[English]

Hon. Navdeep Bains: The assistant deputy minister reports to the deputy minister. Neither the ADM nor the DM brought these issues to my attention.

[Translation]

The Chair: Thank you.

[English]

Up next is Mr. Cannings again. You have the floor for two and a half minutes.

Mr. Richard Cannings: Thank you.

I'm going to continue with that line of questioning, because I was going to talk about Andrew Noseworthy, your ADM who sat in on board meetings.

An ADM has quite a high position, so I imagine he must have had some role and some guidance. You claim to have no knowledge of this, but the deputy minister must have sent him to these meetings with some role in mind.

As I've said, I've been on three cabinet-appointed boards before and we never had an ADM sit in on our meetings. Maybe it's because we didn't have the budget that SDTC was dealing with, but

I'm sure there must have been some role for Mr. Noseworthy there, even though this is supposedly an arm's-length operation.

Was he reporting to the deputy minister on what was going on, and was he under direction from the deputy minister to provide direction to the board? I'm quite curious about this.

Hon. Navdeep Bains: The member's assessment is accurate, which is that the assistant deputy minister reports to the deputy minister. My interactions with the assistant deputy minister were fairly limited and no such issues were raised—that was asked before—pertaining to the conflicts of interest.

Mr. Richard Cannings: Did the deputy minister bring to your attention that these decisions were being made? Maybe board members were stepping out of the room when a vote was taken regarding something they might have a financial interest in, but it sounds like they weren't recusing themselves from the actual discussion around that; they were just recusing themselves from the vote.

If what the Auditor General has said is true—and I believe you said you more or less accept that—I would assume that the deputy minister and the assistant deputy minister would have been concerned about how things were transpiring in the board meetings.

Hon. Navdeep Bains: No such issues were brought to my attention, as I indicated. My understanding was that all of the board members were conducting themselves in a manner that was consistent with the obligations they had to respect when dealing with conflicts of interest.

These issues were never brought to my attention.

• (1730)

The Chair: I'll turn now to Mr. Brock. You have the floor for five minutes.

Before that, Mr. Bains, I know you're answering a lot of questions, but in between, could you put your microphone on mute? I know it can be difficult when you're going back and forth. In particular, if you touch or adjust your headset, put it on mute, because it makes a feedback signal, which can interfere with and potentially harm the interpreters. Please do your best on that.

In particular, if you find you have to adjust your headset, please mute. Please also mute when you're not answering questions. That would be appreciated.

Hon. Navdeep Bains: I understand, Mr. Chair. Yes, I did that a couple of times because I was having difficulty hearing the question.

I appreciate the feedback. I will mute it.

The Chair: If you want to pause for 10 seconds, that's no problem, either.

Do you know how to mute your mic? I should ask that before we proceed.

Hon. Navdeep Bains: Yes.

The Chair: You would not be the first who does this. It's one of the things I wanted to double-check.

Thank you.

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

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

Former Liberal minister Bains, I'm going to follow up on a question put to you by my colleague Mr. Cooper. He didn't get the question out, so we didn't receive a response.

To refresh your memory, Minister, the question was this: Do you take any former ministerial responsibility for the gross breach of trust and the misuse of almost \$400 million of taxpayer money?

Hon. Navdeep Bains: As I indicated, it's important that ministers act in the best interest of Canadians and conduct themselves accordingly.

Mr. Larry Brock: Minister, do you take responsibility? This was under your watch. Canadians want to know.

Hon. Navdeep Bains: Again, I'm answering the question, but I keep getting interrupted.

As I indicated, it was important that I advanced what was in Canadians' best interest and it was important that policies were set in a manner...as well as public office—

Mr. Larry Brock: Then the answer is no. You take no responsibility, which is a hallmark of the Justin Trudeau government, particularly among his ministers, current and former.

On the issue of misuse of taxpayer monies, you didn't want to answer the question put to you by Mr. Perkins. Your role at Rogers is that of chief corporate affairs officer. Under Justin Trudeau's government, since 2015 Rogers Communications Canada—one of the largest telco companies in the world—has received a whopping \$173,954,991 in taxpayer grants and contributions. I wish to put that on the record.

Mr. Bains, I understand you were in Ottawa this past weekend—

Ms. Jean Yip: I have a point of order.

The Chair: Mr. Brock, there's a point of order.

Go ahead, Ms. Yip.

Ms. Jean Yip: What's the relevance of Mr. Brock's statement?

The Chair: I think he was just reading some numbers into the record.

Mr. Larry Brock: It's relevant to Canadians.

I'll move on.

The Chair: Mr. Brock, you have about three minutes.

Mr. Larry Brock: Former Liberal minister Bains, you were in Ottawa this past Sunday. When did you leave Ottawa?

Hon. Navdeep Bains: I left Ottawa yesterday.

Mr. Larry Brock: While you were in Ottawa for approximately three days, did you meet with any government officials, elected or non-elected?

Hon. Navdeep Bains: Yes, I did.

Mr. Larry Brock: Whom did you meet with?

Hon. Navdeep Bains: I met with my former colleagues Mark Holland, Gary Anandasangaree and Omar Alghabra. We were celebrating Mark Holland's 50th birthday.

Mr. Larry Brock: Did you meet with any non-elected officials?

Hon. Navdeep Bains: I met with chief of staff to the Prime Minister Katie Telford and with Andrew Bevan.

Mr. Larry Brock: In meeting with Katie Telford and Andrew Bevan, did you discuss the content of your testimony today?

Hon. Navdeep Bains: No, I did not.

Mr. Larry Brock: Were you provided any material from Katie Telford, Andrew Bevan or any other non-elected official or elected official to refresh your memory with respect to evidence that you're giving today?

• (1735)

Hon. Navdeep Bains: No, I did not receive such information.

Mr. Larry Brock: This is now your third appearance at this particular committee to discuss your involvement in the SDTC green slush fund.

Are you to inform this committee and Canadians that, given the passage of time, you were not provided, nor did you seek, any material to aid you in the recollection of important details with respect to your failed ministerial responsibilities toward SDTC?

Is that what you want this committee and Canadians to believe?

Hon. Navdeep Bains: Just to clarify, are you referring to my trip to Ottawa?

Mr. Larry Brock: I'm asking whether, through all the times that you've appeared, and not just your recent three-day sojourn in Ottawa, have you not received or have you not sought out material to aid you in your testimony? I'm talking about in advance of all of your appearances.

Hon. Navdeep Bains: No, the information that exists is in the public domain—with the Auditor General's report, for example.

Mr. Larry Brock: We have learned that in the past, former government officials were paid with taxpayer dollars to prepare for upcoming committee meetings, even while they were being briefed by government officials.

Former Liberal minister Bains, has the government paid you in any capacity to be here today and for your former two appearances at this particular committee?

Hon. Navdeep Bains: Could you repeat that again?

Mr. Larry Brock: How much has the government paid you, sir, for your time testifying today, preparing for today, and for the other two appearances at this committee? How much? Just provide the number, please.

Hon. Navdeep Bains: Zero.

The Chair: Thank you. That is the time.

Just for the record—I didn't correct this earlier because I know Mr. Bains is aware—this is Mr. Bains' second appearance at this committee. He's also appeared at another parliamentary committee.

Mr. Erskine-Smith, you have the floor now for five minutes, please.

