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• (1100)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)):
Good morning, everyone.

Welcome to meeting number 134 of the House of Commons Standing Committee on Government Operations and Estimates, or, as we all know it, the mighty OGGO.

I'd like to welcome everyone.

I would like to quickly remind everyone to keep their earpiece away from their microphone at all times so that we avoid the feedback that harms our very valuable interpreters, whom we cannot operate without.

Before we start, if you will oblige me, colleagues, I want to pay tribute to three members of Parliament who have passed recently and who were integral in getting OGGO operating years ago. They are MP Marlene Catterall, who was from Ottawa West—Nepean; Mr. John Williams, who was from Edmonton—St. Albert; and Chuck Strahl, who was from the Chilliwack area of B.C.

The three of them saw a need for better oversight of government spending in the estimates process, so they started the process back in a joint report to PROC in 1998, recognizing that “the vast sums of money spent by government are subjected to only perfunctory parliamentary scrutiny.” They got a report through to PROC, and then Mr. Strahl managed to get it tabled in PROC and passed, which led to the creation of what has become the mighty OGGO.

I want to take a moment to thank everyone for recognizing the passing of our three valued colleagues, who were so important in the service of Canada. Thank you very much for that, colleagues.

To the families of Ms. Catterall, Mr. Williams and Mr. Strahl, we'd like to pass on condolences from the members of OGGO, the staff, the clerk and, I'm sure, the analysts as well.

Thank you very much.

We're starting off with five minutes from Ms. Tattersall from TBS, and then we will go online to Mr. Quinlan.

Just quickly, at an hour and a half, we will take a short break for the witnesses and the staff to attend to issues.

Go ahead, Ms. Tattersall. The floor is yours for five minutes.

Ms. Samantha Tattersall (Assistant Comptroller General, Acquired Services and Assets Sector, Office of the Comptroller General, Treasury Board Secretariat): Thank you, Chair.

I would like to start by acknowledging that I am speaking from the traditional unceded territory of the Algonquin Anishinabe people.

My name is Samantha Tattersall. I am the assistant comptroller general for the acquired services and assets sector in the office of the comptroller general at the Treasury Board Secretariat.

First, I'd like to take a moment to outline the role that the Treasury Board Secretariat plays in supporting the management of investments and, specifically, real property.

[Translation]

The Treasury Board sets the administrative policy framework for the management of investments, including real property, through the Directive on the Management of Real Property.

Custodian departments, of which there are 28 across the federal government, including Global Affairs Canada, are responsible for the management of their real property. Deputy heads of these organizations are accountable for ensuring that real property is managed in a manner that enables operational outcomes while demonstrating sound stewardship.

Consistent with Treasury Board policy, custodian organizations must have a senior designated official responsible for the management of real property who is accountable for establishing, implementing and maintaining a department-wide real property management framework. This framework should include effective governance and oversight mechanisms to effectively enable the management of real property that supports the delivery of their respective departmental mandates.

[English]

When entering into a transaction, whether that is to lease, acquire or dispose of real property, Treasury Board approval is required when the value exceeds a department's transaction limits. All custodian departments have general limits, and eight have special limits that are reflective of their operational requirements. This information is available online at Canada.ca.

In the case of Global Affairs Canada, the department can acquire an official residence property outside of Canada for an amount of up to \$10 million Canadian. This means that the property in question was acquired within Global Affairs Canada's authority. The Treasury Board did not review the transaction in question.

Regardless of whether the transaction is within or above a department's limits, it needs to be transacted in a manner that is consistent with the directive on the management of real property. This includes validating the need for an acquisition based on the department's programs; supporting it with the appropriate due diligence, including a full life-cycle analysis; doing it in a fair and open manner that's aligned with commercial real estate practices; and obtaining an appraisal from the chief appraiser of Canada in advance of the purchase.

With that, Mr. Chair, I'm pleased to answer any questions from the committee members about the Treasury Board directive on the management of real property.

• (1105)

The Chair: Thank you very much.

Mr. Quinlan, go ahead, please.

[*Translation*]

Mr. Mark Quinlan (Assistant Deputy Minister, Real Property Services, Department of Public Works and Government Services): Thank you, Mr. Chair.

[*English*]

My name is Mark Quinlan. I'm the senior assistant deputy minister for real property services at Public Services and Procurement Canada, and I'm pleased to discuss our limited role in the transaction process for the Canadian consul general's residence in New York City.

In order to comply with the Treasury Board directive on the management of real property, real estate practitioners from custodian departments are required, as part of their due diligence process, to justify the amount paid for acquisitions and disposals in relation to market value.

[*Translation*]

Specifically, according to the procedures set out in appendix B to the directive, practitioners must obtain at least one appraisal from the chief appraiser of Canada before acquiring or disposing of real property, except: when there will be an open solicitation of offers and the total value of the real property interest is anticipated to be less than \$500,000; in this situation, obtain at least one current estimate of the market value.

Amélie Bouchard, who is accompanying me today, is currently serving as the acting chief appraiser of Canada following the retirement of the previous chief appraiser. Ms. Bouchard has been assistant chief appraiser since 2017.

Also accompanying me is Linda Jenkyn, director general of real estate and national capital area investment management.

The role of the chief appraiser of Canada, in any transaction, is limited to providing an independent and impartial appraisal, sup-

ported by market evidence, to assist in making informed real estate decisions. As such, the chief appraiser monitors the quality of third party appraisal reports, assuring adherence with standards and best practices.

According to the same Treasury Board directive, they have to segregate transaction and valuation responsibilities related to real property transactions. The separation of valuation and transaction responsibilities means that the individuals or entities that provide an opinion of market value of a property are different from those that handle the sale or purchase of the property. The separation ensures that the valuation is impartial and reliable, while transactions are conducted with dedicated negotiators, thus ensuring integrity and transparency in the transactional process while minimizing the risk of conflict of interest.

[*English*]

For the transaction in question today, for which the value is above the \$500,000 threshold, there was a mandatory requirement for Global Affairs Canada to commission an appraisal report from the chief appraiser of Canada via PSPC appraisal and valuation services. PSPC's role in the purchase of the consul general's residence, therefore, was limited to providing appraisal services. PSPC provided these appraisal services through a third party—John C. Monaco of National Valuation Consultants—and was not involved in the cost-benefit discussions regarding the replacement of the previous residence.

The chief appraiser of Canada's role is not to confirm the merit of a transaction, nor is it to reinforce the fact that a custodian department has made a good decision by achieving a given real estate transaction; the role is simply to provide an independent appraisal on the value of a property.

The segregation between the appraisal responsibilities and the transaction responsibilities—which, in this case, rest with Global Affairs Canada—is highly important and allows for an impartial step in the overall transaction process.

Thank you, Mr. Chair.

• (1110)

The Chair: Thank you very much.

We'll start with six minutes with Mr. Barrett, please.

Mr. Michael Barrett (Leeds—Grenville—Thousand Islands and Rideau Lakes, CPC): We're asking these questions today in the context of living in Canada, with housing prices and rents having doubled. We have one in four Canadians saying they're going to be relying on food banks this fall.

At the same time, we have the Prime Minister's media buddy getting a well-paid government appointment in New York City, and the existing multi-million dollar condo is deemed not good enough, so a \$9-million luxury condo is purchased for his exclusive use.

I'll start with you, Ms. Tattersall.

Who signed off on the decision?

Ms. Samantha Tattersall: As I said in my opening remarks, the decision was taken under the authority of Global Affairs. Whoever signed off would have followed the delegation instrument within Global Affairs.

Mr. Michael Barrett: Okay. From your department, who is the most senior person who touched the file?

Ms. Samantha Tattersall: Nobody touched the file at the Treasury Board Secretariat because the transaction fell within the limits—

Mr. Michael Barrett: —of \$10 million.

Ms. Samantha Tattersall: —of \$10 million, so the decision was at Global Affairs.

Mr. Michael Barrett: Mr. Quinlan, you're an assistant deputy minister. Who was the most senior person in your department who signed off or touched this file?

Mr. Mark Quinlan: Thank you, Mr. Chair.

The chief appraiser, in this case, Madam Bouchard, who's accompanying me today, was the most senior person to deal with this file.

Mr. Michael Barrett: Okay. We have a 3,600-square-foot three-bedroom-plus-studio with four and a half bathrooms, a pool, his and her salons, a paddle court and a golf simulator.

Madam Bouchard, was this purchase, in the context that I mentioned about the cost-of-living crisis that Canadians are facing, flagged for the minister? As the most senior person in your department who touched the file for this opulent purchase, was this not something that merited the awareness of the minister?

[Translation]

Ms. Amélie Bouchard (Acting Chief Appraiser of Canada, Real Property Services, Department of Public Works and Government Services): Thank you for the question.

It is actually not in the mandate of the chief appraiser of Canada to judge the merits of a transaction or the decisions to acquire or dispose of an asset. My mandate for a given address is limited to providing an appraisal report that is produced according to the rules and the standards of the profession.

[English]

Mr. Michael Barrett: Who is responsible for deciding the value that Canadians get for the purchase? You decide the value of the asset, but who is responsible? I'm not sure if Treasury Board or one of you folks would like to respond. Who ultimately is responsible for the value that workers in western Canada, in the Prairies and in Ontario, Quebec and the Atlantic provinces get for this \$9-million luxury suite for Justin Trudeau's buddy? Where's the value for Canadian taxpayers here?

He was living in a house paid for by the taxpayers.

Ms. Samantha Tattersall: If it's helpful to the committee in the examination, I can talk through the principle of best value that sits within the Treasury Board policy.

Mr. Michael Barrett: Okay. When we're talking about best value, I'm not looking for chapter and verse on what the policy says. What I'm looking for is the practical application of that.

It falls below a threshold of \$10 million and, therefore, doesn't trigger the need for a Treasury Board review, which I think is wild in this respect when multi-million-dollar estates do not trigger the review of Treasury Board.

We've seen at this committee and others before where Liberal members have said that, "Well, you know, these decisions are all up to bureaucrats and there are absolutely no ministers who are responsible for any of the tens of millions of dollars that get spent."

This is a condo on Billionaires' Row in Manhattan. We have government facilities available to the appointee to host meetings that aren't next to his bedroom, so what is the value that Canadians get for this \$9-million purchase in Manhattan?

