



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

45th PARLIAMENT, 1st SESSION

Standing Committee on Public Accounts

EVIDENCE

NUMBER 027

PUBLIC PART ONLY - PARTIE PUBLIQUE SEULEMENT

Wednesday, March 11, 2026

Chair: John Williamson



Standing Committee on Public Accounts

Wednesday, March 11, 2026

• (1600)

[English]

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

Welcome to meeting number 27 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.

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.

I believe we have all our members here.

Pursuant to the order of reference of Monday, February 9, 2026, the committee is resuming consideration of Bill C-230, an act to amend the Financial Administration Act and to make consequential amendments to other acts regarding the debt forgiveness registry.

I would like to welcome our witnesses.

From the Canada Revenue Agency, we have Isabelle Brault, director general of the legislative policy directorate in the legislative policy and regulatory affairs branch; Jennifer Boudens, acting director general of the finance and administration branch; and Charly Norris, acting director general of the collections and verification branch.

From the Department of Finance, we have Lauchlin MacEachern, acting director general of legislation in the tax policy branch.

From the Treasury Board Secretariat, we have John Daley, senior director of public accounts and advisory services.

Mr. Daley, you have a maximum of five minutes for your opening remarks.

[Translation]

John Daley (Senior Director, Public Accounts and Advisory Services, Treasury Board Secretariat): Good afternoon, Madam Chair and members of the committee.

Thank you for inviting me to speak today about how the Government of Canada manages debt deletion.

Before I begin, I would like to acknowledge that I am speaking today from the traditional unceded territory of the Algonquin Anishinabe people.

I am joined by my colleagues from the Department of Finance and the Canada Revenue Agency.

The Financial Administration Act is the cornerstone legislation that governs how the federal government manages public funds. It establishes the legal framework that guides financial management across all government departments and agencies, and it clarifies the responsibility of Treasury Board and the deputy heads to ensure effective and appropriate management of public finances.

[English]

Under the act, the Treasury Board is the government's central financial authority. It enables the Treasury Board to establish policies and practices that help departments manage public funds responsibly. The Treasury Board Secretariat helps departments apply financial policies that explain how departments should handle situations when a debt may need to be written off, remitted, forgiven or waived. The act also requires deputy heads to maintain internal controls and conduct regular audits to ensure compliance with legal requirements, as well as government policies and procedures.

Within this system, there are four main mechanisms available for debt deletion.

One is a debt writeoff, which removes the debt from the government's books when it cannot be collected or when collection is not cost-effective. The legal debt still exists, but the government stops collection efforts for various reasons.

Two is remission, which legally extinguishes a debt owed to the Crown. A remission can be approved by the Governor in Council when collection would be unreasonable, unjust or not in the public interest. When a debt is remitted, the obligation is permanently relieved and is no longer owed to the Crown.

Three is forgiveness, which also legally extinguishes a debt but applies only to specific types of debts such as loans or advances. These debts can only be forgiven by Parliament, usually when collection would be unreasonable or unjust or when the forgiveness is in the public interest. Once again, the obligation is permanently removed.

Four is a waiver under the Financial Administration Act, which applies in limited situations to interest and administrative charges.

Departments must assess each case, apply the relevant authorities and document their decisions in line with the Financial Administration Act, the debt writeoff regulations and the interest and administrative charges regulations, when writeoffs are in relation to the Financial Administration Act.

Bill C-230 proposes to amend the Financial Administration Act to include more information on the deletion by the government of large debts owed by corporations, trust companies and partnerships. In its current form, the bill would require the President of the Treasury Board to establish and maintain a publicly accessible, searchable online database listing any debt, obligation or claim owed by a corporation, trust company or partnership of \$1 million or more that has been formally written off, remitted, waived or forgiven by the Crown.

It is important to situate this discussion within the government's existing reporting framework. The public accounts of Canada provide annual disclosures of debt obligations and claims that have been written off, remitted, waived or forgiven, in accordance with the Financial Administration Act. The public reporting reinforces accountability by ensuring that Parliament and Canadians can understand the fiscal impact of these decisions each year. The public accounts identify the departments responsible, the level of approval involved, the legal authority and the number and total value of debts deleted.

The government takes the stewardship of public funds very seriously. It also supports the objective of transparency in how public money is managed.

• (1605)

[*Translation*]

Today, my colleagues and I are ready to discuss how these tools work, their role in sound management and their contribution to Canadians' confidence in the management of public resources.

[*English*]

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

Mr. MacEachern, you have a maximum of five minutes for your opening remarks, and then we will proceed with the rounds of discussions.

Lauchlin MacEachern (Acting Director General, Legislation, Tax Policy Branch, Department of Finance): Good afternoon.

My name is Lauchlin MacEachern. I'm the acting director general, legislation, of the tax legislation division in the Department of Finance. I'm responsible for the review of draft tax legislation. I can speak to the consequential amendments in the bill regarding the sharing of tax information.

Thank you.

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

We will now begin our first round of six minutes, starting with Mr. Chambers.

Welcome.

Adam Chambers (Simcoe North, CPC): Thank you very much, Madam Chair. It's a pleasure to be here.

It's great to see all of you here in person. I much prefer this—as opposed to Zoom, which we were accustomed to for a number of years—so thank you for joining us here today.

I appreciate the opening remarks and the care that the government suggests that it takes on debts that are owed to the treasury.

I have a couple of questions. Anyone can answer.

What was the single largest writeoff last year that the CRA or any department made? I'm looking for the amount.

Charly Norris (Acting Director General, Collections and Verification Branch, Canada Revenue Agency): We can't disclose that amount, due to confidentiality reasons. It's one account, and it would probably lead to the disclosure of that account, either directly or indirectly.

Adam Chambers: You're aware, though, that in 2019 the single largest amount was a routine fact that was provided to Parliament. It was \$133 million in 2019. You're aware that that amount was disclosed. Isn't that right?

Charly Norris: Unfortunately, today we can't disclose that amount.

Adam Chambers: Okay.

Did the Income Tax Act or the Privacy Act change between 2019 and today? Why can you no longer disclose a piece of information that you used to disclose?

• (1610)

Charly Norris: Again, under the confidentiality, section 241, disclosing one account could lead to the disclosure of that account either directly or indirectly, so unfortunately we can't disclose that.

Adam Chambers: I understand. Did the government break the law previously when it made those disclosures?

You don't have to answer that; that's fine. However, if you're open to it, I would love to see the legal opinion on which the change in policy was based. We're here today primarily because of that legal opinion, because Parliament has not been able to get that information. I think it is in the public interest to disclose that information.

Here's my next question: Are you able to provide an amount in total that has been written off as a result of carousel schemes? These are the GST schemes that are frauds perpetrated on the CRA. There were a number of articles about these a few years ago. The rumours are that the CRA has been defrauded of hundreds of millions of dollars in total. Do you have a ballpark figure that you can share with the committee?

Jennifer Boudens (Acting Director General, Finance and Administration Branch, Canada Revenue Agency): Unfortunately, we are unable to respond to that question. Our systems track the writeoffs that we do in accordance with the legislation under which they are written off.

Adam Chambers: Thank you.

We used to know the single largest writeoffs. We don't know those anymore. We are unable to determine the total amounts of writeoffs for various activities. I'll reiterate that I think this is a matter of public interest. I'm not asking you whether you agree with it or not. I'm making a point that this is information that I think is relevant to the public. Taxpayers—and parliamentarians, frankly—deserve to know who these individuals are. I say “individuals”, but I mean corporations.