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

Mr. Cooper referred to the Ethics Commissioner's report. I think it's useful, Mr. Bains, to go over that a little, because in one paragraph in relation to Ms. Verschuren's appointment to the board of SDTC, it says, "Ms. Verschuren was contacted by staff in the Office of the Minister of Innovation, Science and Industry in April 2019 to discuss the possibility of being appointed as Chairperson of SDTC." It doesn't say that you were the individual reaching out, although that's the allegation that the Conservatives have made today and, irresponsibly, many times before that.

To your recollection, I think you've said, just so I'm clear, that you don't recall reaching out, and the Ethics Commissioner's report says that it was your staff that reached out.

Are you aware of who reached out?

Hon. Navdeep Bains: Again, as I said, I don't recall such conversations. However, it's not uncommon for me or my staff or others to reach out to a number of people to apply for a number of roles. In some instances, I'd like to tell this committee that we would ask multiple people to apply for the same role, because the idea was that we wanted more people to apply.

This was a new process, and so it was very different from what was done in the past. The whole objective was to encourage a greater pool of applicants. In this particular instance, as the PCO officials indicated, over 100 people did apply. Ultimately that's what we wanted. We wanted more people to apply, not fewer.

Mr. Nathaniel Erskine-Smith: Mr. Bains, just on that, were you friends with Ms. Verschuren beforehand? Did you know her beforehand?

I mean, she obviously has a record in the Conservative Party. She has a public record you have already identified—I don't need you to run through it—as a business leader and as an appointee of the Harper government.

Were you friends with her beforehand?

Hon. Navdeep Bains: No, we weren't friends. She did some work with Minister Paradis on the STIC committee. When I became a minister, I was introduced to her in that capacity, but I had no such prior relationship with her.

Mr. Nathaniel Erskine-Smith: You were introduced to her in the capacity of a Harper government appointee.

Hon. Navdeep Bains: I'm sorry. Could you repeat that again?

Mr. Nathaniel Erskine-Smith: You were introduced to her in her capacity as a Harper government appointee.

Hon. Navdeep Bains: That is correct. As was mentioned before, she was appointed by Stephen Harper, Minister Flaherty and Minister Paradis.

Mr. Nathaniel Erskine-Smith: Right, and she was a Conservative donor at that.

I think Mr. Cooper said "conflict-ridden". He might not know what that means, because when you actually read the Ethics Commissioner's report, you see that it goes through just a single conflict with respect to NRStor. The fact that she's on the board of the Verschuren Centre and the fact that she's on the board of MaRS are not a pecuniary conflicts in the same way that we would understand a conflict.

Regardless, she seeks formal advice. I don't know if you've read the Ethics Commissioner's report, but in the end, Ms. Verschuren was advised that her conflict with NRStor and other potential conflicts would not prevent her from accepting the appointment as long as she followed the rules set out in the Conflict of Interest Act.

To your understanding, this is not the first time someone would have had a conflict in being appointed to a board. That's why we have the Conflict of Interest Act to manage it, and if this was "conflict-ridden", surely you wouldn't have appointed her. However, in your view, should her roles at NRStor, the Verschuren Centre and MaRS have precluded her from being appointed, given her credibility otherwise and given that the Ethics Commissioner said the conflict could be managed?

● (1740)

Hon. Navdeep Bains: There are a couple of components to that question, Mr. Chair. One is that this was all public knowledge. Two, as I've indicated, is that it's not uncommon for individuals to seek the advice and counsel of the Conflict of Interest and Ethics Commissioner. Three, as the member has indicated, she can pursue the opportunity as long as she follows the rules.

I think the key take-away for committee members today is that the onus is on the individuals to follow the rules, as the member has indicated.

Mr. Nathaniel Erskine-Smith: Let's talk about following the rules in relation to Ms. Verschuren, because she is being cast.... This has been cast by Conservatives as criminal conduct. Effectively, it's to refer the matter to the RCMP, and yet when you read the Ethics Commissioner's report.... I don't know if you have, but you should know, Mr. Bains, that the allegations here and the conflicts that the Ethics Commissioner has found....

One, Ms. Verschuren followed a practice to abstain from votes instead of recusing herself, but these were votes that she had no financial interest in, just so we're absolutely clear. She was abstaining as opposed to recusing as she should have, because of her role at the Verschuren Centre and MaRS. In the one area where she did have a financial interest, in the words of the Ethics Commissioner, "This oversight was compounded when the Board was presented with incorrect legal advice justifying this course of action."

The report goes on to address the idea that she attempted to influence the decisions of her colleagues, which I know is another allegation. In the Ethics Commissioner's words, "There is no evidence that Ms. Verschuren attempted to influence the decision of her colleagues on SDTC's Board. I find that she did not contravene section 9 of the Act."

It is astounding to me that you're now at the committee for a second time and that there are allegations that you're somehow tied up with Ms. Verschuren, even though she was a Conservative donor and Conservative appointee. It's an arm's-length corporation, and the actual conflicts that we're talking about have nothing to do with you.

Do the conflicts have anything to do with you?

Hon. Navdeep Bains: Mr. Chair, to answer the member, the answer is no.

Mr. Nathaniel Erskine-Smith: Then let's stop wasting our time.

The Chair: Thank you. I'm afraid that is the time.

We're now beginning the third round, starting with Mr. Stewart.

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

Mr. Jake Stewart (Miramichi—Grand Lake, CPC): Thank you, Mr. Chair, and thank you, Mr. Bains, for reappearing today.

We received the disturbing report from the Auditor General last June, in which she found that the Trudeau government has turned the once legitimate Sustainable Development Technology Canada into a slush fund for Liberal insiders. The Auditor General made it clear that the blame for this scandal falls—

Mr. Nathaniel Erskine-Smith: I have a point of order.

I'm just curious. As a point of clarification, when a member misstates an official document, as he just did, is that to be corrected at some point?

The Chair: Mr. Erskine-Smith, I'm here to move the meeting along. There is flourish on both sides, and as I've stated before, a government member will follow Mr. Stewart, and there will be the right to reply at that point.

Mr. Nathaniel Erskine-Smith: So he is allowed to misstate an official document from an official—

The Chair: Mr. Erskine-Smith, this is not a point of order.

On the same point of order, Mr. Cooper, I will hear from you.

Mr. Michael Cooper: I'll just put on record the complete picture, which is that Ms. Verschuren said that the minister spoke to her, as did his policy adviser, and Leah Lawrence said that she talked to Mr. Bains three times before she agreed, and she said that he did know that she had a direct conflict.

The Chair: Thank you, Mr. Cooper. Your point has been made, which I think is why we're here and why we're doing this study. There are many statements out there that contradict one another.

Ms. Khalid, you have the floor on the same point of order.

Ms. Iqra Khalid: Thank you, Chair. I just want to clarify, because this is actually quite concerning, and more in a broad sense as opposed to on the specific topic at hand.

Is it okay for members to outright lie or to put misstatements on the record that cannot be corrected? I mean, I could come to this committee today and say, "Hey, the sky is red." Would that be something that would not be corrected?

• (1745)

The Chair: You are certainly entitled to say that, Ms. Khalid, and—

Ms. Iqra Khalid: I'm not sure why, then, we are—

Mr. Rick Perkins: You can say it when you get the floor.