• (1115)

Ms. Samantha Tattersall: If it's helpful, I can explain that you only hold real property to serve a program purpose. There are two aspects, I think, to the questions you may have, one of which is: What are the programmatic mission requirements that would drive the decision to have an official residence in a specific area? Those are driven by Global Affairs, and I think in the submission to the committee they referenced their policy that drives those requirements—so real property exists for requirements.

Then, when they go to acquire, what I would expect to see, and what I think this committee would want to hear from Global Affairs about, is whether they undertook a full life-cycle cost analysis of the different options. Did they look at keeping it and making the upgrades? Did they look at what the full cost would be of acquiring something new, either through a purchase or through a lease? What were the results of that analysis, and did it show the value?

That's what the Treasury Board policy sets out, and there are two aspects to that.

Mr. Michael Barrett: Thank you, ma'am.

The Chair: Thanks very much, Mr. Barrett.

Mr. Jowhari, go ahead, please.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Mr. Chair.

Once again, I welcome all the officials back to OGGO.

I'm going to start with Madam Tattersall.

Actually, the line of questioning I want to go down is very welcome.

You talked about program needs, which, based on what you said, are determined by GAC and are outlined in the document that GAC has provided. You also talked about the fact that TBS lays out a set of requirements and they review from a completeness point of view rather than a comprehensive-and-quality point of view. They look at it to find out whether there was a cost-benefit analysis and whether a cost appraisal was done. Also, they want to know if the value of the new acquisition outweighed the value of the lease or the alternative.

In your opening remarks you also talked about the directive on the management of real property. You touched on a couple of key points under section 4.2.23 to 4.2.27, I believe, which is on validating the need for acquiring the real estate property based on the program needs and on the real property portfolio strategy.

Very briefly, do you believe the procedures that are highlighted by TBS under the directive on the management of real property, in section 4.2.23 to 4.2.27, were met?

Ms. Samantha Tattersall: Thank you for the question.

I have to start with the premise that this transaction was not reviewed by Treasury Board, so I can't confirm what GAC did on this transaction. I know officials will be here tomorrow and they will be able to confirm that.

What I can say is that I understand that they undertook a financial analysis of the life-cycle cost, and I think that is something this committee may want to ask GAC officials about tomorrow. What might be helpful for this committee in talking with GAC officials is to understand what due diligence they undertook. We know they undertook an appraisal, and I understand they've undertaken a financial analysis. They should set out any additional due diligence.

I believe—and I'm reading the information they submitted to this committee—that in terms of the open aspect of the requirements they engaged a broker to look at a list of properties. From the submission to the committee, I understand they've undertaken some things, but I can't confirm that. That is something that GAC officials will have to confirm to this committee when they appear.

Mr. Majid Jowhari: I've highlighted a policy, and you pointed to some of those policies. Because the threshold was there and it was below \$10 million, am I right to understand that there was no need for the review?

• (1120)

Ms. Samantha Tattersall: That's correct.

GAC has had special transaction limits since 1993, which get updated with inflation and market valuation adjustments, and which, within their authority, they have full authority to transact, but as I said in my opening remarks, they should still be consistent with the Treasury Board policy.

Mr. Majid Jowhari: Treasury Board sets out the policy, but because it fell under the \$10 million threshold there was no need, under the policy, to proceed, for completeness, by asking whether they had this or that.

Ms. Samantha Tattersall: There are two things.

One, hundreds of real property transactions may occur in any given year, and that limit is delegated to the department, so they are

responsible and accountable for that transaction. Within their governance and oversight the expectation would be that when they undertook the transaction they would ensure that their real property management framework set out all the right decision points, approaches and steps to ensure consistency with the policy.

Mr. Majid Jowhari: Is GAC the only department that has a threshold?

Ms. Samantha Tattersall: No, GAC is one of eight departments that have special limits. Every department has general real property limits, and seven others have special limits. That takes into account their specific operational needs in real property, so they are not the only ones.

Mr. Majid Jowhari: Are you aware of any transactions in the past that fell under the threshold and on which they said they were going to conduct the transaction but they didn't have to specifically report it to TBS, or that TBS said fell under the threshold and therefore they weren't going to review?

Ms. Samantha Tattersall: Across government within departments there are lots of transactions that fall within their transaction limits.

Mr. Majid Jowhari: On average, what's the size of these transactions? Do you have any idea? I know they're under the threshold, so you—

Ms. Samantha Tattersall: It's a good question, but because they fall under the threshold I don't have a line of sight into them. I think it would be interesting to ask GAC that to understand what their transactions are. I do know—I tried to prepare a bit for this committee—that a lot of their transactions are actually in respect of leases, because they do a lot of real property transactions for staff quarters, but in terms of the amount and for what, the higher-dollar-value ones will typically be related to official residences or chanceries.

Mr. Majid Jowhari: Thank you.

The Chair: Thank you very much.

Mrs. Vignola, go ahead, please.

[*Translation*]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you very much, Mr. Chair.

Ladies and gentlemen, thank you for being with us on this chilly, fall-like summer day.

Ms. Tattersall, a few moments ago, you said that the transaction limit was originally set in 1993 and that it had been reviewed since then.

When was the last review, the one that brought it up to \$10 million?

Ms. Samantha Tattersall: Thank you for your question.

The limit was last reviewed in 2022. That's when it reached \$10 million.

Mrs. Julie Vignola: What was the limit at the time of that review?

Ms. Samantha Tattersall: At that time, the last update was in 2006.

Mrs. Julie Vignola: No, in 2022, it was—

Ms. Samantha Tattersall: In 2022, it went from \$4 million to \$10 million, but the last review was in 2006. So 14 years passed between the two reviews.

Mrs. Julie Vignola: From 2006 to 2022 is more like 16 years. If you go back to 1993, that's 29 years.

What explains the increase from \$4 million to \$10 million? Were the requests for authorization to purchase so frequent that it was felt that the limit was clearly too low?

Ms. Samantha Tattersall: I think a review is done every six years.

• (1125)

[*English*]

The next review will be May 19, 2026. It had not been updated for 16 years. Your math is better than mine. GAC did a review of where it holds properties in 23 markets.

[*Translation*]

Mrs. Julie Vignola: Okay. I will rephrase my question.

How many requests were there for authorizations over the \$4-million limit to justify increasing it to \$10 million, two and a half times the original limit?

Ms. Samantha Tattersall: That's a good question, but I will have to provide you with a written answer, as I don't know.

Mrs. Julie Vignola: Okay. Please do. Thank you.

In 2007 and 2008, for example, I see a \$15-million construction in South Korea, a \$3.5-million parking lot—this transaction was under the limit—and a \$6-million chancery being built in Bangladesh.

Is the real estate portfolio often worth more than \$5 million, \$6 million, \$7 million or \$8 million abroad, or is it exceptional?

[*English*]

Ms. Samantha Tattersall: There are two aspects to consider.

[*Translation*]

A construction project, for example, may require a Treasury Board review.

[*English*]

If it's a project and it's above their capacity, there's an assessment for that and it could come to Treasury Board.

During the last few years, I'm not aware of any major real property transactions that have come to Treasury Board.

[*Translation*]

Mrs. Julie Vignola: If I understand correctly, in the case of the purchase of real estate in New York, you did not have to give au-

thorization because the value of the transaction was less than \$10 million.

Does that \$10-million limit include the life-cycle costs of the condo, or is it just for the purchase, period?

Ms. Samantha Tattersall: It's for the purchase.

Mrs. Julie Vignola: Do you have an idea of what the life-cycle cost is? Has any maintenance planning been done so that we don't end up with a condo that is said to be obsolete again because we have to invest \$3 million in its restoration?

Ms. Samantha Tattersall: We don't have that in place, but it's a good point. I will take note of it.

Mrs. Julie Vignola: When you buy a house, you can well imagine that, five years later, you will have to renovate the windows, the roof, and so on. So I would imagine that there is some kind of planning for such costs. At least, I hope so.

Ms. Bouchard, perhaps I should put my question to Global Affairs Canada, but I will ask it anyway. We received an appraisal report from Global Affairs Canada for the West 55th Street residence in New York. It is actually an extraordinary building, which I saw from a distance without knowing what it was. I thought to myself that, finally, a building looked like something other than a rectangle. That said, an appraisal report establishes that the residence is worth approximately \$6,650,000 in U.S. currency, if memory serves, which is equivalent to approximately \$9,000,000 in Canadian currency.

Is there an equivalent appraisal report for the Park Avenue residence, which we learned recently is now for sale?

Ms. Amélie Bouchard: As part of its due diligence process, Global Affairs Canada used the services of my office to obtain a market value appraisal. One was commissioned in 2023. As for the exact month, I would have to check, but I believe it was in June. Then we updated the appraisal report this summer, in June 2024. I'm going by memory.

I certainly can't provide a lot of details on the content of the appraisal report, given that the building is currently for sale. The transaction could be jeopardized. However, I can confirm that a report was commissioned and updated a year later.

• (1130)

Mrs. Julie Vignola: I'll come back to that later. Thank you.

[*English*]

The Chair: Thanks.

Mr. Bachrach, over to you please, sir.

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): Thank you very much, Mr. Chair.

It's good to see everyone virtually and to be back at the committee.

I want to start by thanking our witnesses for helping us understand how these kinds of purchases and sales work and the role of Treasury Board and PSPC in that process.

My colleagues have canvassed a number of aspects of this, and I understand the breadth of questioning is somewhat limited given TBS and PSPC's limited roles. I'm curious, though, about the basic process and the basic structure for these kinds of transactions. We've talked a little bit about the policies that are in place and the procedures. How far back do those procedures go?

Perhaps this is a question for Ms. Tattersall from TBS.

Ms. Samantha Tattersall: The current directive has been in effect since 2021, but there was a policy on real property in advance of that. I don't know how far back it goes, but it goes back a long way, so it would have covered transactions for decades now, but the current policy goes back to 2021.

Mr. Taylor Bachrach: Following on my colleague Ms. Vignola's question about the increase in the threshold that was made in 2022, when it was increased from \$4 million to \$10 million, I'm wondering what the rationale was. I assume there was a request from Global Affairs to increase the limit. What was the rationale for increasing the limit? Obviously it comes at the cost of reduced scrutiny, reduced accountability, reduced transparency and all of those things. What was the rationale that was provided for that quite significant increase in the threshold?

