



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

45th PARLIAMENT, 1st SESSION

Standing Committee on Public Accounts

EVIDENCE

NUMBER 026

Monday, March 9, 2026

Chair: John Williamson



Standing Committee on Public Accounts

Monday, March 9, 2026

• (1105)

[English]

The Vice-Chair (Jean Yip (Scarborough—Agincourt, Lib.)): I call this meeting to order.

Welcome to meeting number 26 of the House of Commons Standing Committee on Public Accounts.

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. Oh, there are no members on Zoom.

I would like to remind participants of the following points. Please wait until I recognize you by name before speaking. All comments should be addressed through the chair.

Pursuant to Standing Order 108(3)(g), the committee resumes consideration of “Public Accounts of Canada 2024” and “Public Accounts of Canada 2025”, referred to the committee on Tuesday, December 17, 2024, and Friday, November 7, 2025.

I would like to welcome our witnesses. Thank you for coming today.

Gérard Deltell (Louis-Saint-Laurent—Akiawenhrahk, CPC): Madam Chair, before starting with their testimony, with my respect to them, I would like to table a motion.

[Translation]

My motion concerns an issue involving the Canada Revenue Agency that is deeply offensive. People are angry and outraged by what the Canada Revenue Agency is currently doing to the City of Laval. Therefore, I move:

That, in light of recent reporting that the Canada Revenue Agency is requiring the City of Laval to issue a payment of approximately \$1 million to former mayor Gilles Vaillancourt in order for him to remit taxes on funds previously stolen from the municipality and later returned, the committee invite the Minister of National Revenue and officials from the Canada Revenue Agency and the mayor of Laval to appear before the committee for no fewer than two hours at the earliest opportunity to explain the Agency's decision making process in this matter and to clarify the Liberal government's position on requiring a municipality to transfer taxpayer dollars to a convicted former official for the purpose of settling a tax liability related to proceeds of crime.

Madam Chair, like I said, there are many questions surrounding this situation, which was revealed this morning by Thomas Gerbet of Radio-Canada. We have to get to the bottom of it. The best way to shed light on the situation is to allow the minister to appear at the committee, and for the mayor of Laval to explain his position.

[English]

The Vice-Chair (Jean Yip): Thank you. We'll need to have that in writing, in both languages.

We have, from the Department of Housing, Infrastructure and Communities, Paul Halucha, deputy minister; Michelle Baron, assistant deputy minister and chief financial officer, corporate management sector; and Matt de Vlieger, assistant deputy minister, strategic policy and integration sector.

We do not have any opening statements, so we will now proceed to rounds of questions.

The first round is for six minutes, and we have Ms. Lewis.

Good morning and welcome.

Leslyn Lewis (Haldimand—Norfolk, CPC): Thank you, Madam Chair.

Thank you for being here today.

Across the country, municipalities are being encouraged to approve new housing developments, but many of these communities simply do not have the infrastructural capacity to support housing development. For example, my riding of Haldimand—Norfolk, which is a rural riding, has a development in a town called Port Dover. It has been stalled because of insufficient water and wastewater capacity to support the approved housing.

Does development track how many housing units across Canada have been approved but cannot proceed because of insufficient infrastructure for water, waste water or power?

Paul Halucha (Deputy Minister, Housing, Infrastructure and Communities, Department of Housing, Infrastructure and Communities): I don't have the actual number with me. I would say that the number is high. We certainly know it is a principal issue identified by municipalities.

That is why we are delivering the Canada housing infrastructure fund, which has as its sole objective increasing water infrastructure in order to enable housing developments to move forward. There are two streams to it, one of which is a direct delivery stream that has allowed for 190,000 potential units to be built. It's contributing to improving capacity.

Leslyn Lewis: Thank you very much for that honest answer.

It's obvious to counties like mine that the federal government is encouraging municipalities and approving housing even though there is insufficient infrastructure to sustain those homes. This causes a lot of friction within the community. You have developers wanting to build, and you have those saying, "Well, we don't even have enough infrastructure for the existing homes." Even though the government makes announcements to approve housing builds, we can't start building those homes because the supporting infrastructure doesn't exist.

Isn't it a fact that the federal government currently doesn't have a single coordinated program? Even though we have these programs you've announced, we don't have any way of coordinating housing approvals with, or integrating them into, the infrastructural requirements needed across the country.

Paul Halucha: The municipal level is obviously where housing approvals happen. That's where permitting takes place.

I would say we actually do a lot of coordination with provincial governments and municipalities to understand where their housing infrastructure needs are. That's largely what we've done through these programs. Typically, municipalities won't approve new housing permits unless they know the infrastructure is going to be there. As we have been running the programming, we have been keeping a real keen eye on where those municipalities want to build out. There's a lot of dialogue going back and forth.

The department largely does that sort of traffic control. We do it with CMHC, and we're now doing it with Build Canada Homes as well.

• (1110)

Leslyn Lewis: You stated that something does exist. Is there a name for this coordinated program? How does this program ensure accountability across municipalities that these funding announcements are actually translating into housing starts?

Paul Halucha: We don't have a program name for this. This is Housing, Infrastructure and Communities Canada. This is part of the mandate of the department. We have a policy lead on housing, and the government has put housing and infrastructure together for exactly the reasons that you outlined.

It's our day job. It's not just one unit inside the organization that looks at that.

Leslyn Lewis: Let's turn to something that is also very important and people are very concerned about, which is affordability in housing.

The average housing cost in Canada has risen dramatically over the past decade, and for many gen Z and millennial Canadians, the dream of owning a home seems increasingly out of reach. How does this government expect the dream of owning a home to remain attainable for the next generation, especially when housing starts and the supply are so low largely because of infrastructural funding? How does the government expect that dream to become a reality?

Paul Halucha: I want to acknowledge at the outset that you're absolutely right. It has become harder, especially for younger Canadians, to make the down payments. We've seen an increase in the number of weeks that people have to save in order to make their

down payments. I 100% agree with you on your assessment and diagnosis. I think that's largely what has motivated the investments the government has made federally and those made by provincial and municipal governments.

It's important to recognize that there's shared accountability across different levels of government. Provinces have made investments, municipalities have made investments and the federal government has made extensive investments through the housing plan that was put out, most recently with Build Canada Homes; through the national housing strategy, which goes back a decade; and through policy initiatives like what we've seen through targeted tax relief, GST—

Leslyn Lewis: On these policy initiatives, how many units does the department estimate will actually be enabled by those infrastructural investments? How many units do you project will come out of those policies?

Paul Halucha: Is that specifically on infrastructure investments?

Leslyn Lewis: Yes.

Paul Halucha: As I mentioned, the program we have is the Canada housing infrastructure fund. Our estimates are, just through the direct delivery projects we've done, which is around 65 projects, that it's over 191,000 potential units.

Most of the money went to provinces, so they are the ones that now select and determine what the projects are. We'll know, as we review the projects and approve them, how much potential housing they're adding in.

Leslyn Lewis: There is no pre-set number of houses.

The Vice-Chair (Jean Yip): Thank you. That's the end of your question time.

We'll go now to Ms. Tesser Derksen.

Kristina Tesser Derksen (Milton East—Halton Hills South, Lib.): Thanks very much, Madam Chair.

Thanks to our guests today.

Just for some background, I'm a former municipal councillor. I was sitting around the municipal council table this time last year. When we talk about housing, I'm bringing a pretty particular lens to things.

I am going to follow up on Ms. Lewis's line of questioning, which I think was an excellent line of questioning, with respect to infrastructure.

I want to start first by addressing some criticisms that Build Canada Homes has been receiving, particularly the criticism that it's just adding to bureaucracy—that we already have programs that can do this work. Bureaucracy, in this question, kind of has a negative connotation. We're hearing from some people that the work of catalyzing homebuilding could be undertaken by other existing programs.

I recognize that the pace of homebuilding the government has planned is quite unprecedented. I want to give you a chance to tell us how you respond to that type of criticism—that Build Canada Homes might be redundant or simply unnecessary at best and actually could be detrimental or wasteful at worst.

• (1115)

Paul Halucha: Any time you add a new function, you have to address exactly the kinds of issues you've identified.

When we were tasked with developing Build Canada Homes, we looked very carefully at what was being done and not done by other organizations and what the criticisms were. On one side of our desk were the demands from stakeholders, municipalities and developers across the country and what they were not seeing from their interactions with the Government of Canada. The focus there was to address those issues, and by definition, we started with things that weren't getting done or things that were viewed as problematic. On the other side, there obviously weren't entirely positive views, I would say, around a lot of our existing organizations. CMHC and the Canada Lands Company were viewed as having some limitations in their capacity to deal with the current reality.

Putting those two together, we effectively came to a new organization that intends to—and I think is beginning to—deliver on housing potential and on the promise of delivering things more efficiently and more at scale than what was occurring through either of the organizations. That's, as I said, without criticizing the existing actors who were there.

It is a net new, and it does fill a gap in a significant way. I'm happy to talk about that if it's helpful.

Kristina Tesser Derksen: Thank you so much for that.

I'm going to get back to the municipal lens. Municipalities like mine in Milton and Halton Hills have spent years planning for population growth. The question I get now is from a federal perspective. What's the most important role that Build Canada Homes can play in helping that planned growth translate into actual homes on the ground with respect to water, waste water and infrastructure?

Paul Halucha: Build Canada Homes itself will not be delivering infrastructure dollars into communities. That will be the role of the department. It's one of the advantages of having proximity between Build Canada Homes and HICC, which does the infrastructure spends on behalf of the government. It allows the market intelligence around where they're investing to come over and impact the types of infrastructure projects we do. It's a real synergy that we will be getting over the next number of years.

Kristina Tesser Derksen: That's great.

One specific question I had was with respect to two-tier municipalities. Where we are, the region actually owns some land. One of the questions I got from one of my municipal regional councillors was how the land was going to be accounted for in the contribution of the region. Typically, the land might be worth a third of the total development value.

How does the regionally owned land figure into the value proposition? Will it be accounted for as a contribution of the region to the

project or will it have to be in addition to whatever dollars the region brings to a project?