The Chair: That's right. Ms. Khalid, you'll have the floor right after Mr. Stewart to address any concerns you have about things that were said previously.

To reiterate, yes, it is your right to say the sky is red.

I'm sorry. Mr. Cooper, is this a point of order?

Mr. Michael Cooper: It's on the same point of order.

For Ms. Khalid to impugn the integrity of members of this committee when I am simply reading verbatim from transcripts of committee testimony—

The Chair: Yes, I know.

Ms. Khalid, I will—

Mr. Michael Cooper: —and she says the testimony is lies....

The Chair: I hear you.

Mr. Michael Cooper: Does she live in an alternate universe?

The Chair: Mr. Cooper....

Ms. Khalid, it is not helpful to accuse colleagues of lying, but I'm going to hear from you.

Ms. Iqra Khalid: I would like to address the concerns.

The Chair: Yes. Go ahead, please.

Ms. Iqra Khalid: Thank you so very much.

We live in the same universe. I would appreciate it if my colleagues across the way were more truthful in how they—

Mr. Michael Cooper: You should read the testimony.

The Chair: Thank you.

Ms. Iqra Khalid: —frame an issue and actually....

Excuse me?

Mr. Michael Cooper: Read the testimony.

The Chair: Mr. Cooper, you too will have another turn.

Ms. Khalid, if you could, please conclude.

Ms. Iqra Khalid: You know, Chair, there's no way of getting through to them. That's fine.

The Chair: Again, I appreciate words like “untruthful”. That's parliamentary. The other word I would urge all members to avoid.

Mr. Stewart, it's back to you for just over four and a half minutes.

Mr. Jake Stewart: Thank you, Mr. Chair.

The Auditor General made it abundantly clear that the blame for this scandal falls squarely on you as the former Liberal industry minister, and the current industry minister, who did not sufficiently monitor the contracts being given to Liberal insiders. The Auditor General found that the Liberal-appointed SDTC board gave \$330 million of taxpayer money to companies for which the board members who voted to give out that money had a conflict of interest.

In addition, the Auditor General found that the same Liberal-appointed board approved another \$59 million for projects that were not eligible for funding because they were outside of the SDTC foundation's mandate. The Auditor General said at least 10 of those projects did not even produce green technology or contribute to emission reductions whatsoever.

Last week, we had a senior official from the Privy Council office, the Prime Minister's own department, testify as we are trying to seek clarity on Annette Verschuren's appointment as chairperson in 2019. The lack of consistency in witness testimony certainly looks like a cover-up at the highest levels of the current government.

Ms. Verschuren testified that she did not apply for the chairperson role but was called two or three times by you, Mr. Bains, in your former role as industry minister, asking her to take the job. Leah Lawrence, the president of SDTC, also testified that Minister Bains absolutely called Annette Verschuren twice, or multiple times. This was after nearly a year-long selection process had already produced a short list of names for your consideration, but then suddenly Ms. Verschuren's name was suspiciously added, and she was appointed the chairperson on June 19, 2019. We have not been able to find out why there was a last-minute addition. It was certainly the beginning of the culture of corruption at the Liberals' green slush fund.

Ms. Verschuren testified at the industry committee on September 16 that she did not apply for the chair position. As I said earlier, she said you approached her two or three times to take the position of chair of the Liberals' green slush fund—

Mr. Francis Drouin: On a point of order, Mr. Chair, it has nothing to do with debate. You've been pretty hard on us for reading something, and I'm pretty sure, although I respect Mr. Stewart, that he's reading as well, so we're just.... Apply the same rules you have given us, the same—

The Chair: I'm sorry, Mr. Drouin. That is when we're debating a motion. In your time with a witness, you could read for five minutes, and it would not.... It's your five minutes. Members can read or they can cite evidence. There's no problem with that. It's when we're debating a motion that we require members to be....

Mr. Francis Drouin: I get it.

The Chair: Okay. Thank you.

You can back up, Mr. Stewart. I will give you a little more time.

Go ahead, please.

Mr. Jake Stewart: Thank you, Mr. Chair.

I would submit that these are my own questions that were prepared, and because of the chronological order, I'm trying to keep them in line.

I'll go back to my questioning.

In your testimony to the public accounts committee on October 9, you stated that you couldn't recall asking her to take the position. I'm referring to Ms. Verschuren. Earlier today in your testimony, you stated it was “not uncommon” for you to call people to ask them to apply. These are your words, Mr. Bains.

Ms. Verschuren remembers you calling her two or three times, and Leah Lawrence remembers you calling her at least twice.

This is my question for you today. I can guarantee you that a proper answer is not, “As I stated earlier, this particular file wasn't my role.” I would like a real answer and a new one.

Why did the president and Annette Verschuren, between the two of them, remember as many as five phone calls, and you remember none? Why is that?

• (1750)

Hon. Navdeep Bains: As I said, the answer to your question is very clear. The Privy Council official highlighted on a number of occasions that Ms. Verschuren did apply. That is public—

Mr. Jake Stewart: I'll cut you off there. I'm cutting you off because I didn't ask you if she applied; I asked you if you phoned her. Everybody remembers you phoning her except for you.

Therefore, I'm going to ask you again: Isn't it true that you called Ms. Verschuren and asked her to apply for the position? That's a yes or a no, to be very specific.

Hon. Navdeep Bains: I've answered that question multiple times, and I'm more than glad to answer that question again. It's not uncommon for me to reach out to a number of people. I don't recall the specific conversation. However, as I've indicated, we wanted more, not fewer, people to apply, and they had to go through a vetting process, which was conducted by the PCO.

Mr. Jake Stewart: Do I have any more time?

The Chair: You have time for one more question.

Mr. Jake Stewart: Thank you.

This is my last question, and quite frankly, it's the same question.

Former minister Bains, everyone in Canada knows that you called Annette Verschuren. Why can't you simply admit that you did that? You admitted that you called other people. Is it because you can't take accountability for this massive corruption of failure or that you won't take accountability? Clearly, you called others; you admitted it. Admit that you called her, and admit that it's a failure. That's my question. Admit it now while you still can.

The Chair: Mr. Bains, the floor is yours if you'd like to answer.

Hon. Navdeep Bains: Again, I've answered that question, and I'll answer it again. All individuals applied for the roles, including Ms. Verschuren.

Mr. Jake Stewart: Come on, Mr. Chair.

The Chair: Thank you very much.

We're moving on now to Ms. Khalid.

You have the floor for five minutes.

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

I'll start by highlighting that when I was first deciding whether or not to run in politics, I had to be asked a whole bunch of times. In fact, statistics show how many more times women need to be asked in order to fill these leadership positions. You know, there is the imposter syndrome that a lot of women deal with, including me, so I understand and appreciate why anybody would be encouraging women to fill important board positions and leadership positions, regardless of whether it's this situation or any other across our country.

I remember when Mr. Bains was a minister. He put forward a really important bill with respect to ensuring that there was equity within corporate boards. That bill that he put forward was one of my favourite pieces of legislation. Thank you for that, Mr. Bains.

Here is my question: Can you walk us through specifically what the process is? What does the process look like when somebody is going to become a part of a board? How does that process work? Then at what point does ministerial intervention or participation happen?

Hon. Navdeep Bains: The process is very open, and it was established in 2016. All appointments were public, and individuals actually had to apply.