I understand that there may be some concerns about privacy. I don't know if anyone can speak to this, but if a corporate name appears on a registry or in a public document today, is it not already the case that someone can search in publicly available registries for who the directors of that corporation are, whether it's a provincially registered entity or a federally registered entity?

Charly Norris: If this were disclosed, and then you took that entity and went to all the registries across the provinces.... There are different levels of information.

Adam Chambers: You could find out, just by the name of a corporation, even a numbered corporation, whether it's provincially or federally registered. The directors of that organization are typically listed in a public registry. Is that your understanding?

Charly Norris: That's correct—directors and in some cases shareholders.

Adam Chambers: That's correct. Exactly.

I would be willing to hear concerns about privacy, but if someone's full name appears as their corporate name, I don't think the disclosure of that name would be a violation of the Privacy Act in the first instance. Even if someone believed it was violating privacy, I think the fact that I can take that corporate name and search it in another public database to produce that individual's name makes the privacy point irrelevant.

I'm open to hearing or being persuaded on that point, but I think we will need to get some legal opinions, certainly from the Privacy Commissioner. By the way, I reached out to him and haven't heard back from him—but I know you don't represent that office. However, if there are concerns, I would appreciate having those spelled out at the earliest opportunity.

Thank you, Madam Chair.

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

Now Mr. McKinnon has the floor for six minutes.

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

I'd like to start by saying that I'm largely supportive. I'm sympathetic to the goals of this legislation, although I have some concerns about whether they can be achieved.

I'll start with my first point, and I'm not sure if this is a point for officials or for the sponsor of the bill, who might want to come up with amendments coming forward.

The first thing is that this legislation is to create a registry, but it's completely silent on where that data comes from. Is it up to the government to make the entries in the registry, to maintain the registry and to update it, or is it up to the individuals, the corporations, the partnerships or whatever? I think that's key. If nobody is responsible for it, then it's not going to happen. If it's the individual companies, corporations or partnerships, I think there needs to be some sort of incentive for doing so, or perhaps disincentives for not doing so. That is my first point.

I don't know if that's something you want to respond to or if that's relevant to you guys.

• (1615)

John Daley: I appreciate the question.

I guess I would say that, essentially, if the bill is passed in its current form, the government would be in a position to determine the most appropriate way for the registry to be presented, based on the specific reporting requirements of the final bill.

Currently, the public accounts of Canada already provide this information at an aggregate or summarized level. What they don't do is provide it at a case-by-case level, so yes, there would be work required by departments to collect that information.

Ron McKinnon: You would say that under the legislation as written it would be the responsibility of the government to put the information in there and to maintain it.

John Daley: Based on the current form of the bill, that is our current interpretation, yes.

Ron McKinnon: I see. Okay.

My next point goes to the cost. We have had some discussion in this place around the costs of data systems and so forth. I guess it would be worth hearing about the cost of the analysis to create the system, the design of it, the analysis deciding where it's going to live, what servers it's going to live on, how it's maintained and what the cost of that would be on a long-term basis. I think that would be very key to the system.

It's also significant because bills that require the government to spend money require royal assent. I'm not sure that the proponent has acquired that yet.

I would ask if you would like to respond to that concern.

John Daley: Currently, in accordance with the Financial Administration Act, information in relation to debt deletion is reported at the aggregate level in the public accounts of Canada. There is currently no centralized system for the collection of this information, so yes, there would be a need to have a system in place, as well as procedures and guidance, likely produced by the Treasury Board Secretariat of Canada. Then departments would be responsible for the extraction and verification of that information.

However, it's difficult to say what that would cost.

Ron McKinnon: I think that's a really key thing. Is it \$1,000? Is it \$1 million? Is it \$100,000? The government is going to be faced with spending a considerable amount of money to make this happen: to do the analysis, the development and the implementation and to maintain it on an ongoing basis. It would be helpful, I think, to have some idea of what that would be.

Failing that, certainly private members' bills—all bills—need royal assent if they're going to require the government to spend money. I would encourage the proponent to seek that, if he hasn't done so already.

Those were my questions.

[Translation]

The Vice-Chair (Jean Yip): Mr. Lemire, you have the floor for six minutes.

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

I'd like to begin by thanking the witnesses for joining us today to discuss this bill.

Ms. Boudens, how many businesses would fall under the scope of the act based on the \$1 million threshold that has been set?

Jennifer Boudens: Thank you for the question.

• (1620)

[English]

With respect to corporations that have had tax debt writeoffs of over \$1 million, I'm sorry, but I can only speak to CRA's tax debt writeoffs. I can't speak to total writeoffs. That's the public accounts for other departments.

In looking at the CRA, on average—this is an estimate, because some of the accounts would require more details and more information to confirm that these are in fact corporate debts—over the last seven fiscal years, the number of writeoffs that exceeded the \$1-million threshold was approximately 215 accounts per year.

[Translation]

Sébastien Lemire: That's a lot.

Would you have the details broken down by amount?

If the bill had set the amount at \$250,000, the number would be higher.

Do you have that data?

Jennifer Boudens: Yes.

[English]

At \$250,000, it would be over 1,400 accounts.

[Translation]

Sébastien Lemire: That's still a lot of money.

Do you have the data on what would have happened if the bill had set the amount at \$5 million or \$10 million?

Jennifer Boudens: I have the information for an amount of \$5 million, but not for \$10 million.

Sébastien Lemire: Okay.

How many accounts would be involved if the amount was \$5 million?

Jennifer Boudens: For an amount of \$5 million, it would be about 37 accounts.

Sébastien Lemire: That's still a lot of money. Given these amounts, one would almost think that this is a new program, like Cúram.

According to volume III, section 2 of the Public Accounts of Canada, there is a total of \$7 billion in taxes on bad debt, an additional \$7 billion in goods and services tax, and \$1 billion in other taxes, such as immigration or excise tax.

This section does not provide any further details. Obviously, that's a huge amount of money.

At what point do you think a debt should be made public?

[English]

Jennifer Boudens: Debts are written off after the collections officers have taken all the steps necessary to verify whether or not the debt is collectible. As my colleague mentioned earlier, there are debt writeoff regulations. In our collections and verification branch, they follow those regulations and take all the steps possible in determining whether or not the amounts are collectible. At such point where they determine they are no longer collectible, they are put forward for writeoff and approved at the appropriate levels.

[Translation]

Sébastien Lemire: In 2024, The Globe and Mail published an article that showed that 11 companies benefited from a debt write-off or forgiveness by the CRA, to the tune of \$1.25 billion. In 2023, \$1 billion of the \$5 billion in debt writeoffs benefited only five companies.

I'd like to ask you the question again. Why is there a refusal to name these companies?

By hiding behind a law that maintains anonymity, aren't we setting ourselves up to repeat history and, ultimately, to favour those who don't pay their debts over honest taxpayers?

[English]

Jennifer Boudens: My apologies, I am not an expert in the privacy regulations and the acts that led to the decision not to disclose those amounts, so I'm unable to speak to the reasons why.

[Translation]

Sébastien Lemire: I thought there was someone from the legal field among you.

Ms. Brault, you're the director general of the legislative policy and regulatory affairs branch.

Can you tell us more about the legal aspect of this matter?

Isabelle Brault (Director General, Legislative Policy Directorate, Legislative Policy and Regulatory Affairs Branch, Canada Revenue Agency): Thank you for your question.

