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Chair

Mr. James Rajotte

Standing Committee on Finance

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● (1535)

[*English*]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call this meeting to order. This is the 78th meeting of the Standing Committee on Finance. We're continuing our pre-budget consultations for 2012.

In the first panel—and we have two panels today—we have four organizations from 3:30 to 5 p.m. First of all, we have the Canadian Natural Gas Vehicle Alliance; secondly, the Grain Farmers of Ontario; thirdly, the Professional Institute of the Public Service of Canada; and we also have the Prospectors and Developers Association of Canada.

Welcome to all of you. Thank you for being with us here today. You each have five minutes for your opening statement, and then we'll have questions from members.

We will start with the Canadian Natural Gas Vehicle Alliance, please.

Ms. Alicia Milner (President, Canadian Natural Gas Vehicle Alliance): Thank you.

My name is Alicia Milner. I'm the president of the Canadian Natural Gas Vehicle Alliance.

It's a privilege to appear today before the committee and to speak on behalf of Canada's natural gas vehicle industry.

I'm here to share with you the challenges that are increasingly facing Canada in the areas of jobs, growth, competitiveness, and achieving a sustainable environment, and to share with you the rapid deployment that our largest trading partner to the south is making in close proximity to our shared border and how it can negatively impact our job retention, job creation, investment, and environmental outcomes if we don't pool our Canadian resources to get us on a more level North American playing field.

In the brief time allotted to me today, I would like to highlight how responding to this increasing continental infrastructure challenge can not only contribute to job retention but can also trigger more than $1.2 billion in private sector spending, lead to the creation of more than 1,200 new jobs, reduce greenhouse gas emissions by one megatonne, and increase competitiveness while ensuring there are no job losses in the Canadian trucking industry resulting from lower-cost American LNG trucks operating in Canada.

First, let's consider what's happening with our largest trading partner, the U.S. While we're focused on pipeline projects and LNG exports, in the U.S. the private sector is rapidly moving forward with investments of more than $750 million that will transform the landscape for energy use for heavy trucks. LNG refuelling stations are being built on interstate trucking corridors across the U.S. By switching to natural gas, trucking fleets will reduce their fuel costs by 40% and their emissions by 25%. Consumers will benefit because all food and consumer goods typically are delivered by truck.

Now I'd like you to turn your attention to the map handout that was distributed and should be in front of you. You can see for yourself the viral infrastructure expansion taking place with our largest trading partner.

You'll notice how rapidly their LNG station network and trucking corridors have grown in this year alone. You can see that this expansion has virtually all taken place across the southern and mid-U.S. Perhaps that's why this activity has not been receiving the attention it deserves here, north of the border. As you can also see from the map, this is about to immediately change in the coming months—and note that I said “months”, not years.

As you can see, the growth of LNG refuelling stations and corridors in the U.S. is now starting to expand across Canada's immediate southern border and in the northeast U.S. From west to east, in proximity to some of Canada's densest population areas and in the lucrative northeast region, the Americans are expanding: Washington state, Idaho, Wisconsin, Michigan, Ohio, Pennsylvania, New York, New Jersey, Virginia, and Maryland.

Why? Because natural gas offers a lower-cost fuel choice for the trucking industry, an industry in which diesel fuel is the number one expense. With new vehicle regulations coming that require greenhouse gas emissions reductions, which will make diesel trucks even more complex, adopting natural gas now is a smart and timely business decision.

I'll go back to the map. Let's turn our attention to Canada. I would respectfully ask you to compare the Canada map with the U.S. map.

As you compare these maps, remember that more than 400,000 Canadians work in the trucking and transportation services sector; two-thirds of our trade with the U.S. moves by truck; and the majority of Canada's southbound trade goes through Ontario to the U.S. central, northeast, and south, the very areas where we are seeing the Americans invest to bring a more affordable, lower-emission fuel to the trucking industry, a fuel that Canadian trucking fleets will not be able to use as they do not have access to this fuel in their own domestic market.