In many instances, if, after applying, individuals meet the criteria, they would most likely be called for an interview, according to what the PCO official said. Those interviews are conducted.

Based on those, recommendations are made through an advice letter from the PCO to the respective ministers and their departments on those positions that the people are applying for.

Then the minister determines and makes a recommendation, which is called a Governor in Council recommendation. That's essentially the process.

It does engage the PCO, and it is open. It does encourage more people, and not fewer, to apply. There is a rigorous vetting pro-

cess—and it is my understanding that the PCO official took the committee through that—that looks at individuals meeting the criteria for the different jobs and positions that are publicly made available.

Again, all these positions are public, and my understanding is that every single person has to apply.

● (1755)

Ms. Iqra Khalid: Thank you very much for clarifying that.

Mr. Bains, given that you've come to this committee twice now to talk about the exact same issue, do you have any regrets about the situation at SDTC? Do you have regrets knowing that this whole affair has had severe consequences on an industry that relies on public funding to de-risk investments in that sector?

Hon. Navdeep Bains: The policy objectives are very clear, and you're right that the clean-tech sector is so important to Canada. The jobs that it creates, the innovation that it spurs, the entrepreneurs that it supports—those are the policy objectives, and you want to make sure that those policy objectives are advanced to deal with issues around productivity and around growth.

As you've indicated, it is deeply disappointing to see that a number of companies may not receive the funds at the appropriate time to scale and grow due to a number of issues that have been raised here. I think, as someone who believes in Canada, who believes in Canadian companies and who believes in our ability to succeed, that it's important that we have a vibrant and well-funded clean-tech sector.

My understanding—and I believe other witnesses have spoken to this—is that Sustainable Development Technology Canada played an important role in providing that funding for these companies and supporting Canadian entrepreneurs. I think that good work should not be underestimated, because we're in a global race for these jobs, for these technologies and for scaling these technologies. It's important now more than ever, when we deal with issues around productivity, that we find ways to support our Canadian entrepreneurs.

The Chair: Thank you very much. That is the time.

[*Translation*]

It's now over to Ms. Sinclair-Desgagné for two and a half minutes.

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

Mr. Bains, not only did Mr. Noseworthy attend the board meetings—his name appears in the minutes of every meeting—but he was also very involved, particularly in Ms. Verschuren's appointment. As Ms. Lawrence stated, Mr. Noseworthy was the one who contacted Ms. Lawrence, the president and CEO of SDTC, to tell her that Ms. Verschuren was going to be the new chair.

Were you aware of those conversations?

[English]

Hon. Navdeep Bains: This is the first time I've heard of such a process taking place.

[Translation]

Ms. Nathalie Sinclair-Desgagné: Does it strike you as normal that the assistant deputy minister would be the one to contact the president and CEO of SDTC to let her know who the new board chair was going to be? Was that a common process you saw during your five years as minister?

[English]

Hon. Navdeep Bains: Just to clarify, are you saying that the assistant deputy minister reached out to the current chair to say who the new chair was?

I just want to clarify. I apologize.

[Translation]

Ms. Nathalie Sinclair-Desgagné: No, he contacted Ms. Lawrence, the president and CEO at the time. He was the one who informed her who the new chair was going to be. A few days later, Ms. Verschuren was already on the board. That's what Ms. Lawrence said.

• (1800)

[English]

Hon. Navdeep Bains: There probably is a process, through a Governor in Council appointment recommendation, once passed through cabinet, of informing key stakeholders. I assume letting the CEO know would be part of the process. I just don't know the sequence or timing that you're referring to.

[Translation]

Ms. Nathalie Sinclair-Desgagné: They were calls in which Ms. Lawrence flagged that she had concerns regarding conflicts of interest because she knew Ms. Verschuren and was aware of the more than apparent potential conflicts of interest her appointment could mean. According to Ms. Lawrence, she actually mentioned those concerns to Mr. Noseworthy.

I imagine Mr. Noseworthy never discussed those concerns with you or the deputy minister.

[English]

Hon. Navdeep Bains: As I indicated, when it came to Ms. Verschuren or any of the other candidates who were presented to me, they had to go through a vetting process. I had enormous confidence in that process to determine what the names would be, and that's how I approached my position on making a GIC recommendation.

[Translation]

Ms. Nathalie Sinclair-Desgagné: The president and CEO of SDTC told the assistant deputy minister that she had serious concerns. You didn't hear about any of that. The assistant deputy minister simply kept it to himself because he was friends with Ms. Verschuren. That would definitely be understandable.

Did I get that right?

[English]

Hon. Navdeep Bains: What I can say—and it's on the public record as well—just to make sure we're on the same page, is that when Ms. Verschuren did want to apply or after she applied, she did engage with the conflict of interest commissioner to get guidance on whether she could proceed.

To your point, if such issues were raised, my understanding is that those issues were addressed in her approach with the commissioner to get clarification on whether she could pursue this position. My understanding, based on the testimony that's been presented, is that she did get clearance.

[Translation]

The Chair: Thank you.

[English]

Up next is Mr. Cannings.

You have the floor for about two and a half minutes.

Mr. Richard Cannings: Thank you.

I just want to clarify in my head the whole of what we're hearing here today.

It seems, Mr. Bains, that what you're saying is that there was no role for you to play in even knowing about a conflict of interest, let alone considering it—which strikes me as odd—and that all those discussions would have taken place from the deputy minister on down in your department and within the board itself.

Is that correct?

Hon. Navdeep Bains: In my opening statement, I mentioned that there were over 100 Governor in Council appointments. Those appointments were made through the recommendations given by the PCO.

My understanding is that all such issues were looked at through the vetting process and that ultimately any individual who did go through that process had an obligation to follow the Conflict of Interest Act. I believe that when you're dealing with such a number of appointments over a period of time, the process needs to be clear in terms of vetting the individuals, and then rules also have to be clear on how individuals should conduct themselves.

I firmly believe the onus is on the individuals to make sure that they comply with the act.

Mr. Richard Cannings: Getting back to what you might hear as a minister, I can understand that your ministry was one of the larger ones and perhaps a little complex, but you had a deputy minister who was hearing from people like Mr. Noseworthy about things.

SDTC was, I would suggest, a very large and important project under your ministry. It wasn't some minor thing way down low. SDTC dealt with a lot of money and lot of important projects. I would say it was one of the flagship projects of your government in terms of trying to deal with climate challenges, one that you would be, I would hope, very proud of and that you would hear about from your deputy minister on a regular basis as to how all that was going.

Here we have an assistant deputy minister sitting in on the board meetings and hearing things that the Auditor General found concerning, yet your deputy minister never reported to you. I don't know how often you spoke to your deputy minister. I would hope it was on a daily basis, but you never heard anything regarding these issues from the deputy minister.

• (1805)

Hon. Navdeep Bains: To answer the two questions that I believe you have posed, first, in the clean-tech sector, Sustainable Development Technology Canada and the role that it played in providing capital were important, again for the reason I stated before with another member who asked me about the clean-tech sector.

Second, I did speak with my deputy minister on a regular basis. The issues that you are highlighting were never brought to my attention.

The Chair: Thank you. That is your time.

I gave you a little bit more to make up for your opening. You were short there and you will have one other opportunity, Mr. Cannings, as well. There will be one more round after this.