We are not authorized to provide legal advice to this committee or to comment on the adequacy of legislation passed by Parliament. Section 241 of the Income Tax Act prevents us from disclosing information that would identify the taxpayer in question.

Unfortunately, we won't be able to give you more details on that today.

Sébastien Lemire: Would the passage of Bill C-230 give you additional powers to provide Quebecers and Canadians with more transparency?

Isabelle Brault: This would involve providing you with a legal opinion on the interpretation of this bill, which is not currently part of our legislative and regulatory framework. We don't administer it at this time, so I'm not authorized to give you legal advice on this matter.

Sébastien Lemire: I accept your answer, but I still thought it was important to ask the question.

The case of Chrysler and General Motors are obviously interesting examples. After bailing out these two major American companies, the government wrote off their \$2.6-billion debt. This decision was mentioned in just a single line in the public accounts, and there was no explanation or identification of the companies. There was no justification for the loss to taxpayers.

How can taxpayers have confidence in the system when they see large companies benefiting from such writeoffs?

Of course, in Quebec, there are examples of companies, such as Northvolt, that have been involved in major scandals. They were identified, and there were repercussions.

If the people involved are not named, how do we learn from mistakes to avoid repeating them?

• (1625)

John Daley: Thank you for the question.

I can begin to answer it. Then I'll turn the floor over to Ms. Brault.

[*English*]

What we could speak to, in terms of what was in the public accounts.... Yes, there was approximately \$2.6 billion in loans to Chrysler and General Motors, which were recorded in the 2018 public accounts as writeoffs.

I would say, from my interpretation of this bill, that if this bill was to be implemented, those names would be disclosed, but I'll pass it to my colleagues to see if there are further questions or comments.

[*Translation*]

Sébastien Lemire: Thank you for joining us and answering our questions.

[*English*]

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

[*Translation*]

Isabelle Brault: I have nothing to add.

[*English*]

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

For the second round, we have Monsieur Deltell.

[*Translation*]

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

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

Allow me to congratulate you on your French. I greatly appreciate all the efforts you are making to learn both official languages.

Colleagues, it's good to see you.

Witnesses, thank you very much for being here with us. Thank you for your service to our country.

As you know, on our side, we support Bill C-230, which was introduced by Mr. Chambers. This actually should have been done a long time ago. It's a very good idea.

Over the past 10 years, has there been an increase in the number of agreements like these? Generally speaking, year after year, have the number of agreements and the amounts remained roughly the same?

Have there been any variations over the past 10 years?

[*English*]

Jennifer Boudens: Madam Chair, when we're looking at the amount of the writeoffs, it is true that the dollar value of the writeoffs has increased over the past 10 years. However, the revenue generated by the agency has also increased over that period of time, and so we see a corresponding increase in writeoffs with the increase in revenue.

When we look at the writeoffs as a percentage of total revenue that the agency generates, it's very consistent year over year. In fact, our writeoff in 2024-25 as a percentage of revenue was 0.66%, and over the past 10 years we've fluctuated between 0.63% and 0.79%. Although the dollar value is increasing, that increase is corresponding to the growth in revenues the agency is administering.

Gérard Deltell: It's like you have seen the question that I wanted to ask you. Thank you so much. It's deeply appreciated. I would suggest that the government follow this way of addressing things. Obviously, I'm being funny.

I have another question.

[*Translation*]

We understand that inflation affects everything.

Have there been more cases over the past 10 years, or has the number of cases remained roughly the same every year?

[*English*]

Jennifer Boudens: I'm just checking my notes to see if I have the numbers, as I don't remember offhand.

[*Translation*]

Gérard Deltell: That's exactly the right way to do it. Take your time. Since we're talking about it, we might as well provide the correct data.

Jennifer Boudens: I have the information for the last three years here. We are seeing a slight increase in the number of cases year over year, but, overall, it remains about the same.

Gérard Deltell: Thank you.

What reasons do companies cite for such a debt writeoff?

I assume that the companies take the first steps to reach an agreement.

Is it primarily the companies that take the first step, or is it rather you?

Charly Norris: Businesses are not aware of this. It's not an agreement; it's an administrative measure on our part that enables us to remove the account from our asset inventory. The account is still recoverable. Companies have no role to play in a writeoff.

Gérard Deltell: What are your reasons for doing that?

Charly Norris: In cases where the companies are no longer in business, this happens once we've verified their assets and their revenues and investigated until we can no longer find ways to proceed with collection.

These are cases where companies have not contacted us, and they have not offered to make a payment on a voluntary basis.

Gérard Deltell: In those cases, do you have a set period of time, either five years or 10 year, to write off the debt, or do you act immediately?

Charly Norris: We handle each case individually. We conduct investigations. If we are able to find ways to collect the debt, it can take years.

If we determine that collection is already difficult and we've done all the possible investigations, the time frame will be shortened.

If we have legal recourse against directors or shareholders—in some cases, we can hold them jointly liable for debts—we will also sue third parties, which will extend the time frame. If those individuals have appealed because they objected to the decision, it will take longer before we can close the account and write off the debt.

• (1630)

Gérard Deltell: How many CRA employees are assigned to processing these files?

Charly Norris: For the most complex files, there are about 1,000 of them.

Gérard Deltell: Have you set any goals?

Charly Norris: No. We set expectations, but collection officers handle those accounts like any other account. They will close all the doors. They'll try to make a list of all assets.

Their goal is not to close accounts within five days, for example, or to write them off immediately.

Gérard Deltell: Thank you very much.

[*English*]

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

Mr. Osborne, you have five minutes.

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

Thank you to our witnesses for being here today.

This is just for clarification. I understand that with the legislation regulations, even if you were to write off a debt obligation, it wouldn't prevent you from seeking recourse at some point in the future should the company or individual have the means to do so. Am I correct?

Charly Norris: You're correct.

Tom Osborne: Okay. Thank you.

I am generally supportive of this bill. I see room for improvement.

One of the concerns I have is that Bill C-230 does not distinguish between a debt obligation and a waiver or forgiveness. I guess either of the witnesses could elaborate on this. I would suggest that there's perhaps room for improvement there in distinguishing one from the other.

Something that quickly comes to mind is this. If government entered into a contract with a business, for example, to set up an operation, create jobs and create employment, and there was a forgivable loan, with the bill as written, if government were to write that loan off, would this company have to be identified and reported? That may or may not be the case; I'm just wondering. It may not be a good look for a company if they've met their obligations and lived up to their contractual arrangement with government, so therefore the debt is forgiven, and then they're written up and identified in a registry for having a loan written off.

Can anybody elaborate on that?

John Daley: From my reading of Bill C-230, proposed section 25.1, which amends the Financial Administration Act, says, "the debt, obligation or claim, in whole or in part, has been waived, written off or forgiven." So it would include those.

Tom Osborne: Yes, I see.

Hopefully, Mr. Chambers, you're open to some sort of amendment that would distinguish between a debt obligation and the forgiveness of a loan so that if a company is living up to its obligation, creating employment or setting up an operation, it doesn't show up on a registry so that somebody could construe them as maybe being a bad actor.

I'm wondering about the technical and operational concerns with the legislation as well. Again, I'm supportive of this legislation, but any time you change legislation, there are changes to operations. Some of those can have a domino effect or have an impact on the operations of government departments or the Canada Revenue Agency. Can the witnesses provide for us—this is for when we go to make amendments or suggest amendments to this legislation—what some of those implications may be?