As you can see, this is a rather stark reality that confronts us. As more and more fleets switch to natural gas in the U.S., the market transformation we are starting to see will pick up speed and further disadvantage Canada. We risk being left behind in a continental market and being forced to catch up at a later date—and at a greater cost. We also risk the loss of significant new capital investments that will be made over the coming years to bring LNG into the market as a fuel for heavy trucks and for ships and locomotives.

The private sector does not like unnecessary risk. As the market starts to grow for LNG as a transportation fuel in the U.S., it can be expected that private sector companies, with a choice between investing in the U.S. or Canada, will favour the U.S., given the larger, more concentrated market and the head start we're currently witnessing with the LNG station and corridor build-out.

Canada has an opportunity to act now. Industry is ready to invest, but we need government to partner with us in order to level the playing field for Canadian fleets, which also would very much like to have the choice of a lower-cost, lower-emission fuel that also happens to be Canadian.

Thank you.

The Chair: Thank you very much for your presentation.

We'll now hear from the Grain Farmers of Ontario.

Mr. Henry Van Ankum (Chair, Grain Farmers of Ontario): Thank you very much.

Good afternoon, honourable members, and my thanks to you, Mr. Chair, and to the members of the committee for providing the Grain Farmers of Ontario with the opportunity to speak on behalf of our 28,000 members growing corn, soybeans, and wheat in Ontario.

My name is Henry Van Ankum. I farm near Aylmer, Ontario, just north of Guelph, and I am the chairman of the Grain Farmers of Ontario. Our members produce over nine million tons of grain on five million acres. Our production generates 3.3 billion in farm gate receipts, results in $6 billion in economic output, and provides over 50,000 Canadian jobs. In the Canadian context, Ontario is the largest agricultural province, with $9.3 billion in sales. In grain production, we are the third-largest producing province after Alberta and Saskatchewan.

In March 2013, the agricultural industry in Canada will complete a five-year policy framework called Growing Forward. The entire industry has been working with government over the last couple of years through a consultative process to define the broad sector needs within the next policy framework. In the last few months, more details of the business risk management programs have been released. The non-business risk management components are still under discussion, although provincial allocations of funds have been decided.

Although I don't intend to dwell on the past, I would be remiss if I didn't register our disappointment with the cuts to the federal business risk management suite of programs—more specifically, AgriStability and AgriInvest. The agriculture and agrifood sector is one of the largest contributors to the Canadian economy. The sector provides one in eight jobs, employs two million people, and accounts for over 8% of Canada's total economic output.

We are pleased, however, with the increased commitment the government has made in Growing Forward 2 to the areas of research and market access. These investments will have a significant impact on the future success of our sector. At this point, we know that more money will be available nationally for initiatives like science clusters, the advancement of the bio-product sector, and an aggressive trade agenda that will include the growth of markets key to Ontario's grain producers, like Japan and the EU. What we don't know right now are the details of how national programs will prioritize opportunities and give the appropriate oversight required to meet national goals.

We are here today to bring the concern of program equity to the finance committee with respect to programming in Growing Forward 2. Now that the broad program-funding envelope has been decided, it is important to our members that clear program objectives be established and that guidelines for equity between provinces and producers be put in place for national programs.

It has been a concern of many of our farmer members that, despite our province being the largest for agriculture production, many of the national programs and infrastructure investments, particularly within the grain sector, appear to favour western Canada. Our experience with the science clusters in the previous framework illustrates the basis for this perception.

The Canadian corn, soybean, and wheat commodity organizations from Manitoba, Ontario, Quebec, and the Maritimes formed an alliance to apply for cluster funding in 2010, when the program was first announced. Our proposal for funding was declined for not meeting the criterion of a national scope, despite the fact that our crops are only grown in the provinces represented within the alliance. In 2010, 70% of the program money was spent in western Canada, including the largest science cluster investment, which was specific to crops grown in western Canada.

We hope that this new policy framework is a new start and, with additional funding, there is a new opportunity to make significant scientific and trade advancements. In Ontario, where the largest economic driver in the province is agriculture and agrifood, investments can be made in which the value gained can be realized right through the value chain.