Paul Halucha: There's not a hard and fast rule on that. You're getting at how the investment policy of Build Canada Homes is set. It is set to allow for specific decision-making to be made around specific transactions.

They would allow for property coming from a regional or municipal level of government to be accounted for as BCH is considering what level of capital investment, capital allocation, to make. It was designed to have a lot of flexibility, both in terms of the instruments it has and in terms of the investment decision-making in the factors it brings to bear.

It plays at scale too. For example, if a regional government came forward to say that they were going to put in—I'm making up these numbers—\$100 million and there was land valued at another \$100 million, and they were going to look at reducing property taxes and development charges, Build Canada Homes would be able to say, “All in, the value of that contribution is x , and this is what we will bring to the table.”

I think it's notable that they can do that much earlier in the process than we could previously with, for example, what CMHC used to be able to do. Often, as you know, when dollars come in early on, when there's a surety of dollar value coming in, it brings a lot of certainty to transactions. It allows other capital to be crowded in and allows certainty of planning. That is the vision for how Build Canada Homes puts investments together and, as you noted, how property values and property coming in were envisioned.

• (1120)

The Vice-Chair (Jean Yip): Thank you.

[Translation]

Mr. Lemire, the floor is yours for six minutes.

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

First, I'd like to thank the witnesses for being here today.

Mr. Halucha, the housing issue is obviously a major concern for many Quebeckers and Canadians. In 2024, the Canada Mortgage and Housing Corporation funded projects totalling \$1.3 billion, but \$1.4 billion remained unspent. In 2025, once again, the CMHC was authorized to spend \$2.1 billion, but it spent only \$1.3 billion. We can therefore say that there is a shortfall of approximately \$2 billion over two years.

How do you explain this situation?

[English]

Paul Halucha: Can you provide a bit more detail on which programming you're talking about? Are you just talking about the lapsed money overall?

[Translation]

Sébastien Lemire: My question concerns the discrepancy between the approved budget that you're authorized to spend and the money that's actually spent. I'm asking this question because we're seeing, from the perspective of those on the ground, that delays in responses result not only in additional costs and delays for developers, but also that all the pressure falls on a non-profit organization. A project approved by CMHC in 2025 was supposed to receive final approval so that work could begin in April or May, but the final approval never came. On the other hand, the letter from CMHC stating that it would intervene if construction had not begun by June did arrive. Why wouldn't construction begin before June? It's because CMHC did not provide the authorizations on time.

So why is CMHC taking so long to meet its deadlines, and why isn't it spending all the money it's allowed to spend on projects?

[English]

Paul Halucha: For a specific case like that, I can't give you an answer today. We would be glad to come back to you with answers.

In general, you lapse money because either projects are not completed or, in the case of our department, we don't receive receipts to pay. That typically results in money lapsing.

I know they work hard to spend their money on an annual basis, but I'm not aware of a lot of lapses in CMHC's funding.

[Translation]

Sébastien Lemire: There are many examples. I can provide some.

Paul Halucha: I'd just like to add something important.

[English]

The money is re-profiled from year to year. The money may lapse in one year, but it is typically added to the expenditures for the year coming up. That's one of the advantages of Build Canada Homes versus CMHC.

CMHC has their money in program allocations on an annual basis. If they don't spend the money in that year because the deals are delayed—it could be as simple as permits not getting done; there are lots of things that happen at municipal levels—they must have that money re-profiled to another fiscal year for them to be able to spend it.

This is exactly why we moved Build Canada Homes to a statutory authority. That allows them to carry forward money, year after year, and avoid the sorts of lapses that attract a lot of questions and seem very damaging and negative, but that are often a transaction cost of how the money is set up in program authorities.

[Translation]

Sébastien Lemire: One of the problems with that is that we get the impression that the costs carried over from year to year are as significant as what is actually spent. At the same time, the problems remain.

I do want to give a very concrete example, that of the Maison d'hébergement l'Émeraude, a shelter in La Sarre for women who are victims of domestic violence. Seven similar shelters had issues with

the disbursement of funds, but also with last-minute conditions added by CMHC, once the letters of agreement and approval had already been issued. CMHC doesn't take Quebec's reality into account. Non-profit organizations are being asked to pay a consultant to analyze the work, when the Régie du bâtiment du Québec already inspects it. Responsibilities continue to be duplicated because Quebec has a different Civil Code.

Why isn't CMHC adapting its programs to Quebec's reality? Will Build Canada Homes finally take that into account or, once again, will Quebec be penalized?

[English]

Paul Halucha: I mentioned, when I was responding to another question, that a lot of things we had on the table were challenges with the business model at CMHC. One of them was the fact that program authorities dictate what CMHC is required to necessitate by way of reporting in.

Build Canada Homes, to answer your last question, doesn't have program authorities in the same way. They have a lot more flexibility, and the federal and provincial governments have entered into a positive agreement about how Build Canada Homes will operate in Quebec. The intention of that is to create a table where issues like this can be discussed. It avoids duplication, and it will hopefully put us in a situation where some of the provincial issues around M-30 that can sometimes make it challenging to deliver programming are being dealt with at the outset.

• (1125)

[Translation]

Sébastien Lemire: In some cases, non-profit organizations had obtained a funding agreement from the Société d'habitation du Québec, or SHQ, if they obtained an agreement from CMHC by a specific date. However, CMHC did not respond within the required time frame and even exceeded the deadline granted by the SHQ, which prevented some projects from being completed.

Another example is that CMHC has problems paying developers on time. People at CMHC are looking at the money sitting idle in their coffers.

Why is CMHC making non-profit organizations wait, leading them to then have to pay interest charges that inflate their bills and make additional requests, instead of being reliable and complying with agreements? Why are these problems recurring at CMHC?

[English]

The Vice-Chair (Jean Yip): Give a short answer, please.

Paul Halucha: The short answer is that every time you look at one of the cases, you see that there are issues, often on both sides of the table. CMHC often tends to get blamed for things that are beyond their control, like capital structures or the level of risk that a not-for-profit is putting forward.

There are a lot of dynamics in putting a transaction together. It's very hard for me to answer at that level. Specific cases have specific answers.

[Translation]

Sébastien Lemire: Thank you.

[English]

The Vice-Chair (Jean Yip): We will now move to the second round of five minutes each, starting with Ms. Kusie.

Stephanie Kusie (Calgary Midnapore, CPC): Thank you.

Mr. Halucha, in volume III of the 2025 public accounts, under the category of “Losses of public money and property”, the public accounts show that your department, specifically CMHC, lost \$231,840 in a single case of fraudulent claims of grants and contributions. Are you familiar with this case?

Paul Halucha: I'm not familiar with it, and just to clarify, CMHC is not my department.

Stephanie Kusie: Okay, so then you wouldn't know if any of this money has been recovered from this fraudulent claim.

Paul Halucha: I wouldn't know. I'd be very glad to follow up with CMHC and, if allowed, provide that answer.

Stephanie Kusie: Was your department captured under the comprehensive expenditure review?

Paul Halucha: Yes, the department was captured.

Stephanie Kusie: It was communicated that one of the ways the government would meet the CER was by reducing reliance and spending on professional services. Did your department receive instructions to cut spending on consulting?

Paul Halucha: As part of the expenditure review, that was not a specific direction we received.

Stephanie Kusie: Why do the main estimates propose an increase of \$62 million on consulting for 2025-26 at HICC?

Paul Halucha: Basically, we are a small department. A lot of our expenditures are temporary, so we use consulting, especially on the IT side, to avoid having to take on long-term obligations by way of employees we're not able to reduce or have to reduce at a great cost. It's a way of managing uncertainty. That's how I would describe it.

Stephanie Kusie: This is something we've seen quite continuously with the Liberal government over the last 11 years. They indicate that they're going to spend less money on consulting, and that is never the case. We saw this with ArriveCAN, for example. We saw this with the previous Treasury Board's objective to cut spending on consultants, which didn't occur. The current Prime Minister has indicated that he will try to spend less money on consultants, yet there is this increase of \$62 million.

How can you expect Canadians to believe that your department will actually reduce spending, as the government has promised, if, at the first opportunity to spend, you're increasing the amounts on consulting?

Paul Halucha: We are reducing expenditures in the department. The savings will be \$2.9 billion over four years. We've reduced approximately 190 FTEs, and those account for real reductions.

On our consultant envelope, Michelle, can I ask you to add on?

Michelle Baron (Assistant Deputy Minister and Chief Financial Officer, Corporate Management Sector, Department of

Housing, Infrastructure and Communities): We've been trying to change the ratio of employees to consultants. Back in 2024-25, our ratio was about fifty-fifty, and now we're at sixty-forty—60% employees and 40% consultants. We rely on consultants mainly for research and information technology as well.

• (1130)

Stephanie Kusie: If CMHC is not under your purview, whose purview are they under?

Paul Halucha: They have a CEO and a board of directors. They report directly to Minister Robertson.

Stephanie Kusie: So there's no communication with you and the head of CMHC?

Paul Halucha: There is communication. We—

Stephanie Kusie: Okay, then do you not communicate about these losses at all?

Paul Halucha: The losses you've identified were never brought up to me.

Stephanie Kusie: Would this organization be in tandem with you or in parallel with you and not under you directly?

Paul Halucha: It's a Crown corporation, so CMHC is arm's-length. As I mentioned, they have their own corporate board and they have a CEO.

Stephanie Kusie: Would they report to you at all on anything related to their finances? Do you share the same minister?

Paul Halucha: We share the same minister, yes, absolutely.

Stephanie Kusie: How does the minister coordinate your activities?

Paul Halucha: We have a portfolio affairs group that manages things like appointments and the approvals of corporate plans. It does the corporate governance oversight on behalf of the government.

From a policy perspective, we're engaged with CMHC pretty regularly in terms of their programs. Obviously, they have a commercial book as well. That's not led out of our department at all. That's led out of the Department of Finance.

I should note that on their commercial book, they report to the Minister of Finance. They report to Minister Robertson on their programs.

The Vice-Chair (Jean Yip): Thank you.