Jennifer Boudens: With respect to the administration of this, the number of accounts changes depending on the thresholds. That will change the administrative effort required by the agency in looking into and verifying that all these accounts comply with all the requirements of the bill when it is passed, in whatever format it is passed.

Unfortunately, I can't speak to my opinions on the bill or to possible amendments. I just wanted to give that context: The level of accounts does change the administrative effort for the department.

Thank you.

• (1635)

Tom Osborne: If this bill is adopted as it is, do you have the capacity to make the necessary changes and adapt to the changes? What additional resources would you require to meet that administrative burden?

Jennifer Boudens: At this time, we have not looked into the cost of administering this bill, as it has not yet been passed. Similar to my colleague who mentioned before that they haven't done a full evaluation, it's the same at the agency. We would have to look into the cost of administering the bill as written.

Thank you.

Tom Osborne: Okay.

Is there an anticipated timeline to be able to give us some indication as to what the administrative burden would be with the passage of this bill?

Isabelle Brault: Thank you for the question.

[Translation]

We have to wait for the bill to be passed and for the changes to be implemented before doing an assessment based on the bill.

[English]

Tom Osborne: Okay. I would be interested in having some understanding of the staffing requirements and the logistics in order for the agency, as well as government departments, to be able to meet the demands of the passage of this. Do we have any indication? I'm not looking for a specific number, but just in general terms. What does the burden...? Maybe I should change the wording, because I am generally supportive of the legislation. What does the requirement to maintain a registry look like?

The Vice-Chair (Jean Yip): Please give a very short answer.

Isabelle Brault: Thank you for the question.

[Translation]

It will certainly require resources, both human resources and system changes. We're talking about something that will have consequences and that will be substantial.

[English]

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.

In its latest report, Employment and Social Development Canada states that it has recovered \$2.7 billion of the \$3.2 billion overpaid to Canadian taxpayers. At the same time, Export Development Canada, which managed the Canada emergency business account, declined to name the recipient companies that were ineligible. The Auditor General estimates that \$3.5 billion was paid to ineligible companies.

In your opinion, does this underscore the importance of ensuring that all Canadians are equal before the law?

Isabelle Brault: Thank you for your question.

You're talking about a case involving another federal entity. There's no representative from that group here. So we can't give you any information on that case.

Sébastien Lemire: You're right, except that this nevertheless raises a question about the CRA's ability to prosecute taxpayers. Is it really doing that for businesses? We feel that there is a double standard.

If all the details remain anonymous because the information isn't made public, what guarantee do we have that the work is really being done to ensure that everyone is equal before the law and that the people at the CRA are doing everything they can to recover the money advanced to these companies?

Obviously, we're talking about very large amounts of money.

Isabelle Brault: Thank you for your question.

I understand the importance of the question, but we're not authorized to comment.

Sébastien Lemire: Okay.

I would now like to understand certain things.

During the pandemic, loans were granted to businesses. These loans could be repayable if certain conditions were met.

In the public accounts, are these amounts considered writeoffs, forgiveness, remissions or waivers?

• (1640)

John Daley: Thank you for the question.

[English]

I don't have a list of the waivers or remissions or forgivenesses for those individual organizations.

[Translation]

Sébastien Lemire: Thank you.

I have only 15 seconds left, so I thank the witnesses.

I think they answered as honestly and transparently as they could. That confirms the importance of this bill in terms of giving them more resources so that they can do their work with a high degree of professionalism.

Thank you very much.

[English]

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

Mr. Kuruc, you have five minutes.

Ned Kuruc (Hamilton East—Stoney Creek, CPC): Thank you all for being here today. I will cede about a minute of my time to my colleague MP Chambers.

At the beginning here, there were some questions that.... You couldn't disclose.... I fully respect that. You have to do what you have to do. However, I will ask each of the departments whether or not, in your expert opinion, a debt forgiveness public registry of these corporations would create more transparency for the Canadian public, if this bill went through.

We can start with you, Mr. Daly, if that's okay.

John Daley: I would say that, essentially, the transparency for debt deletion is set out in the Financial Administration Act. As it's currently set, this information is included in the public accounts at a summarized, but not detailed, level, as the public accounts currently consist of over three volumes and about 1,000 pages of data. Essentially, at this point in time, volume 3, which is unaudited data, does not contain that aggregated level of data.

Speaking specifically to transparency, I don't think I can comment further on a bill that has not yet been put into law.

Ned Kuruc: Okay. I respect that, sir. I was asking more for your opinion, but I respect that.

Could someone from the CRA answer?

Isabelle Brault: Thank you for the question.

[*Translation*]

For further clarification, I would say that a distinction must be made between bad debts and forgiveness or remissions.

When the Minister of Finance and National Revenue grants a debt remission, there is already a lot of transparency. It's a public process in which the Governor in Council makes an order. It's published in the Canada Gazette.

The minister can also decide to waive interest on penalties. In that case, it's noted in the taxpayer's file.

[*English*]

Ned Kuruc: How about you, Mr. MacEachern?

Lauchlin MacEachern: I think that information would be available, but I can provide technical answers only and not personal opinions.

Ned Kuruc: That's fair enough, sir. Thank you.

I guess what I was trying to say was, in your opinion.... This bill would try to create more transparency for the Canadian public. I respect the way you have to answer, so I won't dig into that anymore.

Here is another question, though. What's the benefit of protecting the identities of these corporations? I'm going to play the devil's advocate. Clearly, you can't disclose a lot of stuff, but what would be the benefit of protecting some of these identities—or corporations, I should say; I don't want to reference people, as we're talking about corporations—when they are excused from paying multi-millions of dollars?

Could someone from CRA answer?

Isabelle Brault: Thank you for the question.

[*Translation*]

Tax debt is governed by an act of Parliament. Parliamentarians have passed an act that requires us to respect full confidentiality for every taxpayer. It's a conscious choice.

[*English*]

Ned Kuruc: Okay.

We talked about some of the processes of tax writeoffs. Very briefly, because it was in French, Mr. Norris, if you could.... What determines whether a debt could be collected or not?

Charly Norris: What determines whether it can be collected or not are the circumstances of the business—

Ned Kuruc: Sorry, I mean for a corporation.

Charly Norris: Yes, it's for a corporation. Individuals are different from a corporation.

Again, we look at their financial situation and financial statements. What are their assets? Are they still operating? If they're not operating anymore, what happened to the assets? We look at the bank accounts. Has there been any transfer of assets? This starts from the bottom. Then, when the collection officer can't find those assets and determines that the business is no longer operating, and we have done all our searches across the banks, everywhere we can go.... We have lots of powers to look into the bank accounts and into other assets, third parties, accounts receivable, etc. Once we close all those doors and there's nothing left to do, then we determine that the account is unrecoverable.

At that point, it would go through many layers of approval before an account over \$1 million ends up at the commissioner level for approval. It's not just one person making that determination; there are lots of people looking over that account.

● (1645)

Ned Kuruc: Thank you for your answer, sir.

I'd like to cede my time, but I will say—

The Vice-Chair (Jean Yip): There are 17 seconds left.

Ned Kuruc: I apologize. I'm good. Thank you.

The Vice-Chair (Jean Yip): We have Ms. Tesser Derksen for five minutes.

Kristina Tesser Derksen (Milton East—Halton Hills South, Lib.): Thank you, Madam Chair.

My colleagues have been very thorough in their questioning, so a lot of what I wanted to talk about has been touched on already. I do have a few remaining questions, but I'd be happy to give a minute to Mr. Chambers, if he would like.