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

Mr. John Nater (Perth—Wellington, CPC): Thank you, Mr. Chair, and through you, thank you, Mr. Bains, for joining us here this afternoon.

I want to pick up again on the appointment of Ms. Verschuren as chair of SDTC.

Where I'm struggling is that on the one hand, you're saying that this was a new appointments process that the government had put in place. Where I struggle is that the PCO informed this committee that the application for this position for chair was open from September 21, 2018, until October 12, 2018; that 54 people applied; and that Annette Verschuren was not one of those people.

Then we find out from testimony from Ms. Verschuren that "I was requested to consider being an applicant."

The application period reopened and Ms. Verschuren applied, after being requested to apply, on April 30, 2019, which was six months after the original application period had been opened.

Did you request that the application period be extended?

Hon. Navdeep Bains: Pertaining to the number of PCO advice letters I received, I believe it wasn't uncommon to get multiple letters and multiple recommendations for positions that people applied to. In this particular instance, that was the case.

Mr. John Nater: You're telling me that of those 54 applicants, not one had a clean record, with no conflicts of interest, who could

have been appointed. You could have avoided all this mess had you accepted one of those 54 appointments, but none of those 54 were qualified.

Hon. Navdeep Bains: No, what I'm saying is that sometimes you receive multiple letters and you take a look at it holistically. My understanding, according to the PCO official, was that 54 people applied, and I believe 47 applied after that. It's great to see more people apply, not fewer. That means there are more names in the system. I believe, according to the PCO official, that three candidates were also interviewed.

The point I'm making is that it's not uncommon to have multiple rounds, multiple vettings and multiple names.

Mr. John Nater: I'll just stop you there. All else being equal, would you at least agree that it would have been preferable to have named someone who didn't have conflicts of interest? Would it not have been preferable to accept one of those other nearly 100 applicants had they not had conflicts of interest? Would you at least agree with that?

Hon. Navdeep Bains: I would make two points, Chair, to the member.

One, a position is open until it's filled. Names keep on coming to the system until an announcement is made. Two, when the announcement for Ms. Verschuren was made, it was well received. It was something that I know was public. People understood the work that Ms. Verschuren had done for the previous Conservative government and her reputation as a business leader.

What I'm getting at is that it was all public.

Mr. John Nater: I want to get back to the point, though. With the benefit of hindsight, at least, would you agree that it would have been preferable not to have nominated Ms. Verschuren but to have instead nominated someone who didn't have a conflict of interest? With the benefit of hindsight, would you at least agree with that point?

Hon. Navdeep Bains: Respectfully, if I may, Mr. Chair, I think the core issue here is people following the Conflict of Interest Act and holding themselves to the obligations under that act.

With regard to Ms. Verschuren's credentials, they were impeccable. She was highly regarded in both the public and private sectors.

Mr. John Nater: You mentioned in a previous response that the onus is on the individual to follow the rules. Is there not a similar onus on you as well, as the responsible minister under the Canada Foundation for Sustainable Development Technology Act, to ensure that people who are put into those positions don't have conflicts of interest? Is there not also an onus on you to make sure that you're not putting people in who have clear conflicts of interest and that you are aware of those conflicts of interest when you are making the appointments?

• (1810)

Hon. Navdeep Bains: There are a few components to that.

One, there's the responsibility of the minister to appoint seven of the 15 people through the new appointments process, which vets these individuals. That was done. Second, it's important to note that the individuals have the credentials that meet the requirements. In this particular case, Ms. Verschuren had the qualifications. More importantly, her reputation as a businesswoman, as a business leader, was well known.

The Chair: Be very quick, Mr. Nater.

Mr. John Nater: I just want to see this: Could you at least agree that appointing someone without conflicts of interest, who would not be in a position to fund their own businesses—would you at least admit, with the benefit of hindsight—that this would have been preferable?

Hon. Navdeep Bains: The preference is for people to respect and follow the Conflict of Interest Act. I think that's the take-away.

The Chair: Thank you very much.

Up next is Ms. Yip for five minutes, please.

Ms. Jean Yip: Thank you.

Mr. Balsillie, the previous chair of SDTC, has stated publicly that the government was looking to replace him and find a replacement quickly, and that his views were contrary to the government's in certain regards. This was in the spring of 2019. The PCO has sent us a document that includes the initial job posting for the chairperson position. That was posted in March of 2018, a year before the final appointment. That appointment took a long time to fill.

When was Mr. Balsillie's term coming to an end?

Hon. Navdeep Bains: I don't recall a specific timeline of when the appointment was coming to an end. I think it's important to note that if you are a current chair, or you had a current role or position, you had to apply. You had to apply to the position.

I had a very good working relationship with Mr. Balsillie. I held him, as did my team, in high regard.

Ms. Jean Yip: Why was the government of the view that a new chairperson was needed? Why wasn't he kept on for another mandate?

Hon. Navdeep Bains: Again, these positions come up and you have to apply for them.

I think the key take-away here is that under the new appointment process, even if you are to renew someone, they have to apply. Regardless of whether or not a person is well respected, they must apply for the position.

Ms. Jean Yip: Can you speak about the difficulty of finding a new chairperson?

Hon. Navdeep Bains: Look, it's an important skill set to have. It's someone who understands government and the business sector and who has that public-private background. I think Canada is full of talented people.

The big take-away regarding our institutions and system is this: How do we really open it up to Canadians? How do we make sure Canadians are aware of the opportunities? How do we make sure Canadians understand they can serve and have an impact? I think the take-away here is about getting the message out there.

As I've stated on a number of occasions in answers I've given to this committee, it was not uncommon for me, my staff or others to go out there and say, "Look, apply. These are important roles. We want the best and brightest." I have complete confidence in the new appointment process that vets these individuals.

When names were given to me, two things were apparent. One is that we really opened it up. It is open. It is transparent and merit-based. People who are the most qualified and best positioned have these opportunities. I think that's the key take-away. That's what the new appointment process tries to accomplish. In this particular instance, as stated by the PCO official, a lot of people applied. It was great to see that. Ultimately, a number of recommendations were made to me.

Ms. Jean Yip: I believe it was 100 people. That's a lot.

Hon. Navdeep Bains: I believe it was over 100. That is correct, Mr. Chair.

Ms. Jean Yip: You said it's not uncommon to speak to prospective applicants and encourage them. How did you encourage them?

• (1815)

Hon. Navdeep Bains: Mr. Chair, that's a great question.

If I was at events, meeting people.... You know, public officials are constantly out there speaking to a lot of people in different capacities. I would say, "Look, as part of the new government, it's important that we attract the best and brightest from across the country. There are a number of opportunities. Go to the website. Look at the opportunities." These are the kinds of casual conversations you have with people when you meet them or talk to them. That's why I don't recall every specific conversation.

As I said, this was an appointment that took place over five years ago. I made over 100 Governor in Council appointments. I received hundreds of recommendations, probably. If you take, on average, four per appointment, that's over 400 names. I don't recall all of the names. I don't recall all of the conversations.

However, I think people can have confidence in the fact that these individuals had to apply. They had to put their name forward. There was a process to vet them. This process engaged our public sector, and these individuals had to meet certain criteria. I think that's the important take-away, if I may say so, Mr. Chair.

Ms. Jean Yip: Okay.

Just to be clear, was there any indication during the appointment process that the process you saw time and again was not followed?