In winter wheat plant breeding, as an example, a five-year annual federal government investment of $200,000 a year, matched by industry and farmers, will increase the competitiveness of our third-largest cash crop by increasing yield by 2% per year, improving the milling and baking quality of our wheat to increase high-value market opportunities and reducing production losses from insects and diseases by 50%.

The Chair: You have one minute left.

Mr. Henry Van Ankum: Most of our anticipated winter wheat breeding advancements will be an advantage for the Canadian baking industry also. Sixty per cent of Canada's bakeries are located in Ontario, within just a few hundred kilometres of our one-million-acre wheat-growing region.

Additionally, Ontario winter wheat has the advantage of being produced within an eight-hour drive of 130 million consumers living in two of Canada's richest cities and 11 of the 20 wealthiest U.S. States. The value generated by the one million acres of Ontario winter wheat is $1 billion in sales revenue and over 7,000 Canadian jobs. That is our third-largest cash crop in the province.

Unfortunately, without broad government goals for innovation and without strong oversight, opportunities like this one will be missed when retiring researchers and the need for program cuts coincide, as they have recently.

● (1540)

As we prepare for another five-year policy framework, we in the Grain Farmers of Ontario are excited about the many opportunities in our sector for innovation and increased market access. Our organization is prepared to invest in these opportunities as well, because we truly believe that significant value can be added in our grain sector. We look forward to working with government to invest strategically in opportunities that benefit all Canadians.

The Chair: Thank you for your presentation.

We will now hear from the Professional Institute of the Public Service of Canada.

Ms. Shannon Bittman (Vice-President, Professional Institute of the Public Service of Canada): My name is Shannon Bittman. I'm a national vice-president with the institute representing 60,000 federal public service workers across Canada.

We're very pleased to be here participating in the House finance committee's pre-budget process. Our submission has identified a few of our key concerns, which I would like to touch on briefly today.

The first deals with economic recovery and growth. Our country is currently labouring through a slow and extremely weak recovery from a serious and damaging recession. Lessons learned from the recent European experiences, including those of Greece, the United Kingdom, Spain, and Ireland, have shown that severe spending cuts can be counterproductive and can result in even worse economic outcomes: higher unemployment, lower revenues, a slower economy, and even a much higher deficit.

In *The Wall Street Journal* last February, the world's two leading credit-rating firms, Moody's and Fitch, criticized Canada's deep budget cuts as unnecessary and counterproductive in the context of a fragile economic recovery.

In our submission, we recommend that the federal government put an end to its indiscriminate and wide-ranging program cuts and explore alternative sources of savings and revenue generation, such as eliminating further corporate tax reductions. We highlight wasteful outsourcing practices that should be targeted—for example, contracting out services, especially in the case of Shared Services Canada—and the need to reinvest these savings in key regulatory functions, such as the food inspection system.

On job creation, we note that jobs have been lost in previous rounds of budget cuts, through the strategic expenditure review process starting in 2007, and through the 2010 budget, which froze operating budgets of all departments and agencies, and now, more recently, as a result of the 2011 budget, the deficit reduction action plan is adversely affecting the Canadian job market and the Canadian economy as a whole.

It is estimated that approximately 19,200 jobs will be eliminated in the federal public service under the DRAP alone, which will have a ripple effect on the private sector, with up to another 40,000 job losses anticipated. In fact, these cuts will also impact on job creation by removing direct and valuable services, such as those at regional development agencies, which provide critical support for potential entrepreneurs and small business owners at a time when the economy needs innovation and new businesses to grow.

Given the economic circumstances, to protect the fragile economic recovery and job recovery in the private sector, we recommend that the federal government refrain from any further job cuts.

On productivity and public science, I would like to draw the committee's attention to the serious challenge that is now facing our country's future prosperity and the health of our citizens and their environment. I am referring to the current government's single-minded and narrow-minded attack on the science and evidence that are essential for effective and credible decision-making and the protection of the public good.

From the long-form census to the world-renowned experimental lakes area, from the National Round Table on the Environment and the Economy to the Polar Environment Atmospheric Research Laboratory, and from environmental emergencies response capacity to habitat management and the toxicology labs that contribute to our fisheries' health and sustainability, this government's decisions are scarring the scientific landscape of our country and putting at risk the health and prosperity of future generations of Canadians. By cutting a whole host of research-based programs, Canada is losing its capacity for sound, evidence-based policy decisions and eliminating services that provide real value to Canadians.