Mr. Osborne, you have five minutes.

Tom Osborne (Cape Spear, Lib.): Thank you.

I want to get back to Build Canada Homes for a moment.

I understand that the concept of Build Canada Homes is to reduce duplication and to become a one-stop shop, connecting all levels of government, including indigenous governments; community organizations; developers; and non-profits, for example. Can you explain how that works? Is there a registry? How does it reduce red tape? How does it expedite the construction of homes?

Paul Halucha: Build Canada Homes does have a portal—I wouldn't call it a registry—that allows for applicants to bring forward project proposals. These applicants are not-for-profits. They are developers. They are municipalities. They are provincial governments. They are all coming with project proposals that they're looking for funding support on. What they're trying to do, as a focus, is get portfolio deals done at the provincial level and with large municipalities.

Specific to your question on how they will assist in projects going forward, I would say that it's by being able to come to quicker decisions and come in with capital earlier in the formation of those portfolios. They are able to come in earlier and invest earlier, which then allows other capital to get crowded in.

Tom Osborne: In terms of provinces and municipalities, can you talk about what MOUs you may have entered into at this stage and what that means for construction timelines and the number of units?

Paul Halucha: There's been a whole series of different memoranda of understanding and deals put together. I can run through a few. Six direct build sites, which I think everyone knows about, were announced in September. They've signed an agreement with the City of Ottawa. They have signed term sheets with Nova Scotia. In Nunavut, an agreement in principle was announced in January. We're very close to having a contribution agreement with that territory. There was an MOU in January with Quebec, and with British Columbia more recently.

Then there are other provinces that have not yet gone to the MOU stage where discussions are happening right now. They're kind of proceeding across the country.

• (1135)

Tom Osborne: I know that we just announced funding for a facility for sewage treatment in St. John's, for example. One of the bottlenecks for large-scale development in that region was the capacity to treat water to standard.

Can you talk about how Build Canada Homes will invest in infrastructure for municipalities? How will that help with future growth? Some municipalities or regions may need infrastructure investment in order to proceed for future development.

Paul Halucha: To clarify, Build Canada Homes won't be making direct infrastructure investments. Its money will all be focused on growing the amount of affordable housing in Canada and spurring the use of modern methods of construction. It's not at the infrastructure stage. The infrastructure builds are done by HICC as a department.

As I mentioned, the Canada housing infrastructure fund is a \$6-billion investment in water infrastructure. Principally, that was the asset class it invested in, with a real focus on getting housing built as a precondition to that. We now have a new fund, the build communities strong fund, that was announced in the last budget. Obvi-

ously, it will continue the investments being made in housing infrastructure.

I would say one of the advantages of having Build Canada Homes and the department in the same portfolio, to answer the previous question, is the ability to share market intelligence. I'll give you an example. One of the direct build sites is in Arbo, in Toronto. That development could not move forward for a long time—everybody knows how much housing potential there is in Toronto in Downsview—without an infrastructure investment in water and waste water. We knew we wanted to develop housing and we knew BCH was going to be a player. Through an MOU last February and a contribution agreement this summer, we came to an agreement with the City of Toronto to cost-share a major piece of infrastructure there to unlock that housing. We've done the same thing in Montreal and across the country.

It's about matching market intelligence around where communities want to build with infrastructure funding, and then having housing dollars come in behind it. That is the mixture.

The Vice-Chair (Jean Yip): Thank you.

[Translation]

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

Sébastien Lemire: Thank you, Madam Chair.

Today, Quebec's housing problems are glaring, particularly because the federal government makes agreements, but also because the money is never disbursed. When it is, it takes several years.

You will recall that, in 2017, there was a large fund. Ontario got its money right away, but Quebec had to wait until 2019 to sign an agreement. Obviously, the explosion in costs related to COVID meant that much more was built in Ontario than in Quebec. The Canada housing infrastructure fund agreement was signed in January 2026, two years after the agreement was signed. Under the green and inclusive community buildings program, according to the 2025 public accounts, Quebec received only \$5 million out of the \$109 million in program dollars. According to Radio-Canada, as of January 1, 2026, Quebec had received nothing from the active transportation fund, while Ontario had received \$2 billion, more than half of the amounts committed.

So, when we talk about the amounts to be invested, why does it seem as though the programs are designed so that Ontario can quickly get the money, but it's always complicated for Quebec? Is this a form of discrimination against Quebec?

Paul Halucha: It's absolutely not a form of discrimination.

[English]

When we're dealing with provincial governments, the negotiations are done independently. We strive to get deals in place with every province and territory as quickly as we can. I'll talk in a second about some of the investments that have been made under our transit fund, but on the Canada housing infrastructure fund, for example, we completed an agreement with Quebec about a month ago. It was a negotiation that took a bit of time. Both parties need to be ready to undertake the negotiations. Quebec was not the last province to get an agreement with us. There's still one outstanding.

On Quebec and the CPTF, I'll give you a few data points. There's an active transportation fund, under which we approved 92 projects for \$90 million with Quebec. There's a rapid transit fund, under which we approved 24 projects for \$13.4 million. Under the zero emission transit fund, we approved 11 projects for \$400 million.

• (1140)

[Translation]

Sébastien Lemire: The problem is that the results are not there. Quebec represents 23% of the population. There's a shortfall and inflation. When you stall for two years, it has an impact on what can be built in Quebec. When it comes to transfer payments, Quebec receives only \$600 million out of the \$11 billion spent. Once again, Quebec totally loses out.

I'm out of time.

Thank you, Madam Chair.

[English]

The Vice-Chair (Jean Yip): Thank you.

[Translation]

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

Gérard Deltell: Thank you very much, Madam Chair.

Good morning, colleagues.

Ladies and gentlemen, welcome to this parliamentary committee. I want to thank you very much for the services you provide to Canadians.

Of course, housing, accommodation and the cost of homes may not be the main issue, but for millions of Canadians, it is the main issue. I was able to buy my house 35 years ago. When I think about it, I realize I am one of the privileged few. When I also realize that my children were able to buy their own homes about ten years ago, I tell myself that we are lucky.

However, I think of my grandchildren. I also think a great deal about those who come to see us at the riding offices. I know this is true for everyone. There is no political bias here. There is no partisan agenda. This is the main issue for the younger generation.

That is why we must act, and act effectively. My questions will focus on that.

Why was it necessary to create another organization, Build Canada Homes?

Firstly, I would like some figures from you. I will ask you further questions afterwards.

How many government employees work in the department to facilitate access to housing? How many new employees will be hired to work in the new organization called Build Canada Homes?

[English]

Paul Halucha: We have probably 175 to 200 employees in the department who work on housing policy. Most of them work on homelessness. That is the principal programming that we deliver. The department doesn't actually deliver any housing program directly. That's important. There is a lot of homelessness programming. We are the principal delivery agent for homelessness programming.

[Translation]

Gérard Deltell: Why was the creation of Build Canada Homes necessary?

[English]

Paul Halucha: I'm sorry; I missed that.

[Translation]

Gérard Deltell: Why was the creation of Build Canada Homes necessary?

We can at least acknowledge that they changed the name from *Bâtir Maisons Canada*. That's something, at least. They've removed a word. It's a bit farcical.

That said, why did the government create Build Canada Homes?

[English]

Paul Halucha: It was created to advance affordable housing and spur the uptake in modern methods of construction. It was also designed not to be part of the department in the long term. We obviously put it in the department to incubate it, to develop it and to get it going quickly, which has been very successful, I would argue, but the intention is for it to be arm's-length. There's legislation in the House of Commons, as you know, intended to do that.

[Translation]

Gérard Deltell: I note the word "intention", which you have used quite rightly.

I fully understand that nobody gets up in the morning to annoy people. We are here to help them. However, how should we help them? What is the best way to help them gain access to home ownership?

The government campaigned and got elected by talking about Build Canada Homes. A year later, we can see that the framework is in place, but the results have yet to be seen. That is why people are struggling to appreciate the work being done here in Ottawa. When will we see concrete results and have real homes built so that real families can access them at a reasonable price across Canada?

[English]

Paul Halucha: On the direct build sites that I know the committee has looked at before—the six sites across the country—the intention is for those sites to be completed and the homes to be built by next year. This is starting from, in some cases, infrastructure that needs to be undertaken.

On their financing—because principally what Build Canada Homes is set up to do is finance—they already have an inventory of I believe around 11,000 homes, which will be supported through the investments they have announced to date. There's more to come on that one. The commitments the government is making through Build Canada Homes are growing every month.

Third, I would note that the budget implementation act includes a very important aspect to enable Build Canada Homes, which is the statutory authority. The ability for BCH to actually spend is linked to the statutory authority being approved. Effectively, partly what you're seeing now are promissory notes, deals and intents to do deals, which are getting built up, and once the dollars are available, they will be able to do a drawdown request, in the same way that the Canada Infrastructure Bank does, to obtain access to the money.

• (1145)

[Translation]

Gérard Deltell: As a well-known comedian and songwriter once said, we'll believe it when we see it. For the moment, it's taking too long.

Now, let's talk about the Canada Mortgage and Housing Corporation. You mentioned a few points about it earlier. For many people in the construction industry, it's yet another hurdle to be overcome on the road to accessibility.

What is the CMHC's role in relation to Build Canada Homes? Why was Build Canada Homes created when CMHC already existed?

[English]

The Vice-Chair (Jean Yip): Give a short answer.

Paul Halucha: Obviously, CMHC has instruments on the insurance side that Build Canada Homes will not have. As an insurance provider, which is a major role that CMHC plays, they will continue there and will be principally market focused in their intervention. The apartment construction loan program, which is their major program, is principally a market program, whereas Build Canada Homes will play a role on the non-market side. That's the division the government envisions.

The Vice-Chair (Jean Yip): Thank you.

Mr. McKinnon, you have five minutes.

Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): Thank you, Madam Chair.

I'd like to carry on with affordability, which Mr. Deltell started.

What do we mean by “affordability” when we're talking about homes?

Paul Halucha: On the one hand, that's a super simple question to answer, and on the other, it's a complicated one.