Hon. Navdeep Bains: No.

My understanding is that with this or other appointments, the whole objective of the new appointment process is to have individuals apply. In some instances, if they move ahead in the application process, they are interviewed. I think it is a rigorous, transparent and open process, one that is open to all Canadians. On balance, at times, it might take a bit of additional due diligence and time.

I had confidence in the new process and that the vetting was done in a professional way.

The Chair: Thank you very much. That is the time.

We are beginning our fourth and final round. Again, it will be for six minutes.

Mr. Cooper, you have the floor for five minutes.

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

Former Liberal minister Bains, your department had contribution agreements with SDTC. It was funding SDTC. Is that correct?

Hon. Navdeep Bains: My understanding is that we allocated funds to Sustainable Development Technology Canada.

Mr. Michael Cooper: Yes, and it was through contribution agreements.

Why did your department, under your watch, fail to conduct even a single audit to determine SDTC's compliance with the contribution agreements with your department? Why did that not happen?

Hon. Navdeep Bains: The monies were allocated to this arm's-length organization that made the determinations. There are regular routine checks and balances that exist in the system. My understanding is that those processes were followed.

Mr. Michael Cooper: Checks and balances didn't work, because \$59 million of taxpayer money went out the door in contravention of the contribution agreements with your department.

Were you unaware that millions of dollars of tax dollars were going out the door improperly? Is that what you're saying? Were you oblivious of that fact as minister?

Hon. Navdeep Bains: To answer that question, Mr. Chair, I've been very clear that the members on the board are independent. They make these decisions independently—

Mr. Michael Cooper: Former Liberal minister Bains, do you accept that your department had a responsibility to see that the fund used public funds appropriately?

Hon. Navdeep Bains: Mr. Chair, as I was saying before I was interrupted, this is an independent board that makes independent decisions—

Mr. Michael Cooper: I would invite you to read paragraph 6.68 of the Auditor General's report, which says precisely that. We're talking about a billion tax dollars here that your department sent to SDTC. Your department had a duty to see that those funds were being used appropriately.

Did you ask any questions of anyone about what was going on with a billion taxpayer dollars that your department was responsible for overseeing?

Hon. Navdeep Bains: Mr. Chair, as I stated before, this independent board had clear rules on how to make decisions, on how to al-

locate funds, on how to engage management and how to oversee the day-to-day operations. That is why it's an arm's-length organization—

• (1820)

Mr. Michael Cooper: How often did you make inquiries about what was going on at SDTC? How often did you speak to your deputy minister? How often did you speak to ADM Noseworthy, who was sitting in on every one of these board meetings in which there were conflicts in which tens of millions of dollars improperly went out the door?

Hon. Navdeep Bains: Mr. Chair, again, the issues with respect to the conduct of the board members were not brought to my attention.

Mr. Michael Cooper: Before you went to cabinet and requested that \$750 million be sent over to SDTC, did you ask for any kind of report or any sort of overview of what was going on at SDTC, such as an audit?

Hon. Navdeep Bains: As the member knows, when monies are allocated, they're part of the budget that is debated in the House of Commons. It was all done in a very open, transparent way about where the funds would go—

Mr. Michael Cooper: Former Liberal minister Bains, do you accept the principle of ministerial responsibility?

Hon. Navdeep Bains: I think it's important to advance the interests of Canadians to make sure that we continue to support, in this particular instance, the clean-tech sector.

Mr. Michael Cooper: Former Liberal minister Bains, it's clear that you were AWOL as minister. You didn't care, and as a result, \$400 million of taxpayer money improperly went out the door at SDTC.

Will you at least accept responsibility that you didn't do proper due diligence and that you didn't ask the right questions, or is it that you just didn't care and turned a blind eye?

Hon. Navdeep Bains: Mr. Chair, respectfully to the member, I care very much about the clean-tech sector. I've stated why it's important and why we had sustainable—

Mr. Michael Cooper: Mr. Bains, what you don't care about is the taxpayer.

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

The Chair: Wait one second. I'll come back to you, Mr. Cooper.

Ms. Iqra Khalid: I just want to flag that the bells are ringing. What's going on?

An hon. member: It's a quorum call.

Ms. Iqra Khalid: I'm sorry; I didn't mean to interrupt.

The Chair: You have time for a last question, Mr. Cooper, and not a long wind-up. You have time for a succinct question.

Mr. Michael Cooper: Former Liberal minister Bains, it's clear that you don't care about conflicts of interest and that you don't care about the stewardship of taxpayer dollars. As a result, \$400 million improperly went out the door under your watch as minister. When I asked you whether you take responsibility, you couldn't even answer that. You have no shame.

Ms. Iqra Khalid: That's terrible, Chair.

Why would you say that?

The Chair: Thank you very much.

We'll move on now to Mr. Drouin.

You have the floor for five minutes, please.

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

Mr. Bains, I've heard a lot of sanctimonious accusations towards you, and I'm not going to repeat the line. However, you are a private individual, and I respect that. I hope that when former ministers come to this committee, we have the respect to treat them as private citizens.

The official opposition is making a lot of accusations, such as wasting taxpayer dollars or not being accountable, but I have yet to hear any member of the official opposition speak on their conduct of spending private taxpayer dollars on party conventions. I'm just waiting to hear if Mr. Perkins, Mr. Brock or Mr. Nater paid back the dollars. They want to come into power, yet they're lecturing us on the importance of spending taxpayer dollars. We stopped this practice in 2014, but the Conservatives haven't stopped that.

Mr. Larry Brock: How was Nanaimo?

Mr. Francis Drouin: Well, Nanaimo was not a party convention, Mr. Brock, and you should know that. There's a difference. That's why we stopped this practice in 2014.

[*Translation*]

As we say in French, just because something is legal doesn't mean it's morally acceptable.

[*English*]

On that, Mr. Bains, obviously you've come here for the third time, and the official opposition is trying to say that you should be the judge of conflict of interest. My question to you is this: Why do we have an Ethics Commissioner?

When you were appointed minister, obviously you had to go through a scrutiny, just like all members of Parliament, but there's a harder scrutiny on ministers in particular. You have to report everything to the Ethics Commissioner, but the onus is on you. Is that correct?

Hon. Navdeep Bains: First of all, I just want to start by saying that I very much respect the work that the committee members are doing and that parliamentarians do. As I said, I'm here to answer the questions, and I've been answering all the questions that have been posed to me.

With regard to the last question that was asked in terms of the responsibilities of public office holders, you're absolutely correct: The onus is on the individuals. I know of many instances of public office holders who have reached out to the independent Conflict of Interest and Ethics Commissioner to get advice, to get that impartial feedback, so that they can conduct themselves in a manner that allows them to fulfill their duties.

That is why I think the key take-away for members in this committee, if I may say so, is that the crux of the matter, the core matter here, is how individuals conduct themselves, and they must hold themselves to this high standard. That's really the issue here.

I think individuals were very clearly vetted and qualified. Individuals had the ability to serve. However, the issue with regard to their conduct and how they need to engage is done in a manner that needs to be consistent with the Conflict of Interest Act, and as the member rightly pointed out, the onus is on all public office holders.

