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Standing Committee on Public Accounts

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• (1125)

[*Translation*]

The Chair: Good morning, everyone.

The meeting is now public.

[*English*]

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

We are meeting in public at the request of the public accounts committee. We've been scheduled to sit in camera.

We're going to have a discussion concerning Report 8 of the 2023 reports, "The Benefits Delivery Modernization Programme".

[*Translation*]

Mr. Lemire, the floor is yours.

Sébastien Lemire (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chair.

Thank you to all members of the committee for agreeing to hold this meeting in public.

In fact, the benefits delivery modernization program has been the subject of meetings of this committee. To recall a bit of chronology, work began in the last Parliament. On September 18 and September 23, we held two meetings and adopted the report, which has been available on the website since September 23. It was released on October 9. It is customary for us to make recommendations in a report. That report contained six of them.

Here is some background for the people following our work. We're talking about the benefits delivery modernization programme. This dates back to 2017, when the government adopted the modernization of the old age security program in the amount of \$1.75 billion. According to a note to Minister Patty Hajdu for question period in June, the boondoggle was on the order of \$6.6 billion, so there is something extremely concerning.

The reason this is such a matter of public interest is that it is in the news, with one columnist saying that more and more seniors are not receiving their benefits. As a result, they often find themselves without income, since they rely on that cheque to make ends meet. This is a situation that I have also heard about in my constituency office, so I imagine it concerns more and more Canadian seniors who are already vulnerable because of the computer situation.

Why is this important? It is important because there is a cost overrun. The SAAQclie program in Quebec was the subject of a public inquiry because of a cost overrun in the order of \$500 million. Here, we're talking about 10 times SAAQclie's cost overruns. Therefore, I think it's extremely important to take a closer look at it, because there are failures, because our seniors won't receive the money in increased benefits—heaven knows they need it—and because this money won't help the various sectors of our economy.

Another thing is that the program was supposed to last until 2030. There is still room for a lot of failures, and it could become a bottomless pit, especially since we started with the modernization of the old age security pension, but then we had to modernize the delivery of employment insurance benefits and Canada pension plan benefits. We are very afraid of ending up with Phoenix 2.0, and there are very real concerns. The Cúram program had cost overruns.

I also want to recall something that is part of the questions I asked departmental representatives, which is that in 2015, the government was the subject of reports by the Office of the Auditor General because there had been failures in Ontario. Even at the time, there were red flags. I was told that we had not had any problems with Cúram, so we went ahead anyway. This has led to all of the escalation that we're seeing, with the bill inflated by extra costs ranging from \$2.2 million to a little bit more. In 2023, the Standing Committee on Public Accounts examined these overruns as a result of the Auditor General's report.

I want to go back to the work of our committee. The report that was tabled in the House had six recommendations, with a deadline of January 31, 2026. The first question I asked the clerk at the in camera meeting was whether we had received the documents. The answer was no, so I think there's a lack of respect for our procedure and, above all, a lack of respect for parliamentary privilege. I understand that some data is not easy to obtain, but a government that has been managing a program for over eight years now should have up-to-date data.

The first of the recommendations reads as follows:

That, by 31 January 2026, Employment and Social Development Canada provide the House of Commons Standing Committee on Public Accounts with a revised detailed cost estimate for the Benefits Delivery Modernization programme, and information on the programme's revised business case, implementation schedule and benefits realization plan.

I also added two recommendations. I won't list them all, but I think we need to make sure we get answers as quickly as possible, because it's very much in the public interest. Here is my recommendation 6:

That, by 31 January 2026, Employment and Social Development Canada provide the House of Commons Standing Committee on Public Accounts with a contingency plan with respect to the launch of the platform to prevent recipients from being left without income.

Obviously, we are talking about seniors, who are not all comfortable with computer systems and who may find themselves penniless. Given the skyrocketing cost of living, particularly the cost of groceries and housing, this can have an absolutely drastic effect on the lives of seniors, who call us more and more and have trouble with telephone systems. The contingency plan seems to me to be urgent for meeting the needs of people affected by the system.

To summarize, there were delivery failures, there were failures that made costs skyrocket and now there is another failure, which is that we have not received the answers we were supposed to. I think that parliamentary privilege has not been respected.

The Chair: Thank you, Mr. Lemire.

Mr. Deltell, you have the floor.

Gérard Deltell (Louis-Saint-Laurent—Akiawenhrahk, CPC): Thank you, Mr. Chair.

I want to begin by thanking and congratulating my colleague from Abitibi, Mr. Lemire, for his concern on this issue.

He first raised the fact that, as parliamentarians, we have the right to obtain documents. The documents were supposed to be tabled by the end of January. It is now February 2, and the documents still haven't come in. From a parliamentary standpoint, this non-compliance needs to be pointed out and corrected as quickly as possible.

Beyond parliamentary practice, there is the human aspect. Here, we're basically talking about cheques delivered to seniors. Regardless of our political stripe, we are all very aware of the vulnerable situation our seniors are in. For many people, this cheque is their only income for their twilight years or, in some cases, their later twilight years. In order to respect everything they have done to build our country and its wealth, the least we can do is ensure that they have a pension that complies with the government's commitment, but unfortunately, it does not arrive.