Do you want to take it?

Adam Chambers: That's very kind. I appreciate it.

Look at this collaboration—although I don't think I'll be crossing the floor, just to be clear. I know there may be some precedent for sharing time and floor-crossing.

I have two quick questions for our analysts.

In your research, did you come across whether this bill would need royal recommendation?

Dillan Theckedath (Committee Researcher): With respect, unfortunately, we didn't look into the mechanics of that.

At a very simple level, if a new product is created—a new requirement that has administrative responsibilities in addition to what is currently in place—it would stand to reason that some additional resources might be needed in order for that to function.

I would also like to say that, on the other hand, the Government of Canada currently, as it exists, does have infrastructure. It has IT resources and IT professionals. It has server space, cloud space and stuff like that. This is my opinion, but at some level, it's a marginal increase in resource allocation. It is not zero, but it would not necessarily be too comprehensive, I would imagine.

Adam Chambers: Thank you very much.

My final question is on this notion that there may be some corporations listed that may have debts owing that have been waived, forgiven or written off. In your opinion, since you've read the bill, would it not be possible, as the bill is currently drafted, to include the reason the debt was forgiven? For example, can we state the corporation and the amount, and whether the debt was waived, forgiven or written off, in order to identify the classification of debt being disposed of?

Is that not a possible interpretation of the bill?

John Daley: I can start, and I can pass it to my colleagues.

I do agree. CRA has the right person at the table to answer that question. We don't collect this information, essentially. I think CRA would probably have the largest amount of work to do to decipher corporation versus non-corporation debt-related writeoffs.

I'll pass the question to CRA.

Jennifer Boudens: Thank you very much.

With respect to the classification of writeoffs versus forgiveness or waivers, that information is already in the public accounts. The writeoffs under the FAA and the Bankruptcy and Insolvency Act are disclosed at the aggregate level. The other information, on forgiveness and waivers, is combined under the Income Tax Act or the Excise Tax Act, as appropriate.

I would have to consult with my colleagues who are the experts in those areas on the segregation of that data, unfortunately.

Adam Chambers: That's okay. As long as you think it's possible....

Thank you very much.

[Translation]

Isabelle Brault: I'd like to add something.

[English]

In the case of a waiver, some work would be required on behalf of the agency.

[Translation]

As the case progresses, penalties may be applied, particularly at the time of filing. If a return is filed late, interest and penalties can increase. A little later in the processing of the case, the minister may decide, at his discretion, to waive those penalties and interest. Following the audit, additional penalties may be imposed. Then, at the appeal stage, for example, if the taxpayer files an objection, the minister can still, at his discretion, choose whether to uphold those penalties. When the case goes to court, the judge can order a different amount for penalties and interest.

As for creating a registry, for each taxpayer, the amount will change over time, and the process can take several years. To create an up-to-date registry, the amount will have to be adjusted on a taxpayer-by-taxpayer basis in addition to providing the rationale. This is theoretically possible, but it's not a static process, and it shouldn't be done only once for a taxpayer. In some cases, a number of decisions will be made as the case progresses.

• (1650)

[English]

Adam Chambers: Thank you very much.

I'll yield my time. I'll just say that the intention of the bill was actually to capture every single writeoff. It doesn't matter if it was for a debt owing or for forgiveness of a loan. The intention of the bill was to capture corporations that have their debts expunged.

The Vice-Chair (Jean Yip): Ms. Tesser Derksen, go ahead for a short question, please.

Kristina Tesser Derksen: I agree in principle with what my opposition colleague has on the table here. I do want to go back, though, to the original point that Mr. Chambers was making around the disclosure of that large writeoff.

Mr. Norris, maybe I'll direct this to you to start. Just so I understand, it's the disclosure of the actual amount that you're not able to give us. Is that correct?

Charly Norris: It's the disclosure of a single amount, yes.

Kristina Tesser Derksen: Okay. The disclosure of the amount is not possible under the policy you're engaging.

Ms. Boudens, I'm going to refer to my colleague Monsieur Lemire's line of questioning. Monsieur Lemire asked you several questions about the number of accounts that would be affected by \$5 million or different staged amounts. Am I to understand, based on your answers, that 37 accounts would be affected by a \$5-million threshold?

Jennifer Boudens: Yes, that's correct. That's an average over the last seven years. I averaged the last seven fiscal years to come up with what we would see on a regular ongoing basis if we were to have a \$5-million threshold, and that's 37 accounts.

Kristina Tesser Derksen: I'm not trying to get you. We really appreciate the work you do. I'm just trying to flesh out the policy rationale for not disclosing the largest amount.

Theoretically, if I really wanted to figure out which ones those 37 accounts were.... I now know there are 37 accounts affected by a \$5-million threshold across the country. You're disclosing some amounts. Do you see what I'm getting at? You won't disclose the largest amount, for fear that it's going to identify or violate some kind of privacy issues.

I'm trying to flesh out the logical basis for why we can understand some numbers from Ms. Boudens, but not the big number from Mr. Norris.

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

Jennifer Boudens: The very short answer is that in those 37 accounts, you would not know if one of them was \$500 million and 10 of them were \$5 million. There is no single amount that allows you to research and potentially identify the company.

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

For our final round, we'll start off with Mr. Stevenson. I will follow the real chair's order and end with the government.

Mr. Stevenson, you have five minutes.

William Stevenson (Yellowhead, CPC): Thank you.

As a chartered professional accountant in public practice, I've personally filed thousands of tax returns over the last 26 years. I'm not sure who really wants to answer some of my questions, but I'll probably start with Mr. Daley.

Our tax system is fundamentally based on volunteer self-reporting. Canadians are expected to file accurately with the information. If they don't, even if it's small mistakes, they are faced with penalties and interest. They can dispute with CRA for a long period of time. If they didn't have the correct information based on what CRA put out there and they still have these problems, who actually pays penalties? Who's responsible for the penalties? Maybe that's a rhetorical question: It's the taxpayer.

When we look at this, from your perspective.... You alluded to it earlier in your opening statement, Mr. Daley, that the CRA is the main function for Finance to collect funds. Would you say that the main purpose of CRA is to be a collection agency, or is it to help taxpayers file their information correctly with proper information? Is CRA supposed to be educational and help the taxpayer, or is it really just to collect funds?

• (1655)

John Daley: I think that, with having CRA here, they are actually the best place to define the mandate of their organization.

William Stevenson: Ms. Boudens.

Jennifer Boudens: I'd say that the CRA acts as a tax administrator, and part of the administration of those taxes also involves the collection of debts. We play both roles.

William Stevenson: Which one would you say is the focus, though?

That's okay. I'll move on.

As Mr. Daley alluded earlier.... Mr. Osborne's question was about the administrative burden. Again, it might be a bit of a facetious question, but you said there is no central system. The CRA doesn't do anything on paper anymore. It's all digital. Is that correct? Okay. If the system is all digital, and you have the totals and the numbers, how did you get those numbers if all the information wasn't already there?

Jennifer Boudens: If I may, I believe that when my colleague Mr. Daley was referring to that, he was referring to a centralized system as a whole, as opposed to within individual departments. I'll turn to him.

John Daley: Thank you for the question. I appreciate it.

Right now, the responsibility for writeoffs or debt deletion is mostly within each individual department. Right now, the Treasury Board hasn't put in a requirement for departments to provide—

William Stevenson: It's maybe just to say that CRA has a different list than the corporate tax, and you're just saying to amalgamate those. That's where the extra burden would be in the list.