● (1825)

Mr. Francis Drouin: That's right, and we do have an Ethics Commissioner who has produced a report on Ms. Verschuren. I think my colleague Mr. Erskine-Smith has properly quoted the issues about Ms. Verschuren. I want to confirm this, because I get the sense that we're trying to tie the decision-making directly to you or to the minister's office, but you or your staff were never involved in the day-to-day operations of SDTC. Is that correct?

Hon. Navdeep Bains: Mr. Chair, the member is correct. SDTC is an arm's-length organization. The management oversees the day-to-day operations, and there was no involvement from the department on the day-to-day decisions made by Sustainable Development Technology Canada.

Mr. Francis Drouin: What we're left with here are a few individuals who did not follow the act. They were properly appointed and followed the due process. We already know this because this is all public information. The Ethics Commissioner has already ruled on Ms. Verschuren, on her conduct, on the sections of the act that she contravened and on the sections of the act that she did not contravene.

Mr. Chair, I think Mr. Bains has made an appearance and I want to thank him for coming back here.

I will conclude my questioning because I think I have heard everything we need to hear on the particular matters of Mr. Bains and SDTC.

Thank you.

Hon. Navdeep Bains: Thank you very much, Mr. Chair, for the opportunity to answer these questions in great detail. As I said, the work that the committee does is very important.

The Chair: Thank you very much.

We have a few more members remaining.

[*Translation*]

Ms. Sinclair-Desgagné, you may go ahead for two and a half minutes.

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

I'm going to continue my earlier line of questioning.

Mr. Bains, when Ms. Lawrence appeared before the industry committee, she was quite clear that she had told Mr. Noseworthy, the assistant deputy minister, about her concerns regarding Ms. Verschuren's conflicts of interest. She did so not once, but twice.

Does that surprise you?

[*English*]

Hon. Navdeep Bains: This was new information and something I heard about later on, but not during my tenure at ISED.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: I see.

The fact that the president and CEO of SDTC said she considered Ms. Verschuren's appointment as board chair risky is a very important piece of information.

Do you think Mr. Noseworthy should have passed on that information to the deputy minister at least?

[*English*]

Hon. Navdeep Bains: There are potential routes for how that could be addressed. One such route is that the individual—in this particular case, Ms. Verschuren, for example, whom we're talking about—did seek the advice and counsel of the conflict of interest commissioner.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Bains.

I don't have a lot of time, and you've already said that.

When it comes to the process of appointing someone, the fact that Ms. Verschuren had an apparent conflict of interest and that the president and CEO of SDTC had flagged it several times is highly pertinent information.

You were the minister for more than five years and appointing this individual was the minister's responsibility. Don't you think, then, that it is the assistant deputy minister's job to advise the deputy minister of a major conflict of interest in relation to an appointment process? In this case, the minister's office and, by extension, the minister should have been informed as well.

Did you just have blind trust in the department?

• (1830)

[*English*]

Hon. Navdeep Bains: No. I would respectfully say to the member that it was the vetting process, which I respected a great deal and was led by the PCO, that would make recommendations. That gave me confidence that the individuals met the criteria.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair. That's all for me.

The Chair: Thank you.

[*English*]

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

Mr. Richard Cannings: Thanks.

I will continue on. I'm trying to stick with things that are clearly your responsibility, or were your responsibility, Mr. Bains.

One of those, as I mentioned before, is that under the act, the minister is responsible for ensuring that board members are appointed, or at least seven out of the 15 are, I think, and yet there were times, as I mentioned, when those numbers declined drastically. I can't imagine how the board would properly function with only three of those members.

I'm wondering what the process was for appointing the board members that you were responsible for. Were the searches and the openings initiated by the PCO? Who put that out? Was it through your staff, and then to the PCO and then back to you? What was the process, and why did it fail?

Hon. Navdeep Bains: All these appointments were made public through an appointments website that's available to everyone. There could be potential gaps, for a whole host of reasons, in terms of delays or when an appointment is made depending on the vetting process and the number of appointments, etc. However, as I said, and as the member has indicated, the responsibility of the minister of ISED was to appoint seven of the 15 members. That's what I did during my tenure: I appointed individuals.

Again, these individuals have to go through that vetting process. In some instances, that could take a bit longer than anticipated because there were so many people applying. When you start a new appointments process as well, you want to make sure it's properly resourced, so there could be some growing pains associated with that timeline.

Mr. Richard Cannings: That's all I have, Mr. Chair.

The Chair: Very good, then. Thank you.

We're turning now to Mr. Perkins, and then we will hear from Mr. Erskine-Smith.

You have the floor for five minutes, Mr. Perkins. Please go ahead.

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

Thank you, Mr. Bains.

Do you know who Leah Lawrence is?

Hon. Navdeep Bains: Yes. She is the former CEO of Sustainable Development Technology Canada.

Mr. Rick Perkins: You can't recall talking to Ms. Verschuren during her appointment process, although she testified before committee that you did.

Do you recall talking to Ms. Leah Lawrence about it, and asking her to vet the two names?

Hon. Navdeep Bains: No, I do not recall having such conversations.

Mr. Rick Perkins: Do you recall any conversations with ADM Noseworthy? He sat in every board meeting and told you and your office that the proposed board chair, Ms. Verschuren—contrary to MP Erskine-Smith—was the first in the history of SDTC to be appointed as chair of the board with a conflict of interest.

Hon. Navdeep Bains: Mr. Chair, as I mentioned, individuals should follow the Conflict of Interest Act. That's point one.

Point two is this: Again, no issues were raised for my attention in terms of the conduct of the board on a day-to-day basis, because this was an arm's-length organization.

Mr. Rick Perkins: Do you recall the former head of corporate affairs for SDTC, who, prior to that, worked in the current Prime Minister's Office? Do you recall her talking to you and your office about the conflict of interest?

• (1835)

Hon. Navdeep Bains: Again, I don't know who you're referring to.

Respectfully, as I said, these appointments were made over five years ago, so I don't have specific recollections about conversations or names on lists.

Mr. Rick Perkins: Mr. Chair, I'd like to move a motion because of the apparent amnesia of the witness. I'd have thought he would better prepare for committee, now that he's had a couple of shots at it over the last couple of months.

There are some other folks we need to hear from at this committee regarding the appointment process, in order to fill in the gaps that former Liberal minister Bains conveniently can't remember.

I move:

That the committee invite former president of SDTC Leah Lawrence to appear in relation to the ongoing study of the Auditor General's 2024 Report 6 on Sustainable Development Technology Canada; and that the committee also invite Andrew Noseworthy, former assistant deputy minister at the Department of Industry.

The Chair: Hold on one second.

Yes, I see you, Madame Sinclair-Desgagné.

Mr. Perkins, have you submitted the motion to the clerk, as read out?

Mr. Rick Perkins: Yes, I believe we have, but—

The Chair: I see Ms. Khalid as well.

I am going to suspend here. We're going to get the motion to you all and we'll come back in about two or three minutes.

Mr. Bains, in the meantime, if you want to get up and stretch your legs for a few minutes, you're certainly welcome to do that. Just hold on, please. You know how these things go sometimes. They can be short or long. I'd like to test the temperature of the room before making a decision.

If you want to step out for three to five minutes, that's no problem.

Hon. Navdeep Bains: Thank you very much, Mr. Chair.

The Chair: This meeting is suspended for three to five minutes.

• (1835) _____ (Pause) _____

• (1840)

The Chair: I call this meeting back to order.