My colleague touched on another aspect of that. Beyond the lack of respect for parliamentary privilege, beyond the very serious human problems for the primary beneficiaries, meaning seniors, we see once again that the government is incapable of properly managing computer programs. We understand that these are old-fashioned systems dating back 30, 40 or 50 years. The Leader of the Government in the House of Commons blamed it on the fact that these are old things that need to be changed. However, these people have been around for 10 years, and it took them a while to start modernizing. Let's also remember that there are astronomical cost overruns and that, as stewards of public funds, we can't let this happen. We also understand that these overruns are not the first to ever occur, because heaven knows that every computer project involves a subscription. It seems as though it's over, then starts again the next

year. We've seen that at all levels of government. As a Canadian, I always wonder the same thing: Do large corporations, banks and systems with millions of customers face the same absolutely gargantuan inflation challenges when it comes to deciding on computer products and providing them, and the subscription model that rolls over every year and always involves cost overruns?

In closing, Phoenix has been a terrible burden for hundreds of thousands of Canadians. When Phoenix was being readied, the government of the day, the Conservative government, raised red flags three times. The ministers in office stopped the operation to conduct a review. When people voted in the 2015 election and a new majority government was elected, the Conservative minister in question told her successor to be very careful and feel free to stop the process if by chance he felt there was a problem. However, the process was not stopped. I remember it very well because I was the finance critic at the time when it became clear that no one was able to say exactly when Phoenix was given the green light. That way, no one was responsible. I remember that, in a parliamentary committee at the time, the witnesses were here, the senior officials were here. They identified three people who played a role. I remember very clearly that a senior official told me straight out that these were not the people who were responsible. I told her that I wasn't the one who had said it. The Auditor General, who was right next to her, had said it in his document.

It's not a matter of being partisan. As parliamentarians, we are all responsible for ensuring that our seniors have access to the money allocated to them. As stewards of public funds, every time there are major IT changes, we all have to focus attention on ourselves to learn from the mistakes of the past. Today, unfortunately, it is clear that we haven't learned much.

• (1130)

The Chair: Thank you, Mr. Deltell.

[English]

Ms. Yip, you have the floor, please.

Jean Yip (Scarborough—Agincourt, Lib.): I would just like to confirm with the clerk that we have not received any response back.

The Clerk of the Committee (Natalie Jeanneault): No.

Jean Yip: This is important, and I would suggest that we send a letter to the department, requesting the information within a very short time frame. As both of you mentioned, they've had ample time.

• (1135)

The Chair: Thank you.

[Translation]

Mr. Lemire wishes to speak. Afterward, I have a few comments to make.

Mr. Lemire, you have the floor.

Sébastien Lemire: Thank you, Mr. Chair.

This file highlights some important things. I would like to reread our recommendation 5:

That, by 31 January 2026, Employment and Social Development Canada provide the House of Commons Standing Committee on Public Accounts with a breakdown of the total project estimate for fiscal years 2017 to 2025 and actual expenditures as at 31 December 2024, or based on the most recent data, by type of cost and including the cost for internal salaries, professional services, including professional service fees and travel expenses, software and IT infrastructure, internal services, additional Shared Services Canada costs and sales tax.

Perhaps we can expect to see the 2025 data shortly as well.

I'll give an example to explain why I think it's important to get this data. In the appendix on page 18 of the English version of the report, Table A.1 shows travel expenses in the order of \$48,978,755, or a cost overrun of close to \$50 million in travel expenses. I don't think that's due to inflation, contrary to Minister MacKinnon's arrogant response claiming that it only affected a few seniors and there were possible computer failures.

It is absolutely essential to be able to see the breakdown of this type of expenditure, because, at the end of the day, taxpayers are the ones who are directly affected by the lack of services, but also by skyrocketing costs.

The Chair: Thank you.

[*English*]

There are several steps to take if the committee feels there has been a breach of privilege.

What I'm going to do today is heed Ms. Yip's advice.

[*Translation*]

Mr. Lemire, you're absolutely right. Our deadlines are to be taken very seriously, and Mr. Deltell supports you on that procedural point.

[*English*]

I know that just moving this meeting in public and hearing these direct concerns from parliamentarians will set off a chain of reactions in the department. I'm going to heed Ms. Yip's recommendation that we ask the clerk to send correspondence to the department immediately, looking for that information. If we do not have it by the end of the week, we will pick this up again on Monday, at which point I will recommend that we begin the process to report to the House that there has been a breach of parliamentary privilege. That is my recommendation and ruling here.

With that, I will suspend this meeting again. We're going back in camera.

[*Translation*]

Mr. Lemire, the floor is yours again if you have any comments to make.

Sébastien Lemire: Thank you, Mr. Chair.

I have a question for you.

On page 27 of the English version of our report, we submitted a request for a government response, pursuant to Standing Order 109. I believe there is usually a 45-day time limit. Since the October 9 report came out, the 45-day time limit has expired.

What are the consequences, since we haven't received a response from the government within the 45-day time limit?

The Chair: The government's deadline has not yet expired, as it is February 6. I think you have government's full attention now, so we'll see if that happens.

[*English*]

I'm not going to get ahead of things. The deadline has not passed yet, and I think you have their total attention, so I expect that information will come. If it doesn't come, we'll pick it up at the same time. Everyone has been warned now.

Look, these are important exercises. I think it is important to ensure that our rights as parliamentarians are always respected.

I thank you, Mr. Lemire, for bringing this forward today, and I appreciate your supporting me on the next moves here to get this information as quickly as possible. We'll pick it up if we don't receive it.

[*Translation*]

Sébastien Lemire: Thank you.

[*English*]

The Chair: This part of the meeting is now adjourned. We're going to go back in camera to pick up the work we were scheduled to do.

Thank you.

Please don't go far. We'll be back in five minutes.

[*Proceedings continue in camera*]

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