There's a concept in housing policy called “core housing need”, which says that you're in a house you can afford when your payments are less than 30% of your monthly or two-week paycheques, and you have enough money that you can pay for major repairs. Those kinds of elements are, obviously, very critical in determining whether a house is affordable.

At the same time, that's very linked to income levels, so it's also true to say that every home is affordable to somebody because there will be somebody who has the income to enter into those transactions. That is why it's important to recognize that there's a strong market for housing. Even if Build Canada Homes, with its focus, succeeds fully, which we intend it to do, 95% of the market will still be driven by market transactions around what is available at very different income levels.

What we've seen are a lot of mismatches in the last while. We've seen mismatches in the condo markets in certain jurisdictions. We've also seen a major increase in the cost of housing construction, especially since the pandemic, and a discrepancy between the rate at which home prices have gone up and the rate at which people's incomes have gone up. I think when most people think about affordability, it's that gap they would focus on.

Ron McKinnon: How do the stakeholders, such as provinces, municipalities and community organizations, respond to this definition, if you will, of affordability?

Paul Halucha: What we've adopted through Build Canada Homes as our definition of what is affordable housing is median market rent of below 30%. That's largely been accepted and been very positively viewed by stakeholders. There's still some unhappiness that there are different definitions of affordability, because we have programs that were designed years ago that have different definitions. I know there is frustration, but as we move forward and do new programs and initiatives, we will be using a single metric, which is the one I just mentioned.

Ron McKinnon: How will BCH ensure that the housing being built is, in fact, affordable and that it is accessible to Canadians most in need?

• (1150)

Paul Halucha: Well, it will be by making units available at the different levels of affordability. That will be the key way in which we'll achieve it.

The non-market housing challenges in Canada are really linked to supply. If you look at the amount of non-market housing supply we have, it's about 3.5%. It's 7% and higher in a lot of other OECD countries that we benchmark ourselves against around a large range of socio-economic indicators, so the focus is on increasing that amount over time and growing the market stock. That will allow people who have lower levels of income—and we're always going to have some degree of stratification in our society—to find places to live.

Ron McKinnon: Can you clarify what we mean by “non-market housing” versus “market housing”?

Paul Halucha: With market housing, people simply charge whatever price they want, and then the market does its magic and there's a sale at some point. That's served Canadians extraordinarily well. We believe firmly in the market and the role the market plays in the provision of housing. It's simply that at the level of affordability, it's not producing enough, and there's strong evidence that absent government intervention, it never will.

As governments have reduced spending on housing, which they did for probably 20 years, the level of non-market housing has actually dropped, so there's a direct correlation. I would say that's the distinction, but we believe very strongly in the role the market plays.

The Vice-Chair (Jean Yip): Thank you.

For the next round, we have Mr. Stevenson for five minutes.

William Stevenson (Yellowhead, CPC): Thank you.

I have a bunch of questions, but I'll start with some of the things you said earlier.

Can you tell me, sir, if there is an MOU with Alberta?

Paul Halucha: I'm sorry. Is there an MOU with Alberta?

William Stevenson: Yes.

Paul Halucha: Do you mean with Build Canada Homes?

William Stevenson: You were talking about how you have certain provinces....

Paul Halucha: One has not been announced at this point.

William Stevenson: Has Housing, Infrastructure and Communities Canada taken any specific measures in federal housing programs that reflect the higher per-unit cost in rural areas and for remote builds, where economies of scale don't exist in the servicing of sites? Delivering materials and getting builders to those areas drive up the cost. Is there anything specific for rural?

Paul Halucha: Absolutely. We have rural targets in almost all of our programming. I'd be glad to run through results if it's helpful to you.

William Stevenson: It's not so much about results as it is about looking at this point at what the programming is in order to get them into it. It's not about what's done.

Here's my specific issue at this point. My riding is Yellowhead. I had Jasper. I had fires. They destroyed a third of the town—300 units. We have now gotten up to maybe 20% of those under construction.

There was a big announcement on Thursday that they were going to spend \$14 million. It's federal, but I'm not exactly sure if that is under your department specifically, because it was announced by the Minister of Emergency Management.

Paul Halucha: We have made investments in Jasper.

William Stevenson: You have, but can you elaborate on that? Is what you're talking about separate from the \$14 million just announced on Thursday? It goes to the affordability we just talked about with non-market housing. Is it specific to the non-market end of things? How are you going...on the other investments that you say have gone there?

Paul Halucha: I can be helpful. We can get back to you and the committee with details on Jasper, but I'll give you a couple of examples.

In the national housing strategy overall, communities under 30,000 were identified, and there are rural streams. Under ICIP, there are rural streams.

We've established, in almost every program.... I have a list here of about 10 or 12 of them. There are specific carve-outs to make sure we are sharing resources. We took a very strong look at the regional allocation of money, and rural is a key component for the department.

• (1155)

William Stevenson: Where and how are decisions being made as to allocations?

Paul Halucha: The way our programming works is that municipalities—

William Stevenson: Typically, what can go to rural versus big cities?

Paul Halucha: It usually averages between 10% and 20%. We have carve-outs for rural, depending on different programs and programmatic streams.

Usually, it's one of two things. Some are application-based, in which case municipalities tell us what they want us to spend the money on and where they want us as a partner. This forms the opportunities. Ministers make decisions, but they make decisions based on those applications. In other cases, we have federal-provincial agreements in place. For example, if we strike an agreement with the Province of Alberta, they select what the project priorities are. They come forward, and a minister, again, makes an allocation decision.

William Stevenson: I'm not sure if you're aware, but last year, there was a very public disagreement about priorities between the town of Jasper and the province. However, on Thursday, they both chipped in some money—millions of dollars for those 80 units they're putting up there.

I'm wondering how we are making these decisions and what collaboration there is. How are they determining how they're going to collaborate on different projects with the municipalities? You made it sound like it's pretty much up to the minister.

Paul Halucha: Ministers have discretion. The minister needs to make a determination on what projects.... As I said, in the case of direct delivery projects, we work off submissions that come forward from first nations communities, municipalities and, in some cases, not-for-profits at the local level. Those are typically the proponents of projects that come forward.

In the case of federal-provincial agreements, the provinces tell us. They essentially provide us with a menu or a set of projects that are their priorities. Then ministers from both the federal and provincial governments need to agree on what the allocations are.

William Stevenson: Going specifically back to Jasper, how is your interaction with Parks Canada related to the housing within parks? They have a lot of extra requirements to fit within national parks.

The Vice-Chair (Jean Yip): Give a quick answer.

Paul Halucha: We don't spend money in other federal assets, so we would not have put money into Parks Canada for housing. They would not be a proponent under our programming.

The Vice-Chair (Jean Yip): Thank you.

For five minutes, we'll go to Ms. Tesser Derksen, but I'll take some of your time to ask a question following on Mr. Stevenson's comments on coordination between governments.

Is there anything else that BCH can do in terms of coordinating between different levels of government to streamline approvals and reduce red tape?

Paul Halucha: Our principal avenue to do that through is the housing accelerator fund. That's what it is. We're paying money to municipalities for improvements in their permitting systems. A lot of digitization has taken place. That's the focus of that activity.

What Build Canada Homes can do is show, through their investments, where the markets are that are well aligned with growth. They have three KPIs: adding supply, adding affordable supply and spurring this industrial revolution that we want to see in the home-building sector.

In all three of those, as they make market investments, they need to be assessing how good those municipalities are as partners. As they start to put dots on a map of where they're investing, it will send a very strong signal about what they view as municipalities and jurisdictions that have their acts together in order to grow housing, if I can be blunt.

I think they're going to both shape the market and reveal where the strongest players are across the country.

The Vice-Chair (Jean Yip): Thank you.

Ms. Tesser Derksen, it's over to you.

Kristina Tesser Derksen: Thanks very much.

To follow up on a point that many of my colleagues have talked about, affordability truly is something that affects all of us in our communities and some of us in our homes. I have four young adult children who are going through the experience of trying to analyze when or if they'll be able to own a home. This speaks to a lot of us personally as well.

I want to touch on the recurring theme of partnerships. Partnerships seem baked into the Build Canada Homes model.

Can you walk us through the request for qualifications process? I'm particularly interested in knowing how you, for lack of a better word, vet the private sector partners.

● (1200)

Paul Halucha: That's a big question.

The request for qualification is a process that has been launched between Build Canada Homes and PSPC. The objective there was

to create a baseline, across the country, of the companies that are doing modern methods of construction, from modular companies to companies that do panelization to others that provide different parts of the supply chain.

Now that we're in a space where we're doing procurement, it made a lot of sense to get to know who was in the ecosystem and better understand them. You need to know who you're doing business with, as you pointed out. The next step will be to create a list of trusted suppliers in this space.

We view the first of those two measures as fact-finding, and then the second one will be locking in on who has capacity to help scale and who has capacity to be a real partner for Build Canada Homes and other parts of the federal government. There are an awful lot of homes being built by the Department of National Defence. We also want them to be drawing on those same companies as they enter into agreements.

On the second question about the validation of vendors, this will be what happens at the investment committee at Build Canada Homes. Usually, when you're making an investment with a party, one-third of the transaction—I spent a lot of my career doing industrial policy—is about who you are doing business with and if you trust them and know them well enough. What is their track record? What is the management acumen? You're basically entering into a deal with another management team. You're allocating capital towards them.

That will be a key part of the due diligence process that will happen at that investment committee. There are obviously legal agreements that provide you some level of protection, but when you're investing with organizations, you want to make sure you know, especially where you're committing public capital, what their capabilities are and that they can do what they're signing up with you to do. Track records are very important to those decisions.

The Vice-Chair (Jean Yip): Thank you.

[*Translation*]

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

Sébastien Lemire: Thank you, Madam Chair.

I would like to second what my colleague, Mr. Stevenson, said. I also have the distinct impression that rural or remote regions such as Abitibi-Témiscamingue are simply not getting their fair share of infrastructure or housing programs; I think that these programs are primarily designed for major urban centres.

We are proud to announce the construction of hundreds or thousands of homes, but rural areas, which have enormous needs, get nothing.