John Daley: I appreciate that. I can't speak to all individual departments. I think an assessment would need to be done on a department-by-department basis to determine to what degree this would require additional work. There would be some requirements for—

William Stevenson: That's fine.

On a theoretical basis, I guess I reject the premise that there is an extra administrative burden, because all the information is there. It's just putting a list together.

This will be for the CRA.

As a corporation, a lot of the time you'll get a notice. The CRA will send out a notice saying to file your taxes, and then they'll send out one saying that they think you owe x , whether it's GST or corporate tax, in your notional assessment.

Can you tell me, by your information, what portion of what is being written off was a notional assessment from CRA guessing, and then the corporation goes back, actually files its taxes, and the taxes are significantly different? How many of these writeoffs are actually included in this notional assessment, or are they at all?

Jennifer Boudens: If the CRA issued a notional assessment and the taxpayer came back and filed their actual taxes, they would be reassessed, and that would be updated in the system for the actual taxes.

William Stevenson: Is the difference between the notional and the actual assessment any part of the writeoff?

Jennifer Boudens: No, the reassessment would update the amount owing in the system, and then the amount that would go to collections would be the amount owing from the amount that was filed by the corporation.

William Stevenson: The amounts that are showing up as written off never include those adjustments that they had prior to the final assessment.

Jennifer Boudens: That's correct. The amounts that go to collections are the amounts that are owed by the taxpayer. If they have filed, it would reflect the amounts that are owed by the taxpayer.

William Stevenson: How much time do I have?

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

[Translation]

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

Sébastien Lemire: Thank you, Madam Chair.

Export Development Canada is a Crown corporation, while the CRA is not. The CRA has recovered money it sent to ineligible companies, but Export Development Canada has not.

Why is the CRA able to recover funds, while Export Development Canada is unable to do so?

In my opinion, this is a major injustice, which represents a loss of \$3.5 billion for taxpayers.

Isn't this an injustice that needs to be corrected?

• (1700)

Isabelle Brault: Thank you for the question.

You're asking us to express an opinion on a process that falls under the jurisdiction of another crown corporation.

Sébastien Lemire: Yes, true, but you still have some power.

I would like to talk about privacy. A company is subject to various laws and regulations. For example, a company's shareholders must be registered in the enterprise register. At least, this is the case in Quebec.

Why would there be a privacy concern when the information, such as the identity of a company's shareholders, is already public?

Why is the company refusing to provide information about these cases when it's making money off people and failing to fulfill its repayment obligation?

Lauchlin MacEachern: Thank you for the question.

[English]

Generally, the act prohibits the disclosure of any taxpayer information. As one of the members was explaining, it's a self-reporting tax system that encourages full disclosure in order to collect tax on income and for the CRA to verify. By law, the CRA cannot share taxpayer information unless it's subject to an exception in section 241 of the Income Tax Act.

That's just within our tax laws. Beyond that, there are other privacy laws, but I can't speak to those.

[Translation]

Sébastien Lemire: Okay. Thank you.

Thank you, Madam Chair.

[English]

The Vice-Chair (Jean Yip): Our final speaker is Mr. McKinnon for five minutes.

Ron McKinnon: Thank you, Chair.

My concern about this bill, which I addressed earlier, is this. As Mr. Stevenson said, the information is already out there. It's a matter of reporting. It's a matter of gathering it. What this bill asks us to do is create a public registry in the form of an online searchable database. To my mind, that's a separate entity. It's a separate system. It requires analysis. It requires design. It's going to require someone to go through the existing data and gather it on the basis of some time, put it into this database and make it available for the public to do a search in various ways.

I would be much more comfortable if this bill were talking about creating an ongoing report every quarter or every year, or something, to say, "Here is the information. We'll put it in a report and make it available to the public."

Would anyone like to comment on that concept?

John Daley: I appreciate the question.

Upon completion of this bill, we would need to determine exactly how this would be produced, whether it is within the public accounts of Canada or another searchable online database, such as what you find with Open Government.

In terms of frequency, that would need to be assessed at the time the bill is approved.

Ron McKinnon: I come at this from the perspective of having spent 40 years as a data analyst and computer programmer. I've worked in Fortran and even Cobol, which I'm now proud of. I have experience in implementing systems of this kind and making them available to users and so on, so I anticipate that this is going to be a fairly expensive thing to create. It would be much easier and more straightforward, I suggest to Mr. Chambers, if this was expressed in the manner of an ongoing report.

I know you guys are interested in what the final form of this bill will be, but let's forget about changes. We may or may not make changes. What are the financial consequences of implementing this bill as it stands now?

John Daley: Again, we haven't done an analysis of what the financial implications of the amendment would be.

Right now, in terms of additional work, all departments would need to assess their writeoffs and debt deletions to determine what is required in order to provide this information in a central database.

• (1705)

Ron McKinnon: What about the prospect of providing this information—forget about the bill—as a report on a quarterly or semi-annual basis? It would be something that says, “Here's a list of entities that have debts to the government, and this is the status of those debts, whether they're forgiven or written off,” or even a report of these various entities, with a list of obligations that have been or are about to be written off.

John Daley: If a report were required, it would follow circumstances similar to what would be in an online database, with the exception of having to house a system in order to make the information available online.

I'm not sure if the CRA has anything to add in terms of distinguishing between partnerships and individuals regarding certain types of debt deletions—for example, GST or HST.

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

Jennifer Boudens: I think that, as mentioned earlier, there is work involved. We have to verify that GST accounts are actually registered to corporations before they can be disclosed on this list.

The Vice-Chair (Jean Yip): Thank you to our witnesses for their testimony and participation in relation to the study of Bill C-230.

We will suspend briefly to go in camera.

[Proceedings continue in camera]

• (1705)

(Pause)

• (1715)

[Public proceedings resume]

The Vice-Chair (Jean Yip): The meeting is resumed in public.

[Translation]

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

The Vice-Chair (Jean Yip): Mr. Deltell, you have the floor.

Gérard Deltell: Madam Chair, I would like to inform the committee that we have a gentleman's agreement with the government and Bloc Québécois members regarding the motion that I introduced two days ago.

The motion concerns the events involving Laval and the CRA. It invites the Minister of Finance and National Revenue, as well as CRA officials and the mayor of Laval, to appear before the committee. The motion will be discussed at the committee's next meeting.

[English]

The Vice-Chair (Jean Yip): It has been noted.

Mr. Lemire has the floor.

[Translation]

Sébastien Lemire: Thank you, Madam Chair.

At the last meeting, we didn't have time to vote on the motion moved by the Bloc Québécois on February 25, 2026. The motion read as follows:

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 Benefits Delivery Modernization.

We were supposed to move to a vote, but we ended up running out of time. I would like us to continue with the process and move to a vote.

• (1720)

[English]

The Vice-Chair (Jean Yip): Let's call the vote to resume debate.

[Translation]

Sébastien Lemire: There's no need for a vote to resume the debate. The debate is ongoing.

Gérard Deltell: Madam Chair, I would like to call for a vote.

[English]

The Vice-Chair (Jean Yip): The vote is to resume debate on the motion.

(Motion agreed to)

The Vice-Chair (Jean Yip): We are now resuming debate on the motion.

Are there any speakers?

I have Ms. Tesser Derksen and then Monsieur Lemire.

Kristina Tesser Derksen: Thanks so much, Madam Chair.