With regard to demographic change, Canadians need a comprehensive defined benefit pension plan so that all Canadians can retire with dignity. There's a direct correlation between countries with the most comprehensive public pension plans and poverty rates for seniors.

● (1545)

By ensuring that retirees can depend on a predefined pension, public pension plans, such as old age security and the guaranteed income supplement, can be redirected towards those who need it the most. Our solution is to ensure a secure income in retirement by requiring mandatory CPP increases. We recommend that this government promote and encourage employers to offer defined benefit pension plans and to implement mandatory increases to CPP.

The Chair: Thank you for your presentation.

We'll hear now from the Prospectors and Developers Association of Canada.

Mr. Tom King (Co-Chair, Finance and Taxation Committee, Associate Partner, Tax, KPMG LLP, Prospectors and Developers Association of Canada): Good afternoon, Mr. Chair and committee members.

My name is Tom King. I would like thank you for the invitation to appear before this committee and offer comments on proposed measures for inclusion in the 2013 federal budget on behalf of the Prospectors and Developers Association of Canada.

I am the co-chair of the PDAC finance and tax committee and an associate tax partner at KPMG LLP. The PDAC is a national association representing more than 10,000 members involved in the mineral exploration and development industry, both in Canada and around the world.

The mining sector creates jobs and economic stimulus in some of the remotest communities in Canada. In 2010 the mining industry employed 308,000 people, contributed $36 billion to the national GDP, and paid $5.5 billion to governments in taxes and royalties. Mineral exploration and mining are the lifeblood of many rural and remote communities throughout Canada and represent the largest private sector employer of aboriginals in Canada.

Canada is recognized as a leader in mineral exploration, development, financing, mining, and related technologies, services, and activities. In 2011 we led all countries, with 18% of the world's mineral exploration spending, while Australia was second, at 13%.

The TSX Venture Exchange is number one in equity capital raised for mining and number one in listed mining companies, with 58% of the world's total. At the end of 2011,1,646 companies—or 43%—that were listed on the TSX Venture Exchange were from the mining sector. In comparison, the Australian exchange lists 700, and the New York Stock Exchange lists 141.

One of the most influential elements of Canada's exploration leadership is attributable in part to measures included in our tax system to assist the junior mining industry in raising equity: more specifically, provisions in respect of flow-through share financing, which assists both early stage grassroots exploration and funding in the significant costs incurred to bring a mine into production, and the mineral exploration tax credit, which I'll refer to as METC and which is focused solely on funds raised to undertake early stage grassroots exploration in Canada. These are the lifeblood of a junior mining industry.

Mr. Chairman, the METC is vitally important, as exploration companies have no production revenue. Most are small businesses that rely on investors who are willing to support the high-risk nature of exploration. As the research and development branch of the mining sector, exploration companies do not have production revenue and rely on investors who are prepared to support their high-risk activities.

The ongoing global financial crisis and contraction of the equity markets have had a dramatic and negative effect on the exploration sector. While precious metals and some base metals continue to see relatively good pricing, which has benefited our operating mines, the junior exploration sector is currently facing a downturn.

Reduced investments lead to fewer drilling programs and negatively impact regional employment and income, particularly in rural, northern, and aboriginal communities. Our concern is that without sustained and effective exploration, Canadian mineral production will outstrip additions to its reserves, jeopardizing the country's smelters and refiners and placing the domestic mining industry at risk.

● (1550)

The Chair: You have one minute.

Mr. Tom King: We believe that the government has a role to play in contributing to the stability of this sector. The METC, introduced in 2000, has consistently provided Canada with one of our competitive advantages and helps to provide Canadians with attractive domestic investment opportunities.

Our recommendation is not only to renew the METC, but to make the 15% mineral exploration tax credit a permanent feature of the federal tax system. This will provide our industry with the long-term certainty to plan crucial investments in exploration programs that, by their very nature, span a multiple of years.