Ms. Samantha Tattersall: The thresholds have an expiry date. The last time the threshold for an acquisition for an official residence was updated was in 2006, and that's when the \$4-million threshold was set up. There were 16 years in-between that. The business case looked at inflation over the 16 years and the changes in the real property market conditions.

It may be important to hear from GAC officials as well, but basically, my understanding from that increase is that they looked at 23 different markets—because GAC has missions in over 100 countries—and looked at the average price for the acquisition of an official residence. It was on that basis that the update to the limit was made.

Again, as I previously said, those limits are looked at on a regular basis, and the next scheduled review of those limits will be in 2026.

Mr. Taylor Bachrach: What would the downside or the risks be of leaving the \$4-million limit in place to ensure greater scrutiny of these transactions?

Ms. Samantha Tattersall: First, it's important to note that Global Affairs, even if it's taking the transaction under its own authority, still has to ensure that it has the proper due diligence, the proper scrutiny and the proper decision-making. That's an important first step.

The next thing would be to understand what its real property holdings are. I don't know if I have details on that, but typically.... It's a question for GAC of how many official residences or chanceries it owns around the world, and how they would bump up against the limit. The bigger, more complex ones that may have a project element would certainly come in to the board if they were over the risk capacity.

I don't have anything else to add to that answer.

Mr. Taylor Bachrach: I understand that Global Affairs is responsible for its own due diligence, and I'm not questioning that process. My understanding is that the reason Treasury Board gets involved in transactions over the \$10-million threshold is to provide an added layer of accountability and due diligence on behalf of the Canadian public.

Given the challenges that we've seen in procurement government-wide, why wouldn't we have, just for the sake of caution, a lower threshold in order to ensure that there are more eyes on each transaction and that Canadians are getting the best value?

• (1135)

Ms. Samantha Tattersall: It's a great question.

GAC has been managing its real property for decades, and it has had special limits since 1993. I found the number: it has 87 official residences across government.

Within that limit, it's a balance between those transactions that GAC will routinely undertake and manage against those that would be above that limit and necessitate Treasury Board approval.

Mr. Taylor Bachrach: Okay.

I believe you said the next review of the limits is in 2026, so it was 14 years between reviews and then four years between reviews.

Maybe I misunderstood the timeline. Is it the intention to have more frequent reviews of the limits?

Ms. Samantha Tattersall: Perhaps I should clarify.

The period of review hasn't changed; it's that the limits were not increased in 2019. There was a review. They were not increased in 2019. There were reviews.

There are regularly scheduled reviews. We don't necessarily update them each time they come up for review.

Mr. Taylor Bachrach: Okay.

This might be a question for—

The Chair: I'm sorry. That is our time. It's past our time.

There will be lots of opportunities. We are booking tomorrow's meeting at the committee's request at 9:00 a.m., eastern time, just for you, Mr. Bachrach.

Mrs. Block, please go ahead.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you very much, Chair.

I would like to continue along the same lines as some of my colleagues, but I would also like to establish an understanding of PSPC's role when it comes to the real property that the Government of Canada holds, as well as the Treasury Board Secretariat's role.

PSPC is the real property manager for the Government of Canada. Is that correct?

Mr. Mark Quinlan: PSPC manages most of the office portfolio for the Government of Canada—roughly a quarter of the real property holdings if you think of square metres of office space or other kinds of special purpose space—and PSPC also manages a large portfolio of engineering assets and infrastructure, which are things like dams and bridges.

Mrs. Kelly Block: Does PSPC provide any sort of oversight of the property that we own in other countries?

Mr. Mark Quinlan: No. As previously indicated in my opening remarks, PSPC's role, following Treasury Board Secretariat policy, is to provide the appraisal services.

Mrs. Kelly Block: I am wondering if both you and Ms. Tattersall would be willing to table your opening remarks to the committee.

Mr. Mark Quinlan: Absolutely, Mr. Chair.

Mrs. Kelly Block: Thank you very much. We used to receive them ahead of a committee meeting and would be happy to have those in writing.

When GAC purchases property, is that property registered with PSPC? Where is it registered?

Mr. Mark Quinlan: With regards to PSPC, we do not have a registry of properties outside of PSPC's portfolio, with some very limited exceptions, so I can turn to Treasury Board to complete that answer.

Ms. Samantha Tattersall: GAC would be the custodian for the real property, and they could either acquire it or it could be Crown-leased when they have it.

Mrs. Kelly Block: I know that you spoke about the real property holdings of GAC. I would appreciate it if you would table that list you referenced to the committee.

Ms. Samantha Tattersall: I asked how many. I think GAC officials.... I would feel more comfortable if you got it directly from the department and their holdings.

• (1140)

Mrs. Kelly Block: Sure. I will do that tomorrow for sure.

Who writes the guidelines for real property purchases on behalf of the Government of Canada?

Ms. Samantha Tattersall: We have a Treasury Board policy that sets the framework, and then within that there's a requirement for each custodian department—GAC being the custodian department—to have a senior designated official who is appointed responsible for the management of real property within GAC, and they would have a real property management framework they're responsible for that would set out how things are done within GAC.

Mrs. Kelly Block: It's said that "The Treasury Board Secretariat role in procurement includes developing, implementing, monitoring and renewing procurement-related policies and instruments...it also evaluates business proposals, monitors bidding processes and ensures compliance with policies and standards."

What we've heard today is that you only do that once a purchase or an acquisition is over \$10 million. Is that correct?

Ms. Samantha Tattersall: First, when we talk about real property acquisition, it's the directive on the management of real property that applies, not the procurement policy, so as I said in my opening remarks, we set the administrative framework and then if an acquisition or a disposition is over the limits that a department has, it would come to Treasury Board for authority.

Mrs. Kelly Block: Thank you.

Where do the departments get the funding for these types of purchases? Is that budgeted for in the annual budget of the Government of Canada?

Ms. Samantha Tattersall: That's a great question. Most custodians will have a capital budget, and that is where they get the funding for investments in real property.

For example, GAC's vote 5 capital budget for 2024-25 is \$192 million, so they have a capital budget that is responsible for those expenditures, which is then voted on through the estimates process.

Mrs. Kelly Block: They have this pool of money that's provided to them in the budget. Through the estimates process, do they provide a vote highlighting what they are actually spending this money on?

Ms. Samantha Tattersall: It would be considered A-base funding. They have so many real property assets that they have A-base funding to help manage all of those assets. That's in their vote 5, and it would be in their estimates.

Mrs. Kelly Block: Because they—

The Chair: Thank you very much.

Mrs. Kelly Block: Thank you.

The Chair: Mrs. Atwin, go ahead, please.

Mrs. Jenica Atwin (Fredericton, Lib.): Thank you very much, Mr. Chair.

I thank everyone for joining us today.

I'm joining from beautiful Fredericton, New Brunswick. Our average home price here is about \$297,000, so I want to help Canadians understand this, and I want to understand this as a member of Parliament.

Maybe we can start at the beginning.

Mr. Quinlan, perhaps this is more for GAC officials, but what is this residence used for? Mr. Barrett suggested that it's for the sole, exclusive use of our one representative, but what is this residence actually used for?

Mr. Mark Quinlan: Thank you, Mr. Chair.

I would agree with the premise in the question. This is a question for GAC officials. PSPC is not the appropriate department to answer that.

Mrs. Jenica Atwin: Okay.

Ms. Tattersall, would you like to add anything?

Ms. Samantha Tattersall: No. GAC sets out the mission requirements for that official residence. It would be best positioned to respond.

Mrs. Jenica Atwin: Okay.

I understand the previous property has an estimated value of \$13 million. Is that correct?

Mr. Mark Quinlan: That could be confirmed through the interim chief appraiser, Madame Bouchard, but that is also my understanding.

Madame Bouchard.

[Translation]

Ms. Amélie Bouchard: In fact, the \$14 million that I think you've seen is the current listed price.

[English]

Mrs. Jenica Atwin: Okay. Thank you.

Perhaps Madame Bouchard—or anyone—can speak to the key differences between this residence and the previous one, which we've now offloaded to purchase this new one.

• (1145)

[Translation]

Ms. Amélie Bouchard: Yes, I can briefly tell you about that.

Of course, the focus of today's discussion is the transaction involving the property at 111 West 57th Street. I don't have much information about the other appraisal report. As I mentioned earlier, because the property is currently on the market, I have to be a little cautious about disclosing information on the property appraisal.

However, I can tell you that the residence currently for sale has more square footage than the one in question today. The Park Avenue residence has better views than the recently purchased property. It's on the 12th floor of a 17-storey building used exclusively for residential purposes, and it's located on the Upper East Side, a predominantly residential neighbourhood considered quite desirable.

On the other hand, the property purchased on West 57th Street is located in the Steinway Tower, a heritage building with an addition. The property in question is located on the 11th floor of this addition, which is the first of the building's residential floors. All of the lower floors are used for non-residential purposes. The top part of this building is the famous skyscraper that's now a feature of the New York City landscape.

Essentially, I would say that what characterizes or differentiates the two properties is their location inside their building, the buildings' location in the city, and their square footage and views.

[English]

Mrs. Jenica Atwin: Thank you very much.

I'm hearing a lot about location and, certainly, more of an ideal place for some of the work that is done and conducted in that residence.

I've come to understand that there were also some issues with code. Can anyone speak to the previous residence not being up to code or accessibility standards? Is one part of the conversation that would have gone into this new acquisition around accessibility or meeting codes?

Can you speak to why we have this new residence?

Mr. Mark Quinlan: I would start by again indicating that these decisions were made by Global Affairs Canada. PSPC provided the appraisal services, but the decision really belongs to Global Affairs Canada.

Mrs. Jenica Atwin: Great. I very much look forward to asking them these same questions tomorrow as well. I certainly appreciate your best attempts at explaining some of the thoughts that I think are going through many of our minds right now.

In general, as my time runs down, have you, personally, dealt with any similar cases like this, whereby a residence or real property was bought to replace one that was being sold?

Mr. Mark Quinlan: What I can speak to in the context of PSPC's responsibilities, notably for the office portfolio, is that we regularly look at assets that we own and assets that we lease, and make a number of decisions in order to rightsize the Government of Canada's office portfolio. In fact, following the last budget, we are following government direction to significantly reduce that office portfolio over the next 10 years. That will require us to dispose of a number of properties that we currently have and to acquire new leases in certain cases.

Many of the properties that we will dispose of—again, following government direction—will be put to be converted into housing. Decisions are made in that regard, and I can speak to the responsibilities for PSPC, but going back to this particular transaction, Global Affairs Canada would be well suited to answer your questions.