I have several hands up. Currently, I have Madame Sinclair-Desgagné after Mr. Perkins, and then Ms. Khalid and Mr. Erskine-Smith.

Mr. Perkins, you have the floor.

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

It's evident, and I sort of did it in the questioning, that I believe these two witnesses are key in discovering the reporting on the 82% of conflicts when Mr. Noseworthy was in every board meeting and directly responsible to report, and the former minister claims he was unaware of anything that was going on. This surprises me. Why else would an ADM be there?

Second, I think the former CEO can shed some light on this appointment process, since, as the leader of the organization, she was involved in the communications and the discussions between the minister's office and the ADM on the appointment and selection process for this particular chair, Ms. Verschuren.

I know the Ethics Commissioner's report says two, but when he was questioned at this committee, his office admitted there were actually 24 conflicts that were rolled up under two categories. That's for those who haven't taken the time to read his testimony.

I think it's important, in trying to get to the bottom of this, that we have these two witnesses before the committee, whom we haven't had appear.

• (1845)

The Chair: Thank you, Mr. Perkins.

[Translation]

Next on the list is Ms. Sinclair-Desgagné.

Ms. Nathalie Sinclair-Desgagné: I support Mr. Perkins' motion. I think we can get more answers from the people listed in the motion.

I would, however, like to amend the motion by adding the names of two individuals whose comments, I believe, will be very relevant to our study. Here are their names.

The first is Zoë Kolbuc, vice-president of SDTC. She was in that position when the Auditor General conducted her audit, and she still is.

The second is Douglas McConnachie. He was the assistant deputy minister and could certainly give us more answers. The witness's current testimony raises even more questions than we had before, so I hope that hearing from these additional individuals will help move our study forward.

[English]

The Chair: All right. I'm going to suspend....

[Translation]

Ms. Sinclair-Desgagné, could you have the two names to us in a few minutes?

Ms. Nathalie Sinclair-Desgagné: They should have already gone out. You'll have them in 30 seconds, if not 10. I demand a lot of my staff.

The Chair: Very good.

[English]

Shortly we will be on an amendment to the motion to add two additional names. Those names are being sent to the clerk momentarily, at which point we will send them out.

For the sake of debate, if it's all right with Ms. Khalid and Mr. Erskine-Smith, I'll put them to the top of the list to speak to the amendment.

Mr. Bains, I'm going to come back to you in a second. I'm going to take the temperature from a government member. If this is going to be a lengthy process, I will look for agreement to excuse you, but let me first check with the government members, because one time I acted a bit too hastily and was politely reprimanded or politely scolded or talked to. I'm going to check with the clerk here.

Give me a few seconds, everyone.

I'm just waiting for those names. I'll come right back to you as soon as the clerk has them and they're sent out. Then I'll go to Ms. Khalid.

• (1845) _____ (Pause) _____

• (1850)

The Chair: Everyone, I'd like your attention, please.

The amendment to the motion has been sent out to you all.

Ms. Khalid, you have the floor. Then it's Mr. Erskine-Smith and after that it's Mr. Brock.

Go ahead, please.

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

I appreciate all of our members' concerns on this issue, and I really do respect the way that this issue has been raised, although I think it could have been done with a little bit more class.

Ultimately, I'm not sure what the objective is here. The majority of the witnesses who are presented in the amendment and the main motion—I'll speak to both of them all at once, Chair, with respect to efficiency—have appeared at previous committees before on this exact same issue, and I'm happy to highlight which committees they've attended, and when.

Leah Lawrence appeared twice on SDTC, at the ethics committee on November 8, 2023, and the industry committee on January 31, 2024. Andrew Noseworthy has appeared twice already as well, at the industry committee on December 11, 2023, and on June 5, 2024. ADM Douglas McConnachie appeared on SDTC at the ethics committee on November 8, 2023.

I'm not sure if members opposite feel that the witnesses are not giving them the answers they want. I'm not sure if there's any misconception as to what has happened. I think this has been a very, very well-documented affair thus far with respect to what has happened. I'm really not sure about the next steps, and I'm hoping that members opposite can perhaps clarify for me what the next steps are going to be.

At this point in time, we can keep calling witnesses back time and time again and then ask them the same questions again and again. Ultimately, what is it that we're trying to achieve here? If we as a committee can get to that understanding, perhaps we can outline a plan ourselves, based on consensus, as to where we want to go and how we're going to get there, because right now it looks like we're trying to grasp at straws. I don't think that is the best way for our committee to spend its time.

While I respect members and their interest in exploring this issue, I would encourage members to also note what the endgame is and perhaps work backwards from that endgame to where we are now. I don't think that this is what's happening. I think calling in people again and again from one committee to another and another is not helping them achieve what they want to achieve here. If they're trying to catch “gotcha” moments or whatever their objectives are, which are very unclear to me, I don't think this is the way to do it.

Chair, I park my comments there, but I hope that members understand and can outline why, how and what the objectives are.

Thanks, Chair.

• (1855)

The Chair: Thank you very much.

Could I ask members if there is agreement to excuse the witness?

I'm seeing a thumbs-up from Mr. Erskine-Smith, who is next.

Mr. Bains, if you're still with us, I want to thank you for your testimony today, and I appreciate your offer that if we have additional questions, you'll answer them in writing. If that happens, the clerk will follow up with you.

Thank you very much.

I'm going to turn now to Mr. Erskine-Smith. You have the floor to debate the amendment to the motion, please.

Mr. Nathaniel Erskine-Smith: Thank you very much.

There are two points that I want to make.

I'm not entirely new to the committee, Mr. Cannings, and it's good to be on committee with you.

I am not familiar with the previous testimony of Ms. Lawrence or Mr. Noseworthy. I understand that they didn't attend this committee. I understand that they attended twice, at INDU and ETHI.

The first point I want to make is that I'm not instinctively opposed to the idea. I haven't been able to ask any questions, but I would prefer to read their testimony first to determine whether it makes sense to invite them. Maybe the questions that I would ask have been answered. I genuinely don't know until I review the testimony. Some time, even over the weekend, would be appreciated.

This brings me to my second point, which is that tomorrow is Halloween. Keeping promises is important, and I promised my kids that I was going to carve pumpkins with them tonight. That's why I asked, Chair, if we were going to stick to two hours. I don't see any urgency here; this is going to exist on Monday as well.

I would move to adjourn, and I hope we all agree to take this up on Monday.

The Chair: I hear that motion.

Mr. Bains, I had excused you, but I'll repeat it because I think you stepped away and I didn't want to miss the flow here. I did, of course, say you were free to get up and stretch your legs.

I do want to thank you, Mr. Bains, for your testimony and participation and for appearing before this committee again today. I also appreciate your willingness to respond in writing to any additional questions we might have. Should that happen, the clerk will reach out to you.

You are excused, sir, and again, I appreciate your time tonight.

Thank you.

Hon. Navdeep Bains: Thank you very much, Chair. Thank you for the the opportunity for me to help answer all the questions that were posed.

Have a wonderful evening.

Thank you.

The Chair: Thank you again.

I have a motion to adjourn from Mr. Erskine-Smith, which is non-debatable.

I'll ask the clerk to call the question, please.

(Motion agreed to: yeas 6; nays 4)

The Chair: We'll see you back here on Monday. Happy Halloween.

This meeting is adjourned.

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