We believe our recommendation meets the objectives set out in a pre-budget consultation. Further, we believe that a vibrant mineral sector in Canada creates jobs in all regions of the country, sustains communities, fosters new business opportunities, and raises tax revenues that allow governments to meet social needs.

Thank you for your time, consideration, and commitment to improving economic and social conditions for Canadians.

The Chair: Thank you very much for your presentation.

We will begin members' questions with Monsieur Caron, *s'il vous plaît*, for five minutes.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Thank you very much.

Thank you to everyone for being here today. We had four wonderful presentations, on quite varied topics.

I'll start with Mr. Van Ankum since, among other things, I am from a riding that depends a lot on agriculture. We grow a little grain, and there is a lot of milk production and cattle.

Farmers often ask me two main questions. Perhaps you will be able to answer them.

You spoke in your brief about family farms. In my riding, most of the people who speak to me mention the difficulty that family farms are currently facing because of competition from large integrators.

I would like to know what you think about the Canadian government's current policies on family farms. Do you think the rules and regulations enable them to develop, be it in grain or other areas? I would like you to address these areas.

Another complaint has been made and might affect the grain industry. When we talk about importing products, our farmers, when they are producing, are facing environmental and standards constraints that they must comply with and that are not imposed on the producers of the products we import. Obviously, this causes serious problems and reduces the ability of our farmers to be competitive.

What do you think about that? Does this affect the grain industry? How could the government address this issue?

● (1555)

[*English*]

Mr. Henry Van Ankum: Thank you very much.

There's a number of different aspects to your question. Certainly, the core of farming in Canada is still the family farm. I think it's important to acknowledge that the definition of the family farm has probably changed a bit over the years, in that families have adapted to different conditions and the economic conditions around them. We have seen family farms take on many structures.

I have a family farm. I operate my farm with my wife and my four children. Also, I was born and raised on a farm. I know that sometimes we hear the corporate farm slammed, but my family has chosen to operate under a corporate entity for a number of reasons. It's a much better business vehicle for us. I think we have to be a bit careful in being too narrow in our definition of the family farm, because a family farm can take on many different structures as it adapts to business conditions around it.

I'll move on to another aspect of your question. When we think about imports coming into the country and the different sets of rules and regulations for them as opposed to the conditions that we operate under with our domestically grown products, that is an area of concern. We feel that it is very important to have the same requirements for those imported products that we would experience here at home and to have an equal playing field of competitiveness between our industries.

[*Translation*]

Mr. Guy Caron: I will continue with you.

You spoke about the AgriStability program and the fact that it was affected by the last budget. What recommendations would you have regarding that program? Not only does it stabilize agricultural revenue, but it also enables farmers to have access some capital or, at the very least, to obtain bank loans.

[*English*]

Mr. Henry Van Ankum: Specific to the AgriInvest program, there was a reduction in the federal matching contribution to the farmer's contribution. AgriInvest is essentially a risk-management tool for the producer to set aside some funds during a good year in order to be able to fall back on them in a year when the market returns are not as strong. The reduction from 1.5% to 1% in that contribution will be felt as a negative impact on farming operations.

The Chair: *Merci*.

I'll go to Mr. Van Kesteren, please.

● (1600)

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Chair.

Thanks to all of you for coming. What a great group we have here today. I wish I had half an hour, because I think I have questions for all of you. I'll direct my questions to Ms. Milner, though.

You've given us some incredible statistics: 400,000 Canadians work in the truck and transportation sector, and two-thirds of our trade with the U.S. moves by truck. I don't know if people realize just how much trucking is a part of everybody's life.

Natural gas is a very interesting and exciting new development. We're of course talking about liquefied natural gas. I understand, too, that part of the challenge in the past was in creating an engine that was able to use the gas. I understand that the foremost company in natural gas trucking is a B.C. company—Westport. Is that correct?

Ms. Alicia Milner: That's right.

Mr. Dave Van Kesteren: However, although we do have the leading technology, we're not seeing the type of investment, you said, that is going to be necessary. Why? Maybe you can tell us. I understand there had been some federal funds allocated towards the development. Maybe you could talk about that and then tell us why you think we're not seeing the same investment.