The Chair: Thanks, Mrs. Atwin.

Mrs. Vignola, go ahead, please, for two and a half minutes.

• (1150)

[Translation]

Mrs. Julie Vignola: Thank you very much, Mr. Chair.

Ms. Bouchard, I understand that the Park Avenue property appraisal hasn't been made public to avoid spoiling any negotiating opportunities. However, could the committee read it under a confidentiality agreement that prevents members from disclosing any details?

Ms. Amélie Bouchard: Honestly, I wish I could give you an answer but I can't say whether the committee could be given conditional access to the appraisal.

Mrs. Julie Vignola: Mr. Chair, do you think it would be possible to request a confidential copy of the Park Avenue property appraisal?

[English]

The Chair: Sure, if the committee agrees to view it confidentially.

Some hon. members: Agreed.

The Chair: So done.

[*Translation*]

Mrs. Julie Vignola: Thank you.

[*English*]

The Chair: We'll set a day, by next week, perhaps. It would be....

Ms. Bouchard, have you seen that appraisal? Is it in English and French already?

[*Translation*]

Ms. Amélie Bouchard: Yes, I've seen the appraisal report.

[*English*]

The Chair: Is it in both languages already?

[*Translation*]

Ms. Amélie Bouchard: No. The report is in English only.

[*English*]

Mr. Majid Jowhari: Can we suspend?

The Chair: You want to suspend on this issue.

Mr. Majid Jowhari: Yes.

The Chair: We're going to suspend for a couple of seconds for the Liberals for this. The idea is to have it in confidence—

Mr. Majid Jowhari: Yes. I just want to make sure that—

The Chair: Sure. We'll suspend for two minutes.

• (1150) _____ (Pause) _____

• (1150)

The Chair: We're back in.

Madame Vignola, if it's okay with you, I'll ask you to withdraw your request. We'll reconsider it, perhaps, after your next round. Mr. Jowhari is suggesting that we all talk off-line about it in the break. Perfect.

Continue. You have about two minutes.

[*Translation*]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Ms. Tattersall, could you briefly tell us whether Treasury Board conducts a review when the monthly costs of an apartment exceed a certain limit, or whether a review only happens when the purchase price exceeds a certain limit? To put it another way, is there a limit on monthly costs as well?

Ms. Samantha Tattersall: There's an annual limit and a purchase price limit.

Mrs. Julie Vignola: Is the purchase price limit set for each apartment, or for everything?

• (1155)

Ms. Samantha Tattersall: It's a limit for each purchase.

Mrs. Julie Vignola: What's the annual limit?

Ms. Samantha Tattersall: I have that information for GAC. I'll give it to you in English.

[*English*]

They have purchases, limits...it's all available online. After this, I'm happy to also send to the clerk the link to all of the transactions, and they'll be there for GAC and everybody, if that's more helpful than my saying it out loud.

[*Translation*]

Mrs. Julie Vignola: Yes, you can send it to me, that's no problem.

Government of Canada departments like PSPC usually have a procurement policy based on the lowest bidder rule. The apartment that was purchased on West 57th Street was among the five least expensive apartments visited.

Why wasn't the least expensive one chosen, like it would be according to the lowest bidder rule?

Ms. Samantha Tattersall: There's a concept called “value for money”. When making investments, we try to strike a balance between program objectives and costs. Things that support government priorities are also taken into consideration.

[*English*]

For example, an apartment that's more expensive but is accessible and supports the greening government objectives may be the best value, so the lowest cost is not always the best value.

The Chair: Thank you very much.

Mr. Bachrach, please go ahead.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

Just as a question to you, Mr. Chair, are we doing two six-minute rounds here?

The Chair: The opening round is six minutes, and then it's five and five, two and a half and two and a half, and five and five.

Mr. Taylor Bachrach: Okay. I'm just confused because in Ms. Vignola's round, she just had two six-minute slots, I believe, so I'm just speaking to you in terms of...

The Chair: No, her actual questioning time was about two and a half or three minutes. We're letting everything run a tiny bit. Yours ran a bit late as well. It was probably six minutes because of the suspension.

I'll restart your time. Go ahead.

Mr. Taylor Bachrach: I'm not concerned about it, I just had a number of questions...

Thank you, Mr. Chair.

My first question in this round is for Mr. Quinlan. I know in the wake of the ArriveCAN scandal, PSPC has committed to a number of procurement reforms. Will those reforms affect the real property procurement process, and if so, how?

[*Translation*]

Mr. Mark Quinlan: I thank the member for his question.

I'm the senior assistant deputy minister for real property services at PSPC, and we often collaborate with our procurement services colleagues. You have my commitment that, after the meeting, I'll give you a more detailed answer about how certain real property procurement process improvements are applied.

[*English*]

Mr. Taylor Bachrach: Just to be clear, Mr. Quinlan, is that a yes? Those reforms will affect real property procurement; however, a more detailed response would be required. Is that correct?

[*Translation*]

Mr. Mark Quinlan: Again, Mr. Chair, allusion has been made to certain procurement-related improvements. As the senior assistant deputy minister responsible for real property, I can commit to provide the committee with a list of improvements that might potentially have an impact on the real property procurement process.

However, I want to assure the member that real property services programming has not been affected by the changes under discussion.

That said, real property services does follow procurement processes as well. If any procurement policy changes seem likely to affect real property services, I will be happy, Mr. Chair, to submit that information to the committee in writing.

• (1200)

[*English*]

Mr. Taylor Bachrach: I think that would be of interest to the committee, Mr. Quinlan, so if you don't mind providing that response, that would be much appreciated.

The Chair: All right. Thanks.

We've passed a motion that all responses are required within 21 days, if you could do that.

Next up we have Mr. Brock.

Go ahead, please.

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

Before I get into my substantive questions, I'm curious about something.

In relation to another Justin Trudeau scandal, arrive scam, it was revealed that prior to a first committee appearance, the president of the CBSA—the deputy minister—was summoned to the Prime Minister's Office, presumably for coaching.

Have any of you, including Mr. Quinlan on screen, received coaching prior to your appearances today?

Mr. Quinlan, go ahead, please.

Mr. Mark Quinlan: Mr. Chair, to answer the question directly, the answer is no.

Mr. Larry Brock: Thank you.

No one was required to attend the Prime Minister's Office. Is that a no, Mr. Quinlan?

Mr. Mark Quinlan: The answer is no, Mr. Chair.

Mr. Larry Brock: Did anyone get direction from the minister, who, in your case, is Minister Duclos?

Mr. Mark Quinlan: There was no direction, Mr. Chair.

Mr. Larry Brock: Thank you.

I know a lot has been written in our national media with respect to the extravagant nature of this acquisition. There was a quote from Global Affairs that I appreciate is not attributable to anyone here, but I wish to read it into the record:

The residence currently used for the Head of Mission and Consul General in New York—

—this is the Park Avenue property—

—was purchased in 1961. Last refurbished in 1982, the apartment does not meet new building codes nor the [Global Affairs] standards.

The purchase at West 57th is listed as follows: There is “[a]n elegant entry foyer [with] white macauba stone floors”.

Is that a requirement for the consul general of Canada?

Ms. Samantha Tattersall: Perhaps in answering the question, and I've alluded to this before, you only hold real property to support—

Mr. Larry Brock: Madam, that's not my question.

Is it a requirement of Mr. Clark's position as consul general in New York that he has white macauba stone floors? I'm just curious: Is that a requirement?

Ms. Samantha Tattersall: It's not a Treasury Board requirement.

Mr. Larry Brock: Okay.

Another reference is to a “stunning powder room...finished in jewel onyx.”

Is that another requirement of the consul general?

Ms. Samantha Tattersall: For the Treasury Board Secretariat, that would not be a requirement.

Mr. Larry Brock: Another reference is to “custom smoke gray oak floors in a parquet pattern”.

Would that be a requirement for Mr. Clark?

Ms. Samantha Tattersall: All of my answers to your questions will be no.

Mr. Larry Brock: The condo also includes three bedrooms, a study and four and a half bathrooms, including a master “bathroom clad in Italian white Venato marble” and featuring “a free-standing copper soaking tub handcrafted by William Holland, and custom bronze fixtures by P.E. Guerin.”

Again, I'll ask the same question that you can't answer about whether those are the consul general's, or Mr. Clark's, requirements. You talk about this being an investment and that “the lowest cost is not always the best value.” There are starving Canadians relying on food banks who would love to have a real property investment in New York with these types of features.

Do you see the disconnect between what the government is doing and the reality on the Canadian streets? Do you see that distinction?

Ms. Samantha Tattersall: I totally appreciate your comments.

Mr. Larry Brock: I will go further:

[The] amenities include a 25-metre, two-lane swimming pool with private cabanas, separate sauna and treatment rooms, a fitness centre, a resident's lounge, and access to a padel court [and] a golf simulator.

I'd love to have a golf simulator sitting in my basement, but I'm not Justin Trudeau's friend. Friends of Justin Trudeau get to explore these wonderful, wealthy amenities while the rest of us Canadians have to struggle.

Do you see the problem that the Government of Canada has with respect to this purchase? The optics are very poor. I know you talk about a threshold of up to \$10 million, but you didn't have to buy right at the foot of Central Park. Manhattan is a big island. Why does the consul general require that proximity to Central Park? Why does he have to have all of these luxury amenities while the rest of us suffer in this country?

Why?

• (1205)

Ms. Samantha Tattersall: To respond to your question—and I think it's alluded to in the package that was submitted to this committee—the mission requirements are established by Global Affairs under its property management manual. When Global Affairs officials are here, they should be able to walk through—

Mr. Larry Brock: I look forward to those discussions—

Ms. Samantha Tattersall: —how they set out those requirements for an official residence.

Mr. Larry Brock: —because Canadians deserve an answer.

The Chair: Thank you very much.

Mr. Larry Brock: Thank you.

The Chair: Mr. Bains, please, go ahead.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair.

Thank you to our witnesses for joining us today.

My initial questions are directed to the members of PSPC. Could you help me understand the Treasury Board's transaction approval limits a bit more, and conditions for the acquisition or disposition of real properties?

GAC may dispose of properties outside of Canada up to a transaction limit of \$25 million. Is PSPC required to appraise properties that are being disposed of under the transaction limit?