Take the example of Abitibi-Témiscamingue. We have been experiencing a housing shortage for 20 years. It costs almost as much to buy a house, or even to rent one, in Abitibi-Témiscamingue as it does in major urban centres. Increasingly, people are victims of air commuting. Indeed, people can no longer settle in Rouyn-Noranda and prefer to have their homes elsewhere and travel by plane. All this has enormous consequences. Yet, through its mines and natural resources, Abitibi-Témiscamingue contributes around 2% to Canada's GDP. Despite this, we note that last year, the Canada Infrastructure Bank did not invest a single penny in Abitibi-Témiscamingue.

Why are you absent from the Quebec regions, particularly Abitibi-Témiscamingue?

Paul Halucha: Thank you very much for the question.

[English]

I would be very glad to return to the committee with information about Abitibi-Témiscamingue to give you a picture of investments we have made there, not only through CMHC and Build Canada Homes, which won't have done anything yet, but also through the department and CIB. We'll undertake to do that and bring it back.

Second, we invest in rural areas of the country, as I've noted. It's a priority. For every program that I've been able to find, we have a rural stream. It is part of the decision-making, and it is intentional to put resources into rural infrastructure. Your point, which I can't dispute, is that there is a greater need for rural infrastructure than there is funding we have available. I would say that is absolutely the case.

One more thing I would raise is that under our new program, the build communities strong fund, we have created an opportunity for regionally significant projects to be referred to us from the Major Projects Office. This is not really an asset class, but it's a new vehicle to get regionally significant infrastructure identified to us for funding.

For example, obviously Abitibi-Témiscamingue is well known for its mining sector and resource capacity. We have an ability there, through the Major Projects Office, to make investments in light of the economic growth opportunities in that area. We haven't done anything solid as a result of that linkage yet, but we are starting to talk with the Major Projects Office about housing needs where there are large investments coming in.

I won't divulge specifics here, but there's one in the Prairies. It's a major mining need. They're going to bring in thousands of workers, and those workers are going to need homes. On our docket is how we can help support the enabling of infrastructure through our programming, because those will be market homes; they won't be affordable housing. It's extremely important, though, for that investment to go forward and to be successful.

I think that's connecting the dots among an economic opportunity, the housing-enabling infrastructure, the housing that needs to be built and our role. If there are market intelligence opportunities from Abitibi that you would want us to know about, I'd be very glad to hear from you about those as well.

• (1205)

The Vice-Chair (Jean Yip): Thank you.

[Translation]

Sébastien Lemire: Madam Chair, may I ask for a breakdown of the Canada Infrastructure Bank's investments by province and by Quebec administrative regions since the CIB's creation?

I think this would be very useful. Indeed, whether in the context of the buffer zone, whether in relation to the fact that there is no funding for abattoirs in Abitibi-Témiscamingue, but there is for halal or kosher meat, or whether in relation to arenas, the federal government is generally absent. I would therefore like to see this data.

[English]

Paul Halucha: I will provide that.

The Vice-Chair (Jean Yip): Ms. Lewis, go ahead for five minutes.

Leslyn Lewis: The Canada housing infrastructure fund was announced in budget 2024, but the public accounts show that little or no spending occurred during the 2024 fiscal year. We know it was operationalized through the BIA, so there's no excuse for that.

When municipalities like Haldimand—Norfolk are facing immediate infrastructure challenges and constraints that are blocking housing construction, we have to ask, why did it take more than a year for this fund to get up and running?

Paul Halucha: I would respectfully disagree that we're behind on the CHIF. Other than one province, which we are working very hard to get an agreement with, we have agreements with all of the provinces and territories across the country. As I mentioned, we have put out 27 projects worth \$780 million through direct delivery.

What you're seeing in the public accounts is the natural lag that happens on infrastructure. We commit the money, which we have done, and then the money gets spent. Receipts come in and then we pay the receipts. It shows up in our cash flow at the point where we are paying remittances.

If you look at our expenditures for next year, for example, we are showing that about \$5.7 billion of ICIP is going to be funded, and that was obviously a program that came around in 2017-18. The allocation decisions were made a long time ago. It's simply the lag between when the work gets done and when they send us the bills and we pay the bills. That's what you're seeing.

Leslyn Lewis: Since the housing infrastructure fund was introduced two years ago, how much water and waste-water infrastructure has been built?

Paul Halucha: I'm sure some of it has started, but what hasn't happened is they have not remitted payment requests to the federal government at this point. Some of the projects will certainly have begun. I think we're expecting a small amount to be paid out next year, and then it will increase as projects get built. It takes time between when a project gets approved and when the project starts building.

Leslyn Lewis: Since you know that some of them have started, how many housing units have actually started?

• (1210)

Paul Halucha: I would guess that there are probably no housing units, because this is to build the basic infrastructure, so until the infrastructure is done.... It's enabling. That's what CHIF does—it enables housing. The housing will come afterwards. The dividend will come after.

Leslyn Lewis: Is there a measurement that says, for example, x kilometres of pipe will build x number of houses? Do you have a measurement of what you're spending versus the outcome?

Paul Halucha: Absolutely, we do. Our KPI on that program is the potential units. Just because we put in housing infrastructure, that does not mean somebody will build houses there or that the permitting will get done. There's a lot that goes into those decisions. You do know that, absent that housing infrastructure, nothing is going to get built there, so there is a strong relationship between the two.

We work in close relationship with municipalities. They tell us where they're going to expand. They know where their subdivisions are. They know where they want to build housing in their communities. We don't tell them where they're going to build. They come forward with those projects, and those projects then become what we fund, either directly or through provincial agreements.

Leslyn Lewis: You fund, and then do you follow-up to make sure your targets are being met? Do you have a mechanism for doing that?

Paul Halucha: Yes. There were a couple of questions about consultants and reporting, but this is what reports are for. We require reporting on all of the projects we fund to ensure that expenditures are wisely used—that we're using taxpayers' dollars wisely and getting value for money—and, on the reporting side, to tell us what we've gotten for the money.

Leslyn Lewis: We've heard about home ownership slipping away for gen Z and millennial Canadians. Has the department done any analysis on infrastructure shortages and the barriers for especially those generations to owning a home because of construction?

Paul Halucha: I can't think...on the infrastructure side. I might turn to Matt. Matt has avoided having to speak at this committee so far. We did a national housing infrastructure study that just came out in the fall.

Matt, is there anything you want to specify?

Matt de Vlieger (Assistant Deputy Minister, Strategic Policy and Integration Sector, Department of Housing, Infrastructure and Communities): There's an infrastructure council that supports the minister. It's at arm's length, and they put out a first report assessing housing-enabling infrastructure and the extent to which that

creates barriers in this country to getting supply built. They've looked not only nationally, with the data we have from StatsCan, but regionally, really drilling into where the bigger barriers are. That goes into it.

I would say, to your question, that construction costs are part of it, but as to other things this committee and others have looked at around development charges, how those have grown and the role those play, all of those things come into the housing ecosystem, especially the regulatory pieces with provinces and territories. The combination of those things for the housing system are adding a burden to young homeowners and those wanting to get into the home-owning space.

Leslyn Lewis: Is there any plan within the department to bridge the gap between the loss of the dream of owning a home for gen Zs and millennials because of the shortages of homes and the inflated price of homes we've seen over the last decade?

The Vice-Chair (Jean Yip): Give a short answer, please.

Paul Halucha: That's not fair. That was a big question.

Some hon. members: Oh, oh!

Paul Halucha: It's at the core of everything we're doing to improve housing supply. We have a lot of young people and a lot of people with kids or grandkids who are also struggling in this market. I would say it's what motivates us on housing policy.

Leslyn Lewis: Thank you.

The Vice-Chair (Jean Yip): Thank you.

You can always answer your question through another member.

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

Tom Osborne: I want to talk about a couple of different directions. One of them is that there are many different types of housing needs. There's mixed income and middle income. Hopefully, middle income won't be left out of the mix, because I know there's a challenge for middle-income families as well. There's also student housing, senior housing and transitional housing.

How does Build Canada Homes plan to prioritize? I know that it may be jurisdictional as well, or based on location, but how do you plan to prioritize based on the projects that come in?

• (1215)

Paul Halucha: The investment policy is our public answer to that question. It lays out the KPIs the organization will assess as it reviews applications. What is it trying to incentivize? How is it measuring success in terms of the allocation of its own dollars?

As I mentioned, there's a good argument that all supply is good supply. I tend to agree with that. Build Canada Homes will surpass the overall supply increase as one of its top three KPIs.

Affordability is the second one. I've talked a lot about that. We're not going to do interventions. Building non-market housing in isolated areas was an experiment that happened in the 1960s and 1970s. It wasn't very successful.

To your point about mixed income, homes and apartments are key. We'll be doing a percentage of these properties. Investments will be non-market, and then there will be a lot that will be market. Even with the 6,000 direct builds, not every home in that place will be strictly affordable, because when you bring in market actors, you bring in capital and you lower the costs. It's a key part of making developments go forward.

The third one—and probably the one we haven't talked a lot about today—is around modern methods of construction, which are our best bet to reduce the costs of home ownership over time. What Build Canada Homes is going to do is be a demand signal. It's not about modular and modern methods of construction by default, but the intention is to have that be a major part of its portfolio in order to spur that industry. That is a key industry for us for bringing the kind of affordable supply to the market we're going to need in order to deal with the housing challenge long term.

I've studied this for a number of years, and from my perspective, I do not see another avenue to dealing with the housing crisis, except through getting the cost of construction back down.

It's about raising people's salaries too. A really key part is having our standard of living as Canadians improve and our purchasing power improve. That's a key avenue to enabling people to purchase homes as well.

Tom Osborne: Supply and demand play a large part in this, and you mentioned that. Getting homes built will increase supply, lowering demand and lowering costs. We hope that formula works.

How do you balance the important goals of affordability, the speed of delivery and encouraging...? You've already spoken two or three times today about innovative housing solutions.