My second question is, as an industry, how do you see the role of government in this development of natural gas?

One final thing, too, so that folks understand what we're talking about. In order to have a network of trucks moving through the continent, we need to have filling stations. That involves a lot of regulations and such.

Ms. Alicia Milner: Right.

Mr. Dave Van Kesteren: That's what we're talking about this time.

Ms. Alicia Milner: Well, first of all, certainly representing the CNGVA, we would like to recognize the federal government. We are benefiting now from the ecoEnergy for alternative fuels program, which is a $3-million, five-year program to build capacity really to help end-users change. For instance, whether it's training or codes and standards, we need to have consistency across Canada. This program is leveraging the same amount of money from the industry and has been a great success under Natural Resources Canada's leadership, so thank you very much for that.

I brought the map today. Obviously, there's a lot of investment going on in the U.S. that we're not yet seeing in Canada. This is really about scale. We have a market that's one-tenth the size and, of course, we have a lot more geography. We know that investment's going to flow where the richest opportunities are, and that's exactly what we're seeing in the U.S., where the private sector is targeting the densest trucking corridors to bring this fuel into the market.

It's definitely a challenge, and a challenge for us, sitting in a continental market, because we know it doesn't stop at the border. This is a very integrated market for goods movement in North America. I think that's a critical concern.

First, on the role for government, we really see that it's very helpful to be working on these capacity-building aspects.

Second, how do we get around this scale issue, particularly as we see the Americans taking a strong lead? I think the private sector is ready and is investing in infrastructure. We don't see any role for government in infrastructure. Where we do see a government role is in helping the end-users invest in these technologies. In fact, for every dollar the federal government would put toward fleet and users to adopt these lower GHG technologies, industry will invest $5 in infrastructure.

What's key about this is that we're at the start of a transformation. It's not going to affect just the on-road trucks. Some of you may have seen a CN Rail announcement: they're now going to demonstrate a locomotive between Edmonton and Fort McMurray. We're starting to also see tighter marine regulations coming.

On the question of what the investment window is to support this transformation, it's right now, and that is really the risk. I noticed Mr. Brison isn't in the room for the committee hearing today, but Irving Oil announced that it's going to offer LNG at five of its truck stops. Well, that's great, and that's probably about a $10-million investment at existing sites, but the real investment is to produce the LNG to supply those stations. Now, Irving operates in the northeast U.S., the Maritimes, and Quebec: where is that investment likely going to go in the absence of any certainty in Canada? There's a good chance it will go to the U.S..

It's that investment window at the front end, as we see this change coming in North America, that I think is critical in why we see a role for government in having a national look at this and making sure on a continent-wide basis that we have the level playing field we need.

● (1605)

The Chair: Thank you.

Thank you, Mr. Van Kesteren.

I note as just a friendly reminder to our colleagues and witnesses that we don't refer to the presence or absence of a member of Parliament at a committee or in Parliament.

Thank you.

We'll go now to Ms. Murray for five minutes, please.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Thank you.

On behalf of our critic for finance, I also have some questions for Ms. Milner.

I'm from British Columbia. My understanding is that one of the biggest trucking firms in B.C. is in the process of converting to natural gas. It's a huge potential future job creator for people in British Columbia.

In terms of the policies and measures in the Province of British Columbia, what are the keys that are leading to interest in investment there and that we could learn from in other parts of the country? Secondly, do you see this as a transition strategy to an even lower carbon future? If so, what is the life cycle of this transition?

Ms. Alicia Milner: Thank you for your question.

In terms of British Columbia, I think you're referring to Vedder Transport, which has a very large project out of Abbotsford. In terms of the driver for that project in regard to that particular fleet, they're the largest hauler of raw milk in Canada, and they knew if they could offer their customers a greener service that could mean more business. In fact, they have already won a new contract because of it.

That said, as an early adopter, they were fortunate that they were able to get incentive funding from the local utility to help strip out some of that front-end risk of purchasing the trucks. That was a big driver for them, but certainly the policies of the Province of British Columbia related to GHG reductions are also very important. They're looking to the future in wanting to be well positioned so they're not penalized in terms of their environmental impact in operating in B.C. There's definitely a lot of leadership there.