Mr. Mark Quinlan: PSPC is responsible for providing the appraisal for the acquisition and the disposal. For more questions with regard to the actual policy, I'll defer to my colleague from the Treasury Board Secretariat.

Mr. Parm Bains: PSPC is required to appraise properties that are being disposed of under the transaction limit. Is that right?

Mr. Mark Quinlan: PSPC follows the Treasury Board Secretariat's policy. When disposal services are required, we provide those to custodians. In this case, it's Global Affairs Canada.

Mr. Parm Bains: In the event that the previous property is being disposed of, you would be required to provide an appraisal for that.

Mr. Mark Quinlan: Following Treasury Board Secretariat policy. That's correct.

Mr. Parm Bains: Okay. What other departments purchase properties for which PSPC is also involved in the cost-benefit analysis?

Mr. Mark Quinlan: It's strictly following Treasury Board Secretariat's policy with regard to the appraisal. Again, it's strictly limited to the appraisal.

Mr. Parm Bains: Okay. Then—

Mr. Mark Quinlan: The business decisions....

I apologize, Mr. Chair. I interrupted the member, so I will stop my answer and wait for the next question.

Mr. Parm Bains: No. You can continue. You were about to finish your statement.

Mr. Mark Quinlan: Yes. The business decisions belong to the custodial departments.

Mr. Parm Bains: The directive on the management of real property states that departments must undertake a full life-cycle analysis, again, before acquiring a real property asset, seeking the best value. Given that the property purchased cost \$9 million and the old residence is being sold for over \$13 million, would you say there appears to be good value being attained?

Mr. Mark Quinlan: I believe the specific question, Mr. Chair, should be addressed to Global Affairs Canada. On the part of the question that pertains to the policy, I will defer to my colleague from the Treasury Board Secretariat.

Ms. Samantha Tattersall: In response to the question, the expectation would be that Global Affairs undertook a life-cycle cost analysis of maintaining the existing and updating it, or acquiring the new one, either through a lease or through a purchase. As part of that life-cycle analysis, it would have looked not just at the cost of acquisition, but at the ongoing operating costs and the potential disposition costs.

The expectation is that GAC looked at that in its options analysis, and that helped inform the decision it took.

Mr. Parm Bains: In essence, all levels of government buy and sell properties. This is something that is done. There's a level of maintenance that's required. We see properties that may need to be brought up to code. What are some of those requirements? Maybe accessibility is one.

Were there issues in this case? I understand there was some discussion around the previous residence not being up to code.

If you could talk a bit about the standards and the codes, and what's required in the properties that are being purchased, what do they need? What things should they have, whether it's accessibility for people with disabilities or things of that nature?

• (1210)

Ms. Samantha Tattersall: I'll start the answer to that question.

Consistent with Treasury Board policy, you want to make sure that, one, you acquire, hold and maintain real property only to support a programmatic need of a department. The requirements around the need for an official residence and what those specifications look like would be set by Global Affairs. It has that authority, pursuant to the departmental legislation. That's the first thing.

There are then requirements around ensuring that the real property supports broader government priorities. They would include greening and accessibility. Those factors should come into play in the business case that Global Affairs undertook to support the transaction.

The Chair: Thank you very much.

I'm sorry, but that is past your time, Mr. Bains.

We'll now go to Mr. Genuis. Go ahead, sir.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Chair.

My key initial question here is the why, because in a fairly short space of time—about a two-year period—the Government of Canada made three distinct moves.

First, it raised the limit on the value of a property that one department could purchase on its own authority. It raised it from \$4 million to \$10 million. That reduced accountability and oversight.

Second, Tom Clark was appointed by the Prime Minister to be the consul general in New York. Immediately, with this new, hyper well-connected person in as consul general, it became a Government of Canada priority to purchase a new residence.

You have these three things happening in close succession, and it seems to me that the timing is highly suspicious. There was no indication prior to Mr. Tom Clark getting this appointment that there was a lot of discussion around the need for a new residence, yet immediately after he takes this position, Global Affairs is talking all of a sudden about the need for a brand new residence—it turned out to be luxury residence—for the brand new, politically well-connected consul general.

To the officials, do you know, at least officially, who it was who started the conversation about the alleged need for a new residence? Who was it who said, “Hey, we should get a new residence in New York?”

Ms. Samantha Tattersall: I'll answer for the Treasury Board Secretariat.

Those decisions occurred under GAC's authority, so we don't have a line of sight of what precipitated the purchase. The only information I can refer to is what was provided to this committee, which they talked about—

Mr. Garnett Genuis: It was initiated within the department, though.

Ms. Samantha Tattersall: That's correct.

Mr. Garnett Genuis: It wasn't PSPC or the Treasury Board or any other department saying, “Hey, by the way, it looks like we might need this.” It was Tom Clark, coming in as the new consul general—he's close to the Prime Minister—and then Global Affairs is, on its own authority, initiating this conversation about a new residence.

Ms. Samantha Tattersall: I would answer that any decisions on this matter would have occurred within Global Affairs.

Mr. Garnett Genuis: Okay.

To the chief appraiser, I want to clarify the asking price versus the appraised value of the previous property. It was implied by some of my Liberal colleagues that the appraised value was the same as the asking price.

Could you just very clearly clarify that? Is the asking price the same as the appraised value of the property?

[*Translation*]

Ms. Amélie Bouchard: Thank you for your question.

In fact, as the appraisal report shows, the property had been on the market for several months. So the price changed a few times.

[*English*]

Mr. Garnett Genuis: I'm sorry. It's a simple question. I'm talking about the previous property, not the newly acquired property.

Is the asking price the same as the appraised value, or are they different?

• (1215)

[*Translation*]

Ms. Amélie Bouchard: As I said earlier, I can't give you details about the results of the most recent appraisal for this property because it's still on the market.

[*English*]

Mr. Garnett Genuis: Okay. That's all I'm looking for. It's just the clarification.

Anyone who's making public comments about the value of that property, politicians or otherwise, isn't doing so on any factual basis.

The previous property has not sold yet. Is that correct?

[Translation]

Ms. Amélie Bouchard: As far as I know, it's still for sale.

[English]

Mr. Garnett Genuis: All right. There is a lot of misinformation being pushed on this, particularly by supporters of the government.

Based on our own research, we've seen that properties in the same building have sold substantially under asking price or have even been taken off the market once put on. I think that's important for the committee to note.

Who decided on the asking price? Was that you? Was that within Global Affairs? Who decided on the asking price for that previous property?

[Translation]

Ms. Amélie Bouchard: As Mr. Quinlan mentioned in his opening remarks, one of the pillars of the process and operation—

[English]

Mr. Garnett Genuis: Who made the decision?

[Translation]

Ms. Amélie Bouchard: I'm getting to that.

I can tell you that this decision wasn't made by the chief appraiser's office. We only provide an independent appraisal—

[English]

Mr. Garnett Genuis: Who made the decision, though?

[Translation]

Ms. Amélie Bouchard: Are you asking me who makes the decision on setting the asking price?

[English]

Mr. Garnett Genuis: Yes, exactly.

[Translation]

Ms. Amélie Bouchard: In this particular case, I would suggest that you ask GAC that question.

[English]

Mr. Garnett Genuis: This is the problem. The government wants to trumpet the asking price as if it means something but ignore the appraiser who appraised it. That's completely separate. We don't even know who's setting the asking price.

Sorry, Chair.

The Chair: We are out of time.

Ms. Bouchard, a very clear question was asked of you. If you do not know who set the price, please just say "I do not know", but if you do know who set the price, as Mr. Genuis was asking, I would ask you to present that answer to us.

[Translation]

Ms. Amélie Bouchard: I don't know who set the price, Mr. Chair.

[English]

The Chair: Thank you very much.

Mr. Van Bynen, welcome to OGGO.

You have five minutes, please.

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): Thank you, Mr. Chair.

As a 30-year banker, I think what's important throughout all of this is to ensure that the taxpayers have received real value in the transaction.

My first question, then, is for Mr. Quinlan.

Can you explain the role the chief appraiser plays in the Treasury Board Secretariat's directive on the management of real property?

[Translation]

Mr. Mark Quinlan: For the transaction in question, given that the amount exceeded the \$500,000 limit, the custodial department was obliged to request an appraisal in accordance with the Treasury Board directive. The department exercised its role in that context.

[English]

Mr. Tony Van Bynen: Thank you.

In this situation, how was the third party appraiser chosen, and what are the prerequisites that need to be met for an approved third party appraiser to act on behalf of the Government of Canada?

[Translation]

Mr. Mark Quinlan: I thank the member for his question.

Appraisers have to be certified in the jurisdiction concerned. As I understand it, we were dealing with a reputable firm, known for the quality of its services, that we had used in the past.

I will let my colleague, Ms. Bouchard, expand on my answer.

Ms. Amélie Bouchard: Thank you, Mr. Quinlan.

The firm hired to prepare the appraisal report was National Valuation Consultants. It's an appraisal firm based in the United States with a number of regional offices. My office had dealt with this firm before.

In the case at hand, we selected this firm to prepare the appraisal report.

• (1220)

[English]

Mr. Tony Van Bynen: Thank you.

Can you tell me what the factors are during the appraisal process? Are they standard for each appraisal, or are they dependent on each individual property?

[Translation]

Ms. Amélie Bouchard: We select appraisers or appraisal firms based on the nature of our assigned terms of reference and the property to be appraised, in other words, based on the purpose of the appraisal. The nature of the file, meaning the property to be appraised, also guides the choice of appraiser, firm or firms invited to submit a service proposal.

[English]

Mr. Tony Van Bynen: Thank you.

As the real estate broker for the federal government, Public Services and Procurement Canada is responsible for the development and the management of these appraisal standards. As we're discussing an international property, do you know if any other countries have policies that align with PSPC's valuation guidelines, and are there any other countries that we could look to in order to possibly improve our current policy?

[Translation]

Ms. Amélie Bouchard: That's a great question.

Yes, we're always looking for ways to improve our practices. In fact, our practices are quite similar to what we see in other Commonwealth countries, like the United States, the United Kingdom, and Australia.

[English]

Mr. Tony Van Bynen: Thank you.

When other departments purchase properties, is PSPC involved in the cost-benefit analysis? It's a question we've heard all too often today.

Mr. Mark Quinlan: The answer to that question, again, is to refer you to my colleague at the Treasury Board Secretariat.