Paul Halucha: Luckily, I don't think you need to balance them, because they all push in the same direction. We need affordable housing, and we want to deploy capital in a way that maximizes the return. A really strong way to do that is to help build the modern methods of the construction sector and improve demand. Because those methods are more affordable—you see different modelling results—there's 20% to 30% less waste. They're faster in terms of the speed at which projects can be done. You can obviously build off-site, so you can build 12 months a year. In Canada, often you can't build for many months. There are many advantages that are simply built into that model.

One of the challenges is going to be acceptance by Canadians as they see this deployed more frequently across the country. I don't know if it's going to be a challenge, but we saw this on zero-emission vehicles for a number of years. There wasn't a familiarity with the product, and that led to reticence to purchase, but now I think people are on the other side of that. I think the same thing is going to happen with modular homes and off-site construction, because

they're not just cheaper; they're in many cases better, because you have some uniformity to the product standards that exist on that type of product.

There are a lot of positives, and there's a lot pulling in the same direction. What Build Canada Homes tries to do is bring all of those things together. The investment policy is the guidance for how they're going to make these decisions, but it's really the investment committee and the deployment of capital that will tell the story of how they've managed this.

• (1220)

The Vice-Chair (Jean Yip): Thank you.

There is one more round left. I am planning to end the meeting at 1 p.m.

The Conservatives have given their five minutes to Monsieur Lemire.

[*Translation*]

Sébastien Lemire: Thank you, Madam Chair.

I'd like to thank the Conservatives for that pass.

Mr. Halucha, in the Public Accounts of Canada 2025, page 386 of the French version says that the Canada Mortgage and Housing Corporation had \$2.1 billion for housing funding. However, it spent only \$1.3 billion. On the same page, your financial statements also indicate that 500 million available dollars were not spent on your various programs in 2025. That means that, in total, your 2025 departmental portfolio did not spend \$2 billion that were available to you for infrastructure and housing.

I hinted at this during my first turn. This time, I'll give you time to answer properly. Why wasn't that money spent? It's not because there aren't needs on the ground.

[*English*]

Paul Halucha: As I mentioned, we have a prediction challenge every year in terms of how much money we're going to spend, because it's based on how many receipts we receive. For example, we are in the month of March right now. We're probably going to do about 35% to 40% of our expenditures for the year, and we will know between now and the early part of April how much money we're actually spending.

The good news is that our lapse as a department has reduced significantly. Last year, we lapsed \$2.5 billion, and this year we are expected to lapse under \$500 million. We're using predictive modelling to predict things, but for some major projects—for example in transit—we don't know when they're going to begin to send us requests for payment. They happened this year, and we've worked some of them in, which is why we're expecting to have about \$10 billion in cash flow this year versus about \$7 billion last year, but we won't know until probably January or February of next year the extent to which we are getting those requests to come forward.

This goes back to the point I made around programs. In terms of program money, you have to show the money in a certain year. If you don't spend it that year, then you go through re-profile requests to move the money to future years. It's not lost when it's not serving the need; it's simply an accounting treatment below the surface around when the money shows up in the public accounts. We do our best to predict it, but we don't control it. That is the key message that I would give.

Going back to Build Canada Homes, it's why the statutory authority works so well. CIB, you will note, doesn't lapse anything because CIB has a statutory allocation of money. If they don't spend the money this year, then it simply stays in their statutory envelope and they use it next year. For infrastructure, it's a much better way to account for the dollars, and it's why we've done that for Build Canada Homes and given them that same kind of capacity.

[Translation]

Sébastien Lemire: I imagine you will say the same thing about the fact that there was a significant decrease in infrastructure expenses between 2004 and 2005. We're talking about a decrease of \$300 million. In 2024, the amount was carried forward to the following year, but the next year, it became apparent that \$300 million less had been spent.

Obviously, infrastructure and housing should have been this government's political priority for at least two or three years. It seems to have become the priority in the House of Commons. What the figures are revealing is that less and less money is being spent. Is that because the approval times at the Canada Mortgage and Housing Corporation are too long?

When I go out in the field, that's what I am told. There are always some nice surprises in store, such as the efficiency of an energy program. That's a major issue. Quebec's housing codes aren't recognized, and further delays are added. People go and check approvals. That's the case for the Maison d'hébergement l'Émeraude, in my region of Abitibi-Témiscamingue. When construction began, an authorization had to be redone to say that the site did in fact comply with environmental standards. Why didn't that happen earlier, when the time was right?

All of that adds delays. All of that adds costs and pressure for the organizations that have to manage this. I think you have a responsibility there. Why did things end up like this, and why isn't this money being spent? Is the reality of regions' northernness being taken into account? Does that add constraints that increase bureaucracy and make it harder to establish projects in the regions?

• (1225)

Paul Halucha: I'll give you a two-part answer.

[English]

First, on the infrastructure side, I think you have it exactly right. I'm looking at our grants and contributions flows by fund category. What you have is a positive trend. In 2022-23, we spent \$4.3 billion. It went up to \$4.9 billion. Then it went up to \$5.3 billion. Then it went up to \$6.2 billion. Now it's going up to \$7.5 billion. As projects are moving forward, we have much more clarity on how much they're spending every year, and we are spending more.

Your second point around delays at the CMHC is a question probably best answered by them.

I would say that these are due diligence projects. They have underwriters that have to say the risk is warranted for the expenditure of public funds. They have program criteria they need to meet. There are reporting requirements. There's a lot that weighs on the CMHC as they're making decisions that can sometimes push them from one year to the next.

There are also things like interest rates. Often a proponent will wait for an interest rate change, or their cost of capital might have gone up. There are a lot of things that affect a specific transaction that I think often get pinned on the CMHC as delays on their part, and I'm sure there are some delays on their part.

The Vice-Chair (Jean Yip): Thank you.

Mr. McKinnon, you have five minutes.

Ron McKinnon: Thank you, Madam Chair.

I want to switch, at this point, to homelessness.

I understand that Reaching Home is being renewed. I'd like you to speak a bit about the successes of the program in the past and how we are going to build on those to continue supporting Canadians experiencing homelessness.

Paul Halucha: I'm so very pleased to do so.

Reaching Home has invested about \$1.16 billion since 2019 to support about 3,500 projects across the country, and it has helped more than 40,000 people achieve more stable housing in just the last two years. It invests about \$700 million per year through a network of municipal not-for-profits across the country that are really the front line in working with homeless people to provide supportive and transitional housing. It's the key part of the Government of Canada's contribution to what is a national problem.

In keeping with my past comments, I want to underline the role played by provinces, municipalities and not-for-profits. Obviously, there is a lot of philanthropy that takes place to support this across the country, but it is our flagship.

In addition, we have a veteran homelessness initiative, which is in its second year now and showing very positive results. This committee and others along the way noted the significant challenges that our veterans were facing. This program was designed to specifically deal with them and to help meet their needs. We do that in close contact with the veterans department as well.

Ron McKinnon: One of the keys, I understand, around dealing with homelessness is that homeless people have a requirement for wraparound support from the provinces for mental health and so forth. How does Reaching Home facilitate working with the provinces to make that happen?

• (1230)

Paul Halucha: Again, I would point to the network of partnerships. Provincial governments obviously provide significant resources as well. If you look at many of the provincial accounts, they now have partnerships with Reaching Home, with the federal government, as a key aspect of the delivery mechanism. It's undertaken in partnership with those groups and through a significant number of agreements directly with providers at the local level.

Ron McKinnon: Thank you.

I want to speak to a few of the points Mr. Lemire made.

The fact that you've allocated a certain amount of money to different projects is not an absolute requirement that you spend that money in a given year. It's available to be spent, but it requires that the application for different projects be made, approved and so forth. The fact that you may or may not have spent exactly that amount of money is not a deficiency of the department. Would you agree with that?

Paul Halucha: Absolutely. As I noted, any number of things can make it more complicated to deliver an infrastructure project than is envisioned at the point where the commitment of resources is made, usually by the federal government, province or municipality, including things like manpower and getting people to the site. That can cause delays. There can be supply chain issues. It's all the things we have heard that the private sector has been challenged with since the pandemic.

Things play out in projects as well. We see projects getting de-scoped. We see projects that are being substituted out. One of the things our framework agreements allow for is that we allocate money to provincial governments. Projects sometimes don't work out. They sometimes have projects that they decide they're not proceeding with. The resources stay with them, and then it takes them time to come back with additional projects.

I would agree with you. There's an intention. Most of these projects are done over a 10-year period of time, which I think is an acknowledgement of the fact that some planning challenges happen in the life of infrastructure projects. It's the same thing with the build Canada strong fund. It is a 10-year program precisely to allow for planning and execution to take place and for the resources to get done.

I would say, at the end of these programs, all of the money is spent. It's very rare to have lapses at the very end. I don't know if there are any. Michelle, who's been around a lot longer than I have, is saying no, so I think that's the real positive—and flexibility. If we were dogmatic and we said, “Sorry, but you told us you were going to spend it in this fiscal year and you didn't do it, so now we're taking the money back”, this would create a massive problem in infrastructure planning and our ability to have partnerships that are, as I mentioned, so critical.

The flexibility we have through being able to carry it forward—money re-profiled, money forward—is really central to our ability, working with our partners, to deliver major infrastructure projects.

Ron McKinnon: Thank you.

I think that's my time.

The Vice-Chair (Jean Yip): Yes, that is your time. Thank you.

Next, for two and a half minutes, is Mr. Lemire.

[*Translation*]

Sébastien Lemire: Thank you again, Madam Chair.

Based on your answer, Mr. Halucha, I understand that it's not your fault if the amounts are carried forward to later years; it's because of a number of other factors. Obviously, there's no guarantee that the additional amounts received from one year to the next will be spent. In fact, if we look at the numbers, we can see that this isn't the case. The agreements also aren't announced publicly. If it's not your fault, then whose fault is it?

How are your relations with the Government of Quebec? What we're seeing is that, year after year, it's clearly difficult to reach an agreement with the Government of Quebec. However, housing should be exclusively under the provinces' jurisdictions. The expertise is in Quebec City. It's the province that has ties with the communities and municipalities, because the cities are creatures of the Quebec government. It's the Quebec government that knows the reality on the ground and that of its people. The federal government sets criteria that put obstacles in Quebec's way. However, those same criteria don't exist in Ontario. Why?