As to how we see this transition, we're often asked why we would even look at one fossil fuel when we're already married to another one, which, for 99% of heavy vehicles, is crude oil. Well, the answer to that is that not only is this a lower-carbon fossil fuel that can help in the transition by up to about 25%, but there is renewable natural gas, which is natural gas that's produced from waste sources. We see, for instance, that FortisBC in British Columbia now offers this to their customers: they can have a renewable blend. That renewable natural gas is a near-zero-emission fuel.

In terms of the timeframe, it's really at the beginning in North America. There have been a few announcements. The reality is that we're probably looking at a 10- to 15-year transition, but the beauty of going down this path with natural gas is that when the renewable is available, it can just be blended in or in fact totally displaced.... It totally complements without any further change or investment.

Ms. Joyce Murray: This may be a technical question that doesn't relate to the transportation and natural gas industry, but I understand that there are technologies now that can convert coal seams in situ to gas that is scalable and that there are also technologies for converting crude oil into gas.

Do those technologies have the potential to produce far more natural gas product that can drive the price down even further through its use as a transportation fuel source?

Ms. Alicia Milner: I can't speak to the specific technologies, because we do have a focus on the downstream, on the use, but certainly we know that continentally we're now looking at more than a century of supply of natural gas because of some of those kinds of technological changes. I'm not sure, though, about the specific ones you mentioned.

Ms. Joyce Murray: Thank you.

The Chair: Ms. Murray, if you like, you have one minute left in your round.

Ms. Joyce Murray: Has your industry association put together something like a five-point plan that you're proposing for a federal initiative around this? I think it's clear that if one province is doing this, it's fine if they're delivering milk from the local producers and serving an urban area, but what's really needed is that these vehicles can refuel and can serve customers right across the country....

Ms. Alicia Milner: Yes, we do have a plan. To contrast it with what we've seen with Vedder, that's a single project, and they have a private station. The reality is that most fleets in Canada won't be able to do that. They have a challenge in getting access to the fuel. In that regard, our plan focuses on federal investment to help the end-user buy the technology and industry investment to build out infrastructure. That was the 1:5 ratio I mentioned earlier.

● (1610)

The Chair: Thank you.

We'll go to Mr. Adler, please.

Mr. Mark Adler (York Centre, CPC): Thank you, Chair.

Thanks to all of you for being here today.

I want to start my questioning with Ms. Milner. I think what you're presenting here is really fascinating. I want to get a framework to all of this. In terms of costs, is the price of liquid natural gas now roughly $3 per million BTUs?

Ms. Alicia Milner: For the commodity itself, yes, it is.

Mr. Mark Adler: Okay.

We have an overabundance of liquid natural gas now, not only in Canada but in the U.S. and pretty much around the world. Because there's such a huge supply, we're seeing a very low price. Is that correct? It's roughly 20% lower than what we see in Asia, for example.

Ms. Alicia Milner: Yes, natural gas has historically traded at a discount to oil, but it used to be that they would track, and now the analysts think that because of this supply change in North America, it has uncoupled. That's why we're starting to hear major vehicle manufacturers like Caterpillar, for instance, saying that they see this as the future, and they're investing to bring natural gas products for mine haul trucks, off-road trucks, and so on.

It's not there yet for the really heavy equipment, but we're hearing these kinds of announcements because they're looking at that supply outlook and are really repositioning strategy-wise.

Mr. Mark Adler: Okay.

The U.S. exports liquid natural gas. Do we here in Canada?

Ms. Alicia Milner: No, we do not.

Mr. Mark Adler: We don't have the facilities to do so, right? The Americans have—

Ms. Alicia Milner: That's right. We only have an import facility in Saint John, New Brunswick, which is pretty much idle.

Mr. Mark Adler: The Americans have just one also, right?

Ms. Alicia Milner: I'm not certain.

Mr. Mark Adler: Okay.

The manufacturers would like a deflated price. Is it a possibility that we could begin exporting natural gas at some point in the future?

Ms. Alicia Milner: British Columbia hopes so, yes.