PSPC is not responsible for those decisions. PSPC's responsibility is very targeted and very limited to the services Madame Bouchard provides in the context of applying the Treasury Board Secretariat's policy.

Mr. Tony Van Bynen: Okay.

Coming back to the directive on the management of—

The Chair: Mr. Van Bynen, that is your five minutes, I'm afraid.

Colleagues, we are going to break for 10 minutes.

We will come back with Mrs. Vignola, and perhaps a solution to her earlier request.

• (1220)

(Pause)

• (1240)

The Chair: We are back in session, everyone. Thank you for your patience. We'll go right to Mrs. Vignola for five minutes, and then we'll go over to Mr. Bachrach for five minutes.

Go ahead, Mrs. Vignola.

[Translation]

Mrs. Julie Vignola: Thank you very much.

Ms. Tattersall, I imagine that Canada owns several hundred properties abroad, if not more.

Is there a point where renovation costs require an authorization request?

[English]

Ms. Samantha Tattersall: No. Transactions are only related to acquisition and disposition. However, if there was a major renovation project and the project exceeded their capacity, it could come to the board. In project management, it's not a dollar limit. It's based on an assessment of the department's risk and capacity and then the risk and capacity of the project.

[Translation]

Mrs. Julie Vignola: Okay.

To your knowledge, do trade agreements between Canada and the United States cause any problems that might affect the cost of renovating Canada's official residences in New York or Washington? Do trade agreements and diplomatic relations between Canada and the United States create any obligations that result in higher costs?

I could ask GAC, but I wanted to ask you that question too.

Mr. Quinlan, if you want to answer, you're welcome to do so as well.

• (1245)

Ms. Samantha Tattersall: As you said, GAC would be better able to answer that question.

Mrs. Julie Vignola: Okay.

Mr. Quinlan, if I correctly understand what you said earlier, PSPC is responsible for the government's real property in Canada, but not its real property outside of Canada. Please answer yes or no.

Mr. Mark Quinlan: Mr. Chair, I wish I could answer yes or no. Unfortunately the question requires a slightly more nuanced reply. I'll be very brief.

In terms of built space, real property under the responsibility of PSPC represents approximately 25% of the Government of Canada's real property assets. Several other custodial departments are also responsible for real properties. For example, Correctional Service Canada or National Defence come to mind. PSPC is responsible primarily for office space and certain infrastructures, particularly bridges and dams.

Mrs. Julie Vignola: So, the assets that you're responsible for are located in Canada, not outside of Canada.

Mr. Mark Quinlan: Exactly, Mr. Chair.

Mrs. Julie Vignola: Is GAC solely responsible for real property outside of Canada, or are any other departments responsible for that kind of property too?

Ms. Samantha Tattersall: Twenty-eight federal institutions are custodians.

[*English*]

GAC is a custodian, but Global Affairs also plays a common service provider role to other departments that have a presence internationally.

[*Translation*]

Mrs. Julie Vignola: Thank you very much.

Is the real property management portfolio concentrated in one department, or is each custodial department responsible for managing its own portfolio, including repairs, sales, and so on?

Ms. Samantha Tattersall: Each custodian is responsible for renovations.

Mrs. Julie Vignola: Thanks very much.

Thank you, Mr. Chair.

[*English*]

The Chair: Thanks very much.

Mr. Bachrach, go ahead, please.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

I'll start with a question for Ms. Bouchard. It was mentioned earlier that these properties aren't only expenditures, but they're also investments. I'm wondering if you can speak to the real estate trends in the area in which Global Affairs has purchased this apartment. Regarding what we're seeing in Manhattan and specifically the neighbourhood where this apartment is located—Billionaires' Row—and the vacancy rate in the building versus vacancy rates in the nearby area, are those things you would have looked at as part of the appraisal? Can you provide a bit of context in terms of the value of this particular apartment now and in the future?

[*Translation*]

Ms. Amélie Bouchard: Thank you for your question.

I don't know if you've had a chance to read the appraisal report. I understand that it's very long and full of information.

Obviously, the chief appraiser of Canada can't be an expert on real estate in every country. We seek out independent, local experts to help us determine the value of assets that we're asked to have appraised.

My information on the market in Manhattan, and in the neighbourhoods where the properties being discussed today are located, comes from the appraisal report provided to me. I didn't go double-check the specific market trends affecting this building. We hired an independent expert to conduct a market analysis and, as you and I can both see, its focus moves from the general to the specific. The expert begins by analyzing the New York State real estate market, and then moves on to the New York City market in each of the five boroughs. He focuses first on Manhattan and then on two neighbourhoods—the Central Park South residential submarket, immediately south of Central Park, where the building of interest is located, and Midtown Manhattan, where comparable properties are up for sale.

Like you, I appreciated the appraiser's analysis. He used information sources routinely consulted to gather these kinds of statistics. He conducted a socio-economic analysis of the neighbourhoods' residents. We also see annualized and monthly data on sales volumes and average sale prices. The report even includes information showing market changes over time, as well as data on recent years and forecasts.

We also see that the markets seem to respond differently according to the type of co-ownership involved. Co-operatives and condos are covered, and note that a separate analysis was performed for both these market segments.

That's what I notice. There are some similarities in the behaviour of those markets and real estate market trends here. Obviously, we are facing the same, or at least a similar socio-economic phenomenon. Demographically, we note a degree of stability. We see no major population increases in Manhattan or in these neighbourhoods. Forecasts indicate that population numbers could increase slightly over a five-year timeline. As far as I know, the report doesn't contain information about vacancy rates—

• (1250)

[*English*]

The Chair: Ms. Bouchard, I have to ask you to wrap it up. We're past our time.

[*Translation*]

Ms. Amélie Bouchard: I'm sorry. I'll stop there. That's the market information I have. It's the information you'll find in the appraisal report.

[*English*]

The Chair: Thanks.

Mrs. Block.

Mrs. Kelly Block: Thank you, Chair.

I have five minutes. I'll keep my questions pretty tight because I want to share my time with my colleague Mr. Genuis.

Prior to 2019, how many purchases over \$4 million were referred to the Treasury Board Secretariat by Global Affairs Canada?

Ms. Samantha Tattersall: I'll have to follow-up on that question in writing. I don't have that.

Mrs. Kelly Block: Okay. You'll provide that to us.

Ms. Samantha Tattersall: Yes.

Mrs. Kelly Block: Thank you very much.

Between 2019 and 2022, how many requests of over \$4 million were received from Global Affairs Canada by Treasury Board Secretariat before the policy changed?

Ms. Samantha Tattersall: On the number of transactions that exceeded their limits, I'd have to come back with an answer.

Mrs. Kelly Block: So in essence, a policy was changed in 2022 but you don't have the numbers to give us to demonstrate perhaps why the limit had to increase from \$4 million to \$10 million.

Ms. Samantha Tattersall: There are two separate things. The transaction limits are reviewed on a regular basis, and then the policy was updated. Those two weren't tied.

You're asking specifically how many transactions exceeded those limits. I don't have that information with me here today.

• (1255)

Mrs. Kelly Block: So you're saying the increase in the limit was not tied to the number of requests TBS would have been receiving that were over that \$4 million threshold?

Ms. Samantha Tattersall: The business case would have been related not just to the transactions but also to a market analysis and a look at the increase in inflation. It also was substantiated by a review by Global Affairs of 23 markets and what the average price of acquisition was for them.

Mrs. Kelly Block: Thank you for that.

Many times you've indicated that TBS did not or does not have eyes on the real property purchases under the threshold of \$10 million and that Global Affairs actually has to be able to demonstrate due diligence in following the framework that has been given to them for the purchasing of real property.

Who do they demonstrate that due diligence to?

Ms. Samantha Tattersall: Within a department, accountability rests with the deputy head, and then the deputy head—

Mrs. Kelly Block: Is that at the deputy minister level?

Ms. Samantha Tattersall: It's the deputy head, yes, and the deputy head under the current policy will appoint a senior designated official responsible for real property, and they will set out their real property management framework. So when GAC is here, they could outline what their framework, their delegations and their governance are.

Mrs. Kelly Block: Right, but they basically demonstrate due diligence to themselves. Nobody else has any role to play in actually assuring that Global Affairs Canada is following due diligence.

Ms. Samantha Tattersall: Part of the external element is the appraisal that is provided by an external party.

Mrs. Kelly Block: Thank you.

I'll turn my time over.

The Chair: Mr. Genuis, go ahead.

Mr. Garnett Genuis: Thank you, Chair.

In terms of cost to taxpayers, it's important to underline that we haven't sold one residence and purchased another. We currently have two consul general's residences in New York, each of which has very substantial carrying costs.

Tom Clark was apparently so keen on a new luxury condo that they bought that condo before even listing the existing property, with no guarantee that it would sell at an acceptable price.

In general, as it relates to Treasury Board policy, would you say it's a best practice to secure a buyer for the first property before purchasing the second?

Ms. Samantha Tattersall: Our policy doesn't speak to sequencing. Our policy speaks to making decisions based on the full life-cycle costs. The sequencing and how that is determined would be set out within the department.

Mr. Garnett Genuis: Do you think it's common sense that we don't need two consul general's residences in New York and that you need to make sure that you're going to be able to sell the first at an acceptable price before you purchase the second and also that you don't want to be responsible for very significant carrying costs for two properties on an ongoing basis? Would that seem to you like common sense?

Ms. Samantha Tattersall: I would say, in how I'm managing my real property portfolio, that I would want to understand the sequencing they've used and whether they've included those costs in their life-cycle costs analysis.

Mr. Garnett Genuis: But just from a common sense perspective, most people who are pinching their pennies.... We're going through a cost-of-living crisis. Many Canadians can't afford homes at all, but most people don't go out and purchase the second home before they've begun the process of selling their first home, because they don't want to be on the hook for the costs associated with owning two homes at once over a long period of time. Again, this first property wasn't even listed until last week, essentially immediately before these committees were starting.

Shouldn't the Government of Canada apply these common sense real world insights to their decisions involving real property?

Ms. Samantha Tattersall: I think I would want to understand from GAC officials when it was that they started the process to ready the property for disposition, and how that figured into their strategy around the replacement of the official residence.

The Chair: Thank you very much.

All the way from sunny Windsor, Mr. Kusmierczyk, go ahead.

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): Thank you very much for that enthusiastic and very accurate introduction, Mr. Chair.