Paul Halucha: Thank you for your question.

[*English*]

I would say we have very good relationships with the Province of Quebec, and we were, as I noted, very successful in getting a CHIF agreement done with the province quite recently. That was very positive. I would also note the work that has been undertaken with Build Canada Homes.

I would say there's nothing exclusive or specifically challenging about Quebec. When we're doing agreements, we—

• (1235)

[*Translation*]

Sébastien Lemire: I'll stop you there.

How can we know that this agreement is constructive if it isn't public? How can we know that, in Abitibi-Témiscamingue, I'm going to be able to contribute to projects to relocate neighbourhoods like the one in the buffer zone, if the funds aren't made public?

We know that the value of sports infrastructure applications in Quebec is \$3 billion. The Quebec government made a \$300 million program available, but the federal government didn't participate in that program. What can be done to ensure that this money is paid to Quebec within a reasonable time frame that's at least compatible with Ontario's?

[*English*]

Paul Halucha: The agreement we just did was almost \$1 billion with Quebec. That money will flow into a program that the province will run with very minimal interference—I'll use that word—with Ottawa. Very good collaboration happened in pulling that agreement together, and I think it will result in no delays.

With every provincial government, we go through a negotiation process. Our agreements are made public at a point. We will make our agreements public with each of the provincial governments. It happens once we conclude the last one.

To your point—and I'm not trying to remove myself from any responsibility for it—in terms of the re-profiling of the money, it is truly beyond anybody's control. I don't blame the provinces for it when it happens on their projects. It's just like costs going up. We've seen that on a lot of projects, costs have gone up, and that has resulted in renegotiations.

Usually our principal position is that we don't pay for cost overruns. In practice, sometimes there are extenuating circumstances that result in those kinds of discussions happening. There's a rescoping of projects. There's a lot that goes into that.

We maintain very good discussions and good relationships with the province. I would note that the one under CHIF where we didn't get an agreement was with the Province of Ontario. We did not get an agreement with Ontario under the CHIF. In that case, we got one with Quebec, but didn't get one with Ontario.

The Vice-Chair (Jean Yip): Thank you.

For the next five minutes, do we have somebody from the Conservatives, or are you taking time from the Conservatives, Mr. Lemire?

Stephanie Kusie: We'll give the time back to the Bloc.

The Vice-Chair (Jean Yip): Okay.

[*Translation*]

Sébastien Lemire: Thank you very much, Mrs. Kusie.

Thank you, Madam Chair.

I look forward to next year, because with the transition and creation of Build Canada Homes over the past year and all the confusion with the Canada Mortgage and Housing Corporation, or CMHC, what we actually experienced back home was a ping-pong game in which the Société d'habitation du Québec was waiting for guarantees from Ottawa.

Nobody cared whether that letter was sent by Build Canada Homes or CMHC. What people wanted was a guarantee that the money could be spent.

Meanwhile, the pressure was put on the organizations on the ground, which had deadlines to meet. Additional funding had to be

exceeded, and mortgages had to be taken out, but when it came to building the projects, the funds weren't there because the federal government hadn't met the deadlines.

When questions were put to the office of the Minister of Housing and Infrastructure, Mr. Robertson, he showed no interest in answering our questions. I didn't have any discussions with him, despite repeatedly asking to have one. The buck was being passed: it wasn't CMHC's responsibility, but that of Build Canada Homes; the funds were available, and then they weren't anymore.

What's the situation this year? What direction was given? Can CMHC spend money by drawing on the guaranteed funding?

Organizations like the Maison d'hébergement l'Émeraude received a letter in March telling them that they could spend. However, when the time came to actually go ahead, they were unable to do so. They had to wait until the very last minute to put shovels in the ground, in September, before the snow arrived on our doorstep and it was no longer possible to build.

That project was saved at the last minute, but we know that there are shelters for abused women that couldn't be saved. The main reason for that was the confusion between what is clearly the responsibility of Build Canada Homes and what is the responsibility of CMHC.

What direction was given this year?

[*English*]

Paul Halucha: There's a lot in the questions you just asked.

Build Canada Homes does not have provincial allocations for resources. It has a capital allocation. It is deploying that capital across the country. It is not guaranteed that any province will receive any percentage share of it overall. Build Canada Homes will, I'm sure, watch and keep detailed data around how its capital allocation is being spent, but it is not a given at the outset that any part of the country will receive a certain amount.

It's the same thing under the transit programming as well. It's based on percentages of ridership, not on population. Where we have population as the determination for our formula—

• (1240)

[*Translation*]

Sébastien Lemire: There are zero public transit users in Quebec. Is that correct?

We haven't received anything from the \$2 billion that Ontario received. Quebec has received nothing from Canada when it comes to public transit. In other words, there are no public transit users in Quebec. Is that correct?

Paul Halucha: Yes.

[English]

As I have said, we've spent \$6.5 billion on transit in Quebec since 2016, including almost \$1.5 billion on the Quebec City tramway. I noted the projects. There are 11 projects and \$400 million through the ZETF, 24 projects and \$13.4 million through the RTF and 92 projects and \$90 million through the ATF.

I would note that a number of them on our direct delivery side are waiting for M-30 approvals. That is a distinct feature of the programming in Quebec that can sometimes make it more challenging, which is why Build Canada Homes has put an agreement in place to meet regularly to share intelligence. It's so that when it does deals with specific municipalities, the transactions can be approved more quickly.

That's how I would answer your question.

[Translation]

Sébastien Lemire: Thank you.

Part of your answers today tell us that the money can be carried over from one year to the next, and that that's fine.

One of the major problems is that the Canada Mortgage and Housing Corporation had approved a project in last year's budget, and when the time came to spend the money, we were told that there was no money left and that a new fund had to be created to bring in money, but that it would depend on Build Canada Homes. There were issues on the ground in the meantime.

Thank you for being here today.

Madam Chair, I would like to come back to the motion I tabled at the last committee meeting. Basically, the motion says:

That the committee report to the House to request that the government establish a public and independent inquiry into cost overruns on IT contracts, including Phoenix, ArriveCAN and Benefit Delivery Modernization.

The argument is that these three programs had cost overruns of nearly \$10 billion. I think this more than justifies setting up an independent commission of inquiry. The idea behind this motion is simply that the committee report to the House of Commons to request this independent public inquiry.

Thank you, Madam Chair.

The Vice-Chair (Jean Yip): Thank you, Mr. Lemire.

Mr. Deltell, you have the floor.

Gérard Deltell: Thank you very much, Madam Chair.

We will support this Bloc Québécois motion for very obvious reasons. We're talking about yet another absolutely staggering cost overrun. We know that information technology is unfortunately a bottomless pit for many people, but there are limits to having a bottomless pit when it ultimately becomes a total abyss. Above all, there's no respect for the promises that were made and the signatures that were signed. There's also always something that happens at the last minute that forces the necessary costs to increase, not by 5% or 10%, but by double, triple, or ten times the amount. It's important to get to the bottom of this. It's important to understand what's going on in these situations, and that's why an inquiry deserves to be conducted.

Of course, this is part of a sad pattern under the Liberal government. We remember Phoenix, where on two occasions, when we were in government, our ministers stopped the process knowing that there were problems. When the new government arrived 10 years ago, the former minister issued warnings and cautioned the government against moving too quickly. However, in the middle of February—we don't even know who, when or how—the machine seems to have started on its own, and we know the outcome of Phoenix.

We're obviously talking about ArriveCAN as well, which our leader had renamed the arrive scam. Unfortunately, that was the only funny thing about it, because it was a real financial disaster. It went from \$80,000 to God knows how many tens of millions of dollars and, of course, led to this situation.

I'm obviously a member from Quebec, as is my colleague from the Bloc Québécois. Quebecers experienced the same thing with what was called the SAAQclic scandal, that is, the program from the Société de l'assurance automobile du Québec. There were some terrible ordeals, to the point where two ministers stepped down as a result, whereas today we have before us a government that's abandoning all responsibility.

It should be noted that 85,000 seniors are directly affected by the poor functioning of this specific program. Seniors are the most vulnerable people in our society when it comes to dealing with information technology. They're also vulnerable when it comes to income, because for many of these people, that's the only income they have. They can't rejoin the workforce. Unfortunately, the Minister of Transport said that there were only a few cases, that it set a precedent and that things were going to be fine. It was adding insult to injury. It was completely disrespectful to the 85,000 people who were suffering.

It's important to get to the bottom of things, then. Let us hope that this request for an inquiry proves successful so that things can be managed better in the future, because information technology contracts aren't going to be scrapped overnight.

Thank you.

• (1245)

[English]

The Vice-Chair (Jean Yip): Is it the will of members to allow the witnesses to leave?

Some hon. members: Agreed.

William Stevenson: I have a point of order, Madam Chair.

The Vice-Chair (Jean Yip): Okay. Go ahead, on a point of order.

William Stevenson: During my questioning, I kind of rushed through and passed on to the next question. Mr. Halucha had said that he could get us some information in regard to the split on rural. Could I just request that it be sent in writing, please?

The Vice-Chair (Jean Yip): Yes.

The witnesses may be released. Thank you for your time today.

Mr. Osborne is on the list, followed by Ms. Kusie.

Tom Osborne: Thank you, Madam Chair.

I'm not arguing the motion so much. I need to remind the committee of the number of meetings, the number of witnesses, the resources and the time of public servants and others that were invested into ArriveCAN and Phoenix. At public accounts, there were 24 meetings and 90 witnesses. At OGGO, there were 23 meetings and 65 witnesses. We are still looking, in public accounts, at draft reports for 2024. OGGO is still finalizing a report on ArriveCAN. I've sat in on OGGO meetings, and it doesn't seem to me as though that's a priority.

While I'm not arguing the motion, I will put forward an amendment that we remove ArriveCAN and Phoenix from the motion. If an inquiry is done and they see fit to look at them, that's fine, but to make them the priority of the motion or an inquiry.... How many resources do we continue to put into these two items year over year?