I want to thank my colleagues for indulging me at the last meeting while I waxed eloquent—or maybe not so eloquent—about my feelings toward the motion. The gist of what I was trying to say was that I was hoping for something more holistic. I agreed in principle with the motion, but I didn't like the focus on Phoenix and that stuff. I thought it was distracting and not as holistic or as organic as it could be.

After thinking about it a bit, I decided to propose an amendment to the motion, if that's okay, Madam Chair. Do you want me to launch into that?

The Vice-Chair (Jean Yip): Yes.

Kristina Tesser Derksen: I'm going to read the whole proposed amendment at the end, because I do have some comments I want to preface it with. Basically, what I'm looking to do is remove the words “a public and” and “overruns”, and then add “and that the inquiry also examine the accumulated costs of maintaining legacy systems and the risks associated with them.”

I'll get into my rationale a little bit here, because I feel that if my colleague Mr. Lemire is truly concerned about the IT contracts, then this amendment should work for him because it's looking at spending in a serious, responsible and more holistic way. We don't necessarily just want to examine the contracts, but also the enormous costs of maintaining outdated, older systems, because there's a cost associated with that. If you want to have an honest conversation, I think we can't ignore decades of accumulated costs that have been poured into maintaining these outdated technologies. As I said in my comments at the last meeting, taxpayers deserve a complete picture, not just of what modernization costs but of what failing to maintain it costs, because there's a cost associated with being outdated. I wasn't here for the witnesses in those meetings, but every witness who appeared before the committee, including the Auditor General and deputy ministers, made it clear that those aging systems are at the heart of delays, risks and expense—rising costs.

I just want to quickly touch on some of the previous testimony as well.

Intervene any time, Madam Chair, if I need to break things up. I know I read a bunch of amendments at the beginning. Maybe it's better if I deal with them individually. If I could, I'll make my points, and then I'll go back to the technical bits of the amendment.

The BDM, the benefits delivery modernization, from what I understand, is the largest and most carefully governed IT transformation in federal history. The testimony we heard showed that every step has been sequenced, piloted, tested and monitored. It's very thorough. It protects vulnerable Canadians, and it avoids Phoenix-style mistakes. This is something that my colleague was concerned about. He wanted those mistakes addressed. I think that was really at the crux of the whole motion.

It prioritizes modernization over riskier transformations. It's going to replace systems that are older than the Internet. I don't know if people remember when they first heard about the Internet, but I was pretty young. This is old technology. The Auditor General's office made it pretty clear that Canada relies on systems that are, in many cases, more than 60 years old right now. Those systems deliver benefits to more than 10 million people. There are a lot of people relying on these systems to work properly, and we can't allow them to fail. The Auditor General's office confirmed that the old systems pose increasing risks and that modernization today prevents catastrophic failures tomorrow. We do have to invest in updating and modernizing technology if we want it to work properly for us.

I don't think BDM is optional. It's a long-delayed modernization that protects Canadians' access to pensions, to employment insurance and to old age security, some of which people I love depend on. I'm sure it's the same for many folks around this table. The delays in modernizing the system that existed for decades before this government are exactly why BDM is structured, sequenced and very carefully managed. Vulnerable Canadians depend on these programs the most.

This is exactly why the modernization is structured to protect continuity above all else. Instead of rushing to an immediate launch of the BDM, it's migrating the highest-risk systems first, starting with old age security, to prevent any disruptions to seniors. I know this is of particular concern to our colleagues in the Bloc, as it is to all of us. The legacy system did its job for decades, but there comes a time when we can't rely on 60-year-old code to keep pace with the needs of seniors and families today.

I want to make sure there's a distinction between Phoenix and the benefits delivery modernization, the BDM. We heard from officials in 2023 that there were many lessons learned from Phoenix, and it's important that we don't forget those lessons. BDM is not meant to cut corners. It's not reducing scope recklessly, and it's not implementing changes without full and thorough testing. BDM is designed to avoid Phoenix by ensuring that system migration happens progressively, with safeguards and real-time oversight. I want to make sure that distinction is quite clear.

Although I didn't have a chance to hear from her, the former chief information officer, Catherine Luelo, who I understand was well respected around this committee table, did provide testimony. The committee heard from her that the BDM program was finally imposing standardization. Finally, there is one shared platform instead of dozens of bespoke, incompatible systems that were inefficient. Additionally, she pointed out that this unified approach is how we avoid future Phoenix-type fragmentation and issues.

This is where I'm coming from with this amendment. I'll read the whole amendment.

Would you like that, Madam Chair?

• (1725)

The Vice-Chair (Jean Yip): Yes, read the whole amendment and just this amendment, please.

Kristina Tesser Derksen: Okay.

You just want my amendment. I read that at the beginning. It's just two little sentences and adding a bit at the end.

The Vice-Chair (Jean Yip): Read one amendment at a time.

Kristina Tesser Derksen: Okay, the first amendment is this. There's a spot where it says “a public and”. I want to remove that.

I also want to remove the word “overruns”.

At the end, I would request that we add the following: “and that the inquiry also examine the accumulated costs of maintaining legacy systems and the risks associated with them.”

Do you want me to read the whole proposed final motion or go through those three amendments again, individually?

The Vice-Chair (Jean Yip): Read just the last part.

Kristina Tesser Derksen: Okay. The addition at the end reads as follows: “and that the inquiry also examine the accumulated costs of maintaining legacy systems and the risks associated with them.”

The Vice-Chair (Jean Yip): All right.

Are there any speakers to the amendment?

We have Mr. Lemire, then Mr. Deltell and, of course, Mr. McKinnon.

[*Translation*]

Sébastien Lemire: Madam Chair, I’ll be honest with you. At the last meeting, I did have some concerns. I wasn’t sure whether the Liberals were acting in good faith. It wasn’t a matter of filibustering. However, now it seems quite clear that this is the case.

What do the Liberals want? They want to ensure that information that should be made public in the case of the Cúram system remains confidential.

Personally, I don’t like being taken for a fool. Quebeckers and Canadians don’t like that either.

We’re talking about cost overruns. If the budget had been adhered to—if it had actually cost \$1.75 billion—I don’t think that anyone would have questioned the need to modernize a system. The issue is obvious. The cost has risen from \$1.75 billion to \$6.6 billion. That’s a cost overrun of over \$5 billion. That money could have been allocated to any other program, such as improvements to the benefits delivery for seniors. The system has flaws, and they’re obvious.

According to the figures submitted by the department, this affects 85,000 people. As an aside, I would like to mention that a question put by the Liberals to the Liberals revealed that this matter involved 85,000 cases. The problem stems from the poor design of the software. The software was poorly designed because the firms involved provided incorrect specifications for its development. The people who made mistakes are the ones who stand to profit from it. We’re talking about \$3.5 billion in budgeted funds going to IT firms. That’s why we’re calling this a fiasco. It’s clearly an IT fiasco.

The amended motion fails to take into account that the current motion specifically addresses cost overruns in IT contracts, including Phoenix, ArriveCAN and the benefits delivery modernization programme. There are others. I hope that a report to the House will lead to an inquiry. At this point, we aren’t talking about a study. We’re talking about reporting to the House to say that an inquiry should be carried out.

We received a summons from the Auditor General regarding upcoming studies. Personally, I wouldn’t be at all surprised to see new

IT fiascos come to light. The federal government refuses to look at the mistakes that it makes when it enters into contracts with private firms, independent firms and IT firms. As a result, these people take advantage of the federal government’s complacency and line their own pockets. We’re talking about \$3.5 billion to fix these issues.