I'd say that 99.99% of the questions I have are actually directed towards GAC because GAC holds pretty much all of the cards and all of the answers to the questions that we have here, but I do have some questions to pose.

I want to begin by setting a bit of background here.

As I understand it, the Government of Canada manages 6.9 million square metres of real property. That's about seven million metres of real property.

Am I in the ballpark here?

• (1300)

Mr. Mark Quinlan: Mr. Chair, I can answer that question.

That is accurate with regard to the PSPC portfolio, speaking to office space. Out of that 6.9 million square metres there is roughly one million square metres of special-purpose space, warehouses, etc. You then have another six million square metres of general-purpose office space. Out of that six million square metres you have embedded special-purpose space, so it's not always pure office space. That is the PSPC portfolio.

Speaking to the Government of Canada portfolio, I believe the number is more in the neighbourhood of 23 million so PSPC's share is roughly one quarter.

Mr. Irek Kusmierczyk: So you're saying 23 million. Okay. I apologize for low-balling it significantly.

Is it fair to say that the Government of Canada has experience in the area of managing real property?

Mr. Mark Quinlan: I think it would be fair to say that the Government of Canada has experience managing real property. That being said, of course, I can speak only to PSPC's portfolio.

Mr. Irek Kusmierczyk: Okay.

I want to talk about some of the protocols and rules around the management of real property, including the directive on the management of real property, which states that acquiring property must be done in a manner that is fair and that aligns with commercial real estate practices.

Do you have any reason to suspect that this part of the directive was not followed? Is there anything from what you've read that says that this part of the directive was not followed when it comes to the process being fair and aligning with commercial real estate practices?

Ms. Samantha Tattersall: I can answer that question.

When we talk about fair, we talk about the fact that they looked at options based on the requirements, that there was a process to identify all properties, that they did market testing by engaging a broker, and that they undertook an appraisal. Aligning with commercial real estate practices would mean that they followed the legal, due diligence process and commercial practices in New York.

What I know from what's been submitted to this committee is that they undertook an appraisal and they engaged a broker. My understanding from talking with officials at Global Affairs is that they undertook a financial analysis of the options. That's what I know now.

Mr. Irek Kusmierczyk: Have you seen any evidence to tell you that this part of the directive was not met?

Ms. Samantha Tattersall: Given that the only information I have is what's been publicly available, I can only rely on what has been submitted to this committee.

Mr. Irek Kusmierczyk: So you haven't seen any evidence to the contrary that would contradict or violate the directive?

Ms. Samantha Tattersall: From what has been submitted, I have not, but I think part of the evaluation of this committee is to make sure that GAC followed the policy.

Mr. Irek Kusmierczyk: It is for sure. We will follow up with GAC tomorrow, but today I want to hear your perspective. The directive on the management of real property talks about highlighting sound stewardship. Based on what you've read and seen, is there any evidence to say that sound stewardship has not been followed?

Ms. Samantha Tattersall: I really think that's a question for Global Affairs officials. They have the details of the transaction. I don't have access to all the details. What I have access to is what's been provided to this committee.

Mr. Irek Kusmierczyk: Right. I'm asking you, based on what you've seen, whether sound stewardship been followed.

Ms. Samantha Tattersall: I appreciate the question. I really do think Global Affairs officials need to answer that question.

The Chair: Thanks very much.

We'll go to you, Mr. Brock, please.

Mr. Larry Brock: Thank you, Chair.

Is a feasibility study mandatory for the repair, renovation or purchase of a diplomatic or official residence, pursuant to Government of Canada policies?

Ms. Samantha Tattersall: You're testing me, but I would say that if you were doing a renovation, you would undertake an analysis. It would be a project, so you would do the normal pre-project definition options analysis before you got into the actual implementation.

• (1305)

Mr. Larry Brock: In relation to the existing property owned by the Government of Canada at 550 Park Avenue, before the decision was made to purchase the West 57th Street property, was a feasibility study prepared in relation to that transaction?

Ms. Samantha Tattersall: I don't know the answer to that question. That would be something that GAC officials would be able to answer, namely, what they looked at in terms of the renovation costs.

Mr. Larry Brock: Can anyone on this panel weigh in on that answer? Anybody? No. Okay.

In your opinion, Ms. Tattersall, would GAC have been responsible for the creation of a feasibility study, if one was done pursuant to policy?

Ms. Samantha Tattersall: Yes, as the real property custodian, it would have been responsible for looking at any sort of options analysis before undertaking a renovation.

Mr. Larry Brock: Thank you.

There is a talking point about how the purchased new property is smaller and more economical for the taxpayer, but it's very light on details. I know the current property, the new property, is just under 3,600 square feet. What is the square footage of the property on Park Avenue?

Does anyone have an answer to that?

Mr. Mark Quinlan: I'll defer to my colleague, the director general.

Go ahead, Linda.

Ms. Linda Jenkyn (Director General, Real Estate and National Capital Area Investment Management, Real Property Services, Department of Public Works and Government Services): Thank you, Mr. Chair, for the question.

The subject property at 550 Park Avenue was 3,873 square metres.

Mr. Larry Brock: It was 3,800.

Ms. Linda Jenkyn: Yes. It was 3,873.

Mr. Larry Brock: The new property is around 200 square feet or square metres less. Would that be your understanding?

Ms. Linda Jenkyn: That's correct.

Mr. Larry Brock: That is a very interesting answer, because GAC is giving Canadians the impression that this new move represented a savings opportunity of more than \$2 million for Canadian taxpayers, and that it would also reduce ongoing maintenance costs and property taxes, and would support future program needs.

The new property has a carrying cost per year of \$235,896 U.S., which is probably just under \$400,000 Canadian per year. Specifically, the taxes are \$10,000 U.S. per month. Monthly common charges are just under \$9,600 U.S.

Does anyone have any information on the taxes and carrying costs on Park Avenue?

Ms. Samantha Tattersall: I don't have access to those. I don't think PSPC does either, but I would expect that when they did their life-cycle cost analysis, the operating costs of both properties were taken into consideration.

Mr. Larry Brock: The annual costs for this new property are more than.... We just heard from one of our colleagues from Fredericton, New Brunswick, that the costs are more than the actual purchase price of properties in her hometown.

Do you not think it is a real problem with the Government of Canada that we, as taxpayers, are paying out over \$400,000 Canadian per year just to allow Justin Trudeau's buddy to live in luxury in Manhattan?

Is that acceptable to you as a taxpayer? Not only are you civil servants; you're taxpayers. Is that acceptable to you?

Ms. Samantha Tattersall: Again, what I would say is that the official residence has been acquired to support a mission in New York. The requirements for that would be established by GAC pursuant to the legislation. It acquired that to achieve its mission results in New York.

I don't have anything further than [*Inaudible—Editor*]—

Mr. Larry Brock: The sky is the limit, I guess. So long as it meets the mission's needs, the cost be damned. That's what I'm hearing as a taxpayer.

Ms. Samantha Tattersall: Consistent with Treasury Board policy, it is a best values balance between the real property meeting the

operational requirements and the cost of the acquisition and the maintenance over the life cycle of the asset.

• (1310)

Mr. Larry Brock: Those are the questions I have.

Thank you.

The Chair: Thank you very much.

Mr. Jowhari, you can finish up. Go ahead, please.

Mr. Majid Jowhari: Thank you, Mr. Chair.

I really don't have any more questions for TBS and PSPC, but I'm really looking forward to tomorrow's meeting, when we start with GAC and talk about the real need. What was the need? What drove the need? When was this identified? How long did it take? What is the process?

What is clear, to me at least, is that there were guidelines established by TBS. They're very clearly documented, and those have been communicated to many departments. There are thresholds available. It will be our job tomorrow to ask whether those were followed and to question that.

When I look at the document that's provided, I see that 21 different properties were looked at. At least 12 of them look as if they're within the threshold or below the threshold. From the document provided, it looks as though the property that was selected was the cheapest one. At least it was the lowest dollar per square foot among all the choices.

The questions around the previous residence, I think, are valid in order for us to get an understanding. Based on the document that's been given to us, it looks as though the difference between the carrying cost and the net present value over a period of time yields at least a \$7.4-million saving, which is somewhat close to the price of the condo. There are some of the questions we'll be asking. We'll be asking about the guidelines around valuation for both the previous and the new. As well, probably a good question to ask, as far as sequencing is concerned, is whether the cost of the sequencing is worth taking into account when the total net present value is calculated.

Really, thank you, TBS.

Thank you, PSPC, for coming in and highlighting the guidelines and your role in this.

We're going to have a lot of good questions to ask GAC tomorrow.

Thank you.

The Chair: That's great.

Thank you, Mr. Jowhari.

Before we break, earlier Mrs. Vignola asked about requesting the appraisal. Correct me if I'm wrong, but I think everyone has agreed that we'll ask for the appraisal. It will come to the clerk, the analysts, the MPs and the associate MPs. Is that correct, everyone?

Some hon. members: Yes.

Mr. Majid Jowhari: Yes, and it will come to associate MPs specifically, such as Michael.

The Chair: I'm hearing "no" over there.

Mr. Majid Jowhari: It will come to associate MPs.

The Chair: While the Liberals are deciding, go ahead, Mrs. Vignola.

[*Translation*]

Mrs. Julie Vignola: Mr. Chair, I don't know whether I'm losing my hearing or if I just missed a few words, but we're told that this is for permanent members and associates. I just wanted to check that—

[*English*]

The Chair: I was told it would be MPs and associate members.

[*Translation*]

Mrs. Julie Vignola: Okay.

[*English*]

Mr. Majid Jowhari: Yes. It would be MPs and associate members only—no staff.

Mrs. Julie Vignola: It would not be staff. Okay.

Mr. Majid Jowhari: That's it.

I'm acknowledging that Michael and Larry are associate members. They've been at this committee—

The Chair: Are we fine with that?

Some hon. members: Agreed.

The Chair: That's great.

Ms. Bouchard, I started asking this before. Right now is it in English only, or is it in English and French?

[*Translation*]

Ms. Amélie Bouchard: For now, the appraisal report is only available in English.

[*English*]

The Chair: That's wonderful.

I think the committee was asking for it within 21 days, so consider that ordered. We'll expect that to be with the clerk by noon 21 days from now.

Thank you very much.

Mr. Majid Jowhari: I have one question. Can we get clarification? Is it the clerk of the committee or the law clerk we are sending this to?