The Vice-Chair (Jean Yip): Do we have any speakers for this amendment?

[Translation]

Mr. Lemire, you have the floor.

Sébastien Lemire: Thank you, Madam Chair.

In this context, the goal of the motion obviously isn't to hold additional meetings. We trust things. I also think that the information we get will enable us to improve a report that can be useful to the person, such as the judge or commissioner, who will lead this independent public inquiry.

For my part, I'm not going to withdraw those two programs, because in this case, there's a federal structural program that ensures direct accountability for IT program providers, which are themselves largely responsible for the errors and cost overruns.

I would add that the beauty of the system is that the more errors providers make, the more lucrative it becomes for them. They're the ones who are hired to be able to fix their own problems, since they're the ones who created their own system. As we have clearly seen in committee, the public service no longer has the expertise to address these problems.

Personally, I'll keep the three programs as they're worded. It will give the commissioner more leeway to get to the bottom of things. It should be noted that the Cúram software project was originally supposed to cost \$1.75 billion. However, according to the memo that the Minister responsible for the Federal Economic Development Agency for Northern Ontario received in June, it cost \$6.6 billion. According to the data that was provided to the committee, \$3.4 billion from that amount is going into the pockets of IT companies.

Why was that money spent? Was it because the initial instructions for creating the program were wrong? Was it because the program was poorly designed? The professional services firm Deloitte also played a role that should be examined. Other firms were also hired.

I think that more than justifies establishing an independent public commission of inquiry, and it's important to avoid limiting ourselves and understand how IT companies operate. The name IBM comes up often, since those are very lucrative contracts.

Why are the same mistakes getting repeated? The Government of Quebec gave the private sector 20 times less money in total. Things were shaken up, and taxpayers are the ones who ultimately end up footing the bill. If we care about our seniors and our living conditions, the money we're sending to people who are already well-off isn't going to those who are most vulnerable.

• (1250)

[English]

The Vice-Chair (Jean Yip): Mr. Osborne.

Tom Osborne: Thank you.

To respond to Mr. Lemire, and with great respect to your motion, we have seen a lot of investment—a lot of money, a lot of time, a lot of witnesses and a lot of meetings. The numbers that I put forward were on ArriveCAN alone, the 24 meetings and 90 witnesses at this committee and similarly with OGGO. Are we chasing good money after bad?

I'm not arguing your motion. If IT needs to be looked at, my concern with highlighting these two things as part of an inquiry on IT or looking at IT is that whoever is conducting the inquiry will take it that these are the priorities. There's been a lot of water under the bridge on the many mistakes that were fixed. If IT is still an issue, IT is the issue and I think we need to focus on IT.

I think it's distracting to have these two things highlighted as part of the motion.

The Vice-Chair (Jean Yip): Is anyone else speaking to the amendment? No.

Okay, then we'll go back to the original list.

Stephanie Kusie: We vote on the amendment.

The Vice-Chair (Jean Yip): All right, I'll call a vote.

(Amendment negatived: nays 4; yeas 3 [*See Minutes of Proceedings*])

The Vice-Chair (Jean Yip): Ms. Lewis, are you substituting for a member?

Leslyn Lewis: Yes.

The Vice-Chair (Jean Yip): Mr. Stevenson is the substitute for Mr. Kuruc.

We're back to the main motion.

Ms. Kusie, you have the floor.

Stephanie Kusie: I would like to thank my colleague for bringing this motion forward.

As I indicated to the finance minister, who was at our last meeting, the government has a spending problem. When we have a government that spends too much, it's passed on to the taxpayer and to Canadians.

The best way to eliminate this spending problem is to evaluate how the government is overspending. The way we have seen this time and time again is with projects specifically, as well as consultants. I just brought up today the example of the \$62 million increase at HICC between the two fiscal years. These three examples are very relevant. They are good examples from which we can learn.

If we look at Phoenix, it's been 10 years since the launch of Phoenix. It's still failing on a regular basis to deliver paycheques properly. Since 2017, the current government has spent over \$5 billion responding to Phoenix issues. However, there are still 250,000 outstanding pay issues, many for more than a year. These are public servants who are suffering, in addition to Canadians. They are paying the price of these failing projects.

With ArriveCAN, I know the issue intimately. It was an \$80,000 project that ballooned to \$64 million. In the House of Commons, members of Parliament voted on a motion to get the money back, and the government has not acted. The funds have not been recouped for this, and we need to find out why.

The benefits delivery modernization program had an original cost of \$1.75 billion and has now ballooned to \$6.6 billion. It has tripled. In January 2026, there was a backlog of 85,000 new applications, which cannot be processed as a result of the government's failure.

This is an excellent motion that touches on the reasons for the government's inability to deliver successful projects and successful fund reductions. This is at a time when 2.2 million Canadians are visiting food banks. Canadians can't afford a home and there is an \$80-billion deficit.

I very much support this motion. The finance minister is aware of my concerns. I made them very clear to him at the last meeting. We need to see some transparency from the government in terms of why it's incapable of reducing its expenditures. Evaluating the cost

overruns of these three projects through an independent inquiry is a great step in that direction.

Thank you very much, Madam Chair.

• (1255)

The Vice-Chair (Jean Yip): I'll just raise that the analyst mentioned a correction to the motion in English for "Phoenix". It is referred to in English as the Phoenix pay system. We will make the necessary adjustment. It is not just that "Phoenix pay system" is the correct term; the spelling of "Phoenix" in English will be corrected.

Are there any other speakers?

Ms. Tesser Derksen, go ahead, please.

Kristina Tesser Derksen: Thanks so much, Madam Chair.

As my colleagues have said on all sides, in principle, the motion makes sense. We don't have an issue with transparency. We don't have an issue with the public being witness to our debates or our discussions around spending. That's what this committee is here for.

I'm new to the committee. I'm new to government, and I'm new to Parliament. Even I can tell that the amount of resources, time and expenses spent on these particular issues—Phoenix and ArriveCAN—was excessive. We have to answer to taxpayers. Certainly, they want to know where their tax dollars were going with respect to these programs, and no one is denying there were issues with these programs.

It's incumbent upon us to investigate, but it's also incumbent upon us to continue to be guardians of taxpayer dollars while spending resources on investigations. In this particular instance, I don't believe the means justify the end we're going to get.

I'm not sure what additional information is going to be found by specifically focusing on Phoenix and ArriveCAN. I agree with Mr. Osborne that it's going to be distracting. I wouldn't want the type of verbiage in the motion that would influence or direct the investigator to a particular place when there might be other things that need to be investigated. That's not to say—

[*Translation*]

Sébastien Lemire: Madam Chair, I have a point of order.

That matter was settled with the vote we just had. The three projects are part of the motion, so I think these remarks are off topic. I'd like to ask you to call the vote, please, then.

[*English*]

Ron McKinnon: On a point of order, I would observe, to Mr. Lemire's comments, that while the amendment was defeated, it doesn't stop the member from offering her opinion on the motion itself.

The Vice-Chair (Jean Yip): Okay.

Continue, Ms. Tesser Derksen.

Kristina Tesser Derksen: Point taken from my colleague, but what I was saying was that the amendment failed, so now we have this verbiage in here. Whereas I was fully prepared to support the motion with the amendment, I'm now faced with a bit of a dilemma. I have folks who are asking about how resources are spent. Particularly with our colleagues in other committees, we're getting questions about the amount of time and resources being spent debating particular items. I'm finding it very difficult to answer those questions, particularly with the incredible amount of time and resources already spent on two of the things in this motion.

I hope my colleague understands where I'm coming from. I think it has put all of us in a difficult situation. Again, on principle, this motion makes perfect sense. It's important to have accountability and transparency and for the public to see the work we're doing, so they understand that we care.

This is a non-partisan committee. I don't have a problem with IT overruns being investigated. The problem I have in supporting this is that I fear there will be additional resources directed to things that have already run their course—excessively run their course. I'm in a bit of a tough situation.

With respect to benefits modernization, I'm having trouble understanding why this keeps coming up. These are three very old systems that are eating up valuable resources and not getting adequate results because they're aged. We're trying to replace them with a modernized system. Canadians have asked us to do this. They've asked us to modernize, to be efficient, to find efficiencies and to use their tax dollars in productive ways. We're trying to do that. We're trying to move forward with a modernization program for these three very old benefits systems. I'm not sure where the disjointedness is and why it's difficult for people to understand what we're trying to do.

I'm sorry; I was going to say that I have two elderly parents, but my father died last month. I have one elderly parent left. In dealing with benefits, my mother doesn't use the computer a lot. She's not all that tech-savvy, so my siblings and I step in to assist. We see gaps in those systems. We see problems with how they're used. Even we can see opportunities for modernization and efficiencies. To think the government, Parliament, the House of Commons or representatives wouldn't be beside with that type of modernization and would try to paint it in a light of being wasteful or misguided is disappointing.

I'm afraid I'm not sure I'll be able to support this motion, which troubles me greatly, because I agree with the concept. I agree with the principle, but I feel it's misguided. It's distracting. Unfortunately, I think it's being overly politicized.

I'm sorry. I don't want to eat up all the time.

• (1300)

Gérard Deltell: I have a point of order, Madam Speaker.

The Vice-Chair (Jean Yip): Yes.

Gérard Deltell: I didn't want to interrupt my colleague. That was very interesting. I know that for a newbie, it's very challenging to be exact on time. We do respect her position. On the other hand, it's past one o'clock and I have to go, so I will give my vote to Madame Lewis.

The Vice-Chair (Jean Yip): As the member mentioned, it is one o'clock, and I did mention that we would end the meeting at 1 p.m.

Gérard Deltell: Yes, but we can get unanimous consent to go on.

[*Translation*]

Sébastien Lemire: Can we go to a vote, Madam Chair?

[*English*]

Tom Osborne: Madam Chair, I have commitments as well. Can we pick this up at the next one?

The Vice-Chair (Jean Yip): Yes, we can do that.

I will adjourn the meeting, then, and we will continue at the next meeting.

The meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>