I obviously reject the proposals put forward by the Liberal government. I believe that the government is refusing to show transparency. For the information of the member on the other side, when we talk about a public and independent inquiry, we aren’t randomly selecting these words. This refers to section 2 of the Inquiries Act. This federal legislation requires a judge to delve into the details and authorizes the allocation of funds for inquiries. The goal is actually to depoliticize an issue of this nature given that it constitutes a scandal and a fiasco with costs running \$5 billion over budget as a result of cost overruns.

Can we take this out of the political sphere to ensure that competent people, such as judges, get to the bottom of this and shed light on the mandates given and the reasons for these cost overruns? We want to know why things went so wrong. This potentially falls outside the jurisdiction of Parliament. Yes, studies have been carried out, including by this committee, mainly because the Auditor General took an interest in this issue.

I would like to add something. When the Prime Minister answered questions during question period, the least he could have done was to show due diligence and to refrain from referring to people’s failure to attend a meeting that didn’t take place. We were summoned this morning for a briefing that will take place tomorrow. The meeting has not yet taken place. I find that being told that I didn’t attend a meeting—and not having a right to reply given the principle set out for question period—shows a blatant lack of respect. It shows just how much the Liberals want to hide something here.

We have a good idea of what this entails. That’s why we want to shed light on these programs. This situation keeps happening over and over again. I believe that this committee has a responsibility to quickly adopt this motion. It calls for a report to the House so that we can shed light on IT contracts, fiascos that keep happening year after year.

• (1730)

Can we shed some light on this? I think that the taxpayers expect this from us. That’s what we’re asking for. We need to do this as soon as possible.

Thank you, Madam Chair.

The Vice-Chair (Jean Yip): Mr. Deltell, you have the floor.

• (1735)

Gérard Deltell: Thank you, Madam Chair.

On our end, we disagree with the suggestion contained in the government members' amendment for the following reason.

Not a single person disputes the fact that the system needed modernization. Remember that the first report or the first warning was issued during an investigation in 2014. This isn't a recent development. We understand and know quite well that anything related to computer technology that's more than a few decades old—some would even say just a few years old—quickly becomes obsolete. Obviously, everyone agreed that something had to be done. As I said, the alarm was sounded in 2014. In 2015, a new government took office. However, it took some time before the process was set in motion.

We're seeing now that, once the process is set in motion, it doesn't work. Of course, the government boasts about large and impressive figures. It says that seven million people are receiving their benefits. However, the system should at least work, considering that it was supposed to cost \$1.6 billion or \$1.7 billion and that an additional \$5 billion has been spent. This is outrageous. Moreover, it isn't true that this matter involves only a few cases. In fact, 85,000 people have been shortchanged by this system.

Remember, Madam Chair. These people are our elders. They're the ones who built Canada. We owe them a great deal. Unlike my granddaughters—who are extraordinarily skilled with computers—they weren't born with a computer at their fingertips. My granddaughters are indeed far more tech-savvy than their grandpa. I think that we're basically in this situation.

We need to look out for seniors. Radio-Canada broadcast a report by Valérie Gamache. The report featured real-life cases of people—including a woman from Gaspésie and a man from Victoriaville—who were struggling with issues related to the new software. Eric Lefebvre, the member for Richmond—Arthabaska, asked Ms. McLean the question directly in the House. He said that his constituent was listening to him. He urged her to provide an answer to that constituent. The answer came, but 85,000 people have suffered and are still suffering as a result of this situation. Our goal isn't to figure out how much it would have cost if we hadn't done this. Everyone agrees that it had to be done. However, we're now looking at a \$5 billion hole.

Let me reassure my government colleagues a bit. These issues aren't limited to Canada. It's the same all over the world. The newspaper *La Presse* drew up a list—I think yesterday or the day before—showing that a number of countries are facing astronomical cost overruns in the IT sector.

We don't need to look at the situation in Europe. Let's just look at the situation in our own backyard. Quebec has the infamous case of SAAQclic, the system for the Société de l'assurance automobile du Québec. It was supposed to be the most modern system to date. However, it had such spectacular glitches—to say the least—that two ministers lost their jobs over the issues.

This isn't about political partisanship. That said, when a budget was initially supposed to cost \$1.5 billion and ends up costing an additional \$5 billion, when 85,000 people are grappling with this and when cost overruns for IT programs have unfortunately become the norm or commonplace, then the time has come in Ottawa

to address this issue and get to the bottom of it. The province of Quebec has done it. The rest of the world has done it too. In some situations, spending a little on IT programs ends up costing a fortune. We need to tackle this issue for the future and to figure out what went so wrong. We need to avoid repeating the same mistakes.

In conclusion, Madam Chair, I'll say it again. Regarding the amendment moved by our government colleagues, everyone understands that a change was needed. However, that change has turned into a bottomless pit of spending and hasn't yielded the expected results.

We'll be voting against the government amendment.

[*English*]

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

Ron McKinnon: Thank you.

Let me start by mentioning that I remember the start of the Internet. We had no idea before that what was coming.

However, I take umbrage with the notion that we are trying to hide any information. There's nothing whatsoever in this amendment that reduces the scope of the original motion. What it does is add context. I think that's important to do. I think it's very important that we take a look at these prior systems, these legacy systems, and find out where they went wrong. If we don't know where they went wrong, how are we going to know how to fix them?

It will be very helpful if we can amend the context as Ms. Tesser Derksen has proposed. Therefore, I will support this amendment.

• (1740)

The Vice-Chair (Jean Yip): Are there any more speakers on the amendment?

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

The Vice-Chair (Jean Yip): The amendment has been defeated.

Let's go back to the original motion.

I believe that Monsieur Lemire has the floor.

[*Translation*]

Sébastien Lemire: Thank you, Madam Chair.

My main points have already been covered. However, I just want people to realize that this amounts to \$6.6 billion and cost overruns of around \$5 billion. I'll refer to the Radio-Canada article. We're talking about the construction of 13,200 homes under the Build Canada Homes initiative. We're talking about 3,133 public servants who could have worked from 2017-18 to 2030-31, at an average cost of \$162,000 a year—including benefits and pension plan contributions—on an IT modernization project. We're talking about digital tools whose creation required the world's top experts, such as the video game *Grand Theft Auto VI*. We could have made five of them, since it cost \$1 billion to make if you include everything. It was the most demanding in terms of modern technology. We're talking about three Champlain bridges.

This shows the magnitude of the cost overruns related to this IT project. The issues with the Cúram software were well known. We saw this in five governments around the world, including in Australia and Ontario. The Auditor General sounded the alarm about this. In 2017, Employment and Social Development Canada decided to proceed with the implementation of the Cúram software.

Who was the minister at that time? It was the same minister reappointed today to the same position. This shows a certain pattern, where lessons aren't learned from past mistakes. This is why we're calling for an independent public inquiry. We want to ensure that the mistakes of the past, repeated time and again over many decades and across numerous IT projects, are no longer repeated. Ultimately, the taxpayers are the ones who foot the bill.

[*English*]

The Vice-Chair (Jean Yip): Do we have any more speakers?

(Motion agreed to: yeas 7; nays 0)

The Vice-Chair (Jean Yip): The motion has passed.

[*Translation*]

Sébastien Lemire: Thank you.

[*English*]

The Vice-Chair (Jean Yip): We will suspend briefly to go in camera.

[*Proceedings continue in camera*]

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>