Traditionally we have sent it to—

The Chair: No, it will go to the clerk, and she will send it to the analysts and the MPs.

Mr. Majid Jowhari: Okay.

We will go to your office to review it; you won't send it.

The Chair: No. My understanding is that it was going to go to the MPs. Is that not what was agreed to?

Mr. Majid Jowhari: No. It was agreed that we would go to your office and read it over there.

• (1315)

[*Translation*]

Mrs. Julie Vignola: I was also under the impression that people would go to the office with no notes or phones, and read the documents confidentially, with no leaking.

At least once in our lives, all of us have likely sold a property or seen someone else sell a property for a price that differed from the municipal assessment. Everyone hopes to sell a bit over the assessed value, and the present case is no exception. However, if information gets leaked that some repair or other is no big deal for one person, but a major issue for someone else, it could affect the negotiations.

Having already sold a home of my own, I like negotiations to be fair. I wouldn't want to find out that the negotiation process was marred by leaked documents.

I don't know how much the apartment is worth based on its square footage and prestigious location. Park Avenue is an old-money, historic area that seems highly sought-after. I understand that. I would be very uncomfortable knowing that negotiations over the price of this apartment had been affected by leaked information. That's why I want steps taken to ensure that the document remains confidential.

I thought we had agreed to read the document in the clerk's office, and to include members who are usually here, but not necessarily regular members. That could be done after the House resumes. We should be almost there in 21 days, and then we can all read the document without spending too much on travel. That was my understanding. That's my preference, frankly, to avoid influencing negotiations one way or another.

[*English*]

Mrs. Kelly Block: Thank you very much, Mr. Chair.

I recognize that committees have the ability to set the terms by which they want to receive this information. I think it's highly unusual that when we call for the production of a document that was referenced by a witness.... Although the witness stated several times that she could not speak to the particulars of the appraisal report, in some of her responses to Mr. Bachrach's questions, she assumed that we had seen it.

We haven't seen the documents. We've asked the witness to produce those documents for the committee—for the committee members only, and for those who have been serving on this committee on a regular basis throughout some of these studies. I feel it's highly unusual to infer that members of Parliament would leak these kinds of documents for any purpose.

We receive confidential documents all the time in this committee. We make sure that it is understood that when we receive these documents in confidence, we will not speak of them. In committee, we've had those kinds of agreements ahead of receiving documents that are sensitive in nature. Requiring members of Parliament to visit the office of another MP in order to look at documents they've been charged with being good stewards of to begin with....

We deal with confidential information every day as members of Parliament. I think it undermines our integrity to insist that this document would not be held in the strictest confidence by the members of Parliament who are serving on this committee.

● (1320)

The Chair: Thanks.

I saw your hand up, Mrs. Vignola, and then it will be Mr. Jowhari.

[*Translation*]

Mrs. Julie Vignola: Thank you very much, Mr. Chair.

I would like to clear up a few things to avoid any confusion.

First of all, we would not go to a member's office to see the document, but to the clerk's office. This kind of thing happens fairly often.

Secondly, the appraisal report that Ms. Boucharde alluded to today is the 97-page document that we received this week, along with a two-page letter from GAC. The appraisal report concerns the West 57th Street residence, the new residence. The current request concerns the appraisal report for the former residence, which is on the market now.

Yes, we work with confidential information quite often. Has confidential information ever been leaked to the media? Let's just say, there have been a few surprises in the past. To be polite, I'll leave it at that. I manage two inboxes, my personal inbox and my MP inbox. Nobody touches my email. My employees are well aware that I consider both to be my personal email boxes. I need to know the things that people want to tell me. I need to understand why people are in a good mood or a bad mood and exactly what they want from a given bill. That's why I check both my inboxes. That way, there's no chance that one of my employees, who's simply trying to help me manage my inboxes, will come across a confidential document.

However, this is how I personally like to manage my emails. It doesn't mean that everyone operates that way. I don't know how other people do it. I'm not saying that my colleagues aren't trustworthy, far from it. I know how I operate, and no one touches my inboxes but me. I might seem nice and easygoing on the outside, most of the time, but I'm very strict about managing access to my inboxes. However, it's not necessarily the same for everyone.

That's where my concern over potential leaks is coming from. I'm concerned that this document, for a variety of reasons, might accidentally fall into the hands of someone who shouldn't have seen it and who might not know that it's confidential. I'm not saying that specific people are going to cause leaks. We're not there yet. I just want to make sure that our approach is clear and consistent with our usual way of doing things, in other words, that we read the docu-

ment in the clerk's office. I know that it's done that way because I've done it before for certain contracts. It's also a middle ground.

The last thing I want is to insult anyone. I'm not in the habit of doing so, and I have no intention of starting now, or tomorrow, for that matter. Like any owner selling his or her home, condo or land, I also want to make sure that we get a good price for assets that we put up for sale. It's that simple.

I hope these clarifications are sufficient and acceptable.

Thank you.

[*English*]

Mr. Majid Jowhari: Thank you, Mr. Chair.

I just want to confirm that my understanding of the conversation we had is exactly what Julie just reiterated, and I'll reiterate it again.

The document in both official languages goes to the committee clerk's office. A copy is provided for each MP and key associate members, as they call them—such as Michael and Larry, who have attended numerous times and who are actually considered permanent members of this committee—who will attend and review, with no notes and no cameras or anything, and then the copy will be destroyed after that.

Naturally, the analysts and the chair will have the privilege of looking at those documents as well.

Also, look at it as if there is always the possibility of a breach. There's a lot of phishing going on, and if this document were on somebody's P9 account it could get phished. That's why we do what we do.

Also, look at the precedent. The precedent basically looked at all the contracts, such as the one for EV batteries that we had. We went to the clerk's office. We looked at it. Our copy was prepared for us. We were given ample time to look at it, and then it was destroyed.

When you look at the precedents, when you look at the agreement we have, I think we have a winner. We're going to get to the answer. We're going to be able to see it in a secure way. It's going to be in both official languages. It's going to be in the clerk's office and it's going to give the answers to the questions that we have.

● (1325)

The Chair: Mr. Barrett, go ahead.

Mr. Michael Barrett: We're certainly trying to put the toothpaste back in the tube after unanimously agreeing to something different from what's now being discussed. We need to have an understanding here.

Do we have people who are joining this committee from other parts of the country, or do we not? We do. It's 2024 and it's very easy to do remote viewing. For members who are going to have to schedule an appointment with the clerk to view this document, they should be able to do that from their secure House of Commons devices where the clerk, or the clerk acting in her place, can display it on her screen and share that screen with members. That technology exists within the enterprise solutions the House of Commons uses.

It's not 1995; we don't need to walk over to the clerk's office and read what got faxed over to her. It's going to get emailed to the clerk, so if members are worried about phishing, it's been emailed all around government email addresses and it's going to be emailed to the clerk. If it's only members of Parliament who can't be trusted, it seems that I have a lot more confidence in my colleagues than other members do.

However, it is what you said. You said you were worried about its being phished, so if that's the concern, then we could go back to just having documents hand-carried and not having them emailed. However, the document is going to be transmitted electronically, so it's going to be sent—and it has been—to the clerk. That's been done.

We should be able to view it. There are members in a variety of circumstances who have been permitted to join electronically. I won't enumerate what those reasons are. They should also be able to access this document from where they've been able to access this meeting. That technology exists, so we can let this go, even though it's absurd. If we can enable members to access the document remotely through the clerk, simultaneously, then I think that satisfies all of the concerns, although I don't agree with the arguments that have been posed. This would allow all members to see the documents from wherever they were joining the meeting from.

The Chair: Mr. Brock, go ahead.

Mr. Larry Brock: I listened very carefully to my colleague Mr. Barrett. Remote viewing is exactly the solution that I was going to present. I'm also mindful that our colleague Mr. Jowhari indicated—not officially, but certainly clearly and loudly enough that I could hear it—that it is not what he was against.

Perhaps Mr. Jowhari can clarify the Liberal position on this, because, let's face it: we have hybrid Parliament and we have hybrid proceedings in committee. To deny a remote member who chooses, because of life circumstances or distance.... My colleague Mr. Genuis has some personal issues, and Mr. Bachrach, from the great province of British Columbia, is choosing to save taxpayer dollars and participate remotely. Are we expected to throw convention and policy out the window just to ensure that people are here in person?

I think Mr. Barrett's solution is a sound one, and I hope Mr. Jowhari thinks it would be an appropriate solution and an exception

to the rule he's proposing. I'd like to hear from Mr. Jowhari about those members, whether they be permanent members or associate members who participate on a regular basis at the mighty OGGO, and whether they can participate remotely to review the document.

• (1330)

Mr. Michael Barrett: I have a point of order, Chair.

The Chair: Do your point of order, and then I'm going to take the floor.

Mr. Michael Barrett: With respect to Mr. Brock's comments and Mr. Genuis's issues, I'd like to congratulate our colleague Garnett and his wife Rebecca on the birth of their sixth child, Isadore Carlo Richard Genuis. That's as good a reason as any to not join us in person. I just want to congratulate Garnett, and thank his wife for letting us borrow him for a couple of hours today while we deal with this important issue.

The Chair: Thank you.

Yes, congratulations to your family, Mr. Genuis. I think your being with us is more of an issue for us than your baby.

Colleagues, I put this issue forward, looking for UC on it. We don't have it, so I am going to suggest that someone put it forward as a proper motion for the next meeting. Perhaps we can work out some arrangement before then.

I would have to agree with some issues that have been brought up. It's unfair to Mr. Bachrach and Mr. Genuis, and anyone else who is not coming in person, to not have access to it. Perhaps we can get it as a proper motion before I adjourn.

Mrs. Vignola, go ahead.

[*Translation*]

Mrs. Julie Vignola: I have a quick question. I just want to double-check something, because I keep thinking and thinking.

The clerk sends us SharePoint links. Is SharePoint secure, confidential and beyond public access?

[*English*]

The Chair: It depends on what's sent. For example, when we order documents, those are considered public unless deemed confidential. Some of the SharePoint documents we've received over the year we decided in advance to be confidential and not to be shared. With others, if they're too large to do the usual PDF and are put on SharePoint, if they're in an order for documents, they're considered public. For example, she could send that by SharePoint or PDF.

As I said, thank you, witnesses, for appearing today.

Mr. Quinlan, thanks for being here virtually.

We're adjourned.

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