Mr. Mark Adler: Okay, so the price could go up. Is it not a problem, then, for us to be investing in a liquid natural gas infrastructure and getting everyone on board if in the future that price could go up, which would lead to higher costs for the manufacturing sector? Is there not a conflict? Are the lines crossing between the ones who want to export liquid natural gas, those manufacturers that would depend on cheap natural gas, and those that are building the infrastructure for cheap natural gas?

Ms. Alicia Milner: It's a good question, because obviously these are commodities that are subject to market factors, right? That said, across North America, a lot of the drilling rigs are being laid down because they can't get enough money for their product. They would love to have that dilemma of growing demand, whether it's offshore or continentally.

I think the other thing is that we have to go back to that point I made about the differential. At the end of the day, for natural gas to succeed, provided there's a differential with oil, that will be sufficient to move it forward. We think that with this uncoupling, we have this continental resource for 100-plus years up against oil, which is a global commodity, is very volatile, and certainly has its whole share of risks.

Nobody can predict the future, but that said, with this sort of resource base.... Also, the other thing that we in Canada have to remember is that while we have more of this stuff, so do the Americans. Our exports are declining precipitously. By 2035, the National Energy Board thinks that exports to the U.S. will be down by about 60%. We export half our gas right now, so we have a challenge with markets for this resource.

Mr. Mark Adler: Okay.

On hydraulic fracturing, the environmentalists are against it, as you know. Is it a problem here in Canada? I know that it is in the U. S., where it's causing some issues for President Obama in terms of his base. Is it an issue here in Canada?

Ms. Alicia Milner: The Americans are probably about eight or nine years ahead of Canada in using that technique to extract gas. In Canada, of course, we've certainly heard about it in different jurisdictions. It has been challenging, because this resource is underground in areas that have never had mining or extraction activities, so there has been a lot of unevenness. We need to catch up.

You can look to Alberta. There, the Energy Resources Conservation Board will tell you that this technique has been used for about six decades, and safely, without contaminating or any issues. That said, though, obviously there's a lot of public education to be done, and industry really has to get on that.

● (1615)

The Chair: Thank you, Mr. Adler.

We'll go to Ms. Nash, please.

Ms. Peggy Nash (Parkdale—High Park, NDP): Thank you very much.

Hello to all the witnesses. Thank you for being here.

Ms. Milner, I do have to ask you a question. I appreciate your presentation. We have a sizable bus industry here in Canada—bus manufacturing—and the truck industry, but we've lost quite a bit of it. Could you tell me if there is any work going on with the domestic bus industry in terms of this transition? Also, what does that mean in terms of innovation and job creation here in Canada?

I think what you're talking about is interesting technology. I'm especially interested in the renewable aspect of it, although I appreciate that it's still a work in progress. I'm interested in what the impact is on the creation of value-added jobs here.

Ms. Alicia Milner: Right now in Canada we have New Flyer in Winnipeg, of course, Motor Coach Industries, and Nova Bus in Quebec. Of those three, two already offer a natural gas product. For New Flyer, that is a quarter of their sales to the U.S., so it is substantial.

Now, in Canada it has been tougher, because we invented the technology back in the eighties in Hamilton, and we did it there because the air quality was poor—

Voices: Oh, oh!

Ms. Alicia Milner: That said, we have the early adopters in our midst, and some of those same people are still working in transit. What we really have to see in transit in Canada to pull that demand is, first, a transit move, and we think Calgary will be the one there.

That said, even with Calgary, now that they've expressed strong interest, we see Nova Bus in Quebec.... They're the last one not to offer natural gas and they are now bringing forward a natural gas prototype. Again, there's nothing like the customer on the ground asking for it to stimulate that local production.

I will give you another example. Labrie Environmental is in Saint-Nicolas, Quebec. They make bodies for garbage trucks. They too have quite a good business—to primarily California and Texas—selling the natural gas trucks. They've now made their first sales in Canada. They're quite excited about the potential for the Canadian market. Offhand, I think their employment is at about 250 or 300 people. But absolutely: having this product and expanding their product line can help with local employment.

We see that. I think that earlier Dave mentioned Westport and Cummins Westport out of Vancouver. Westport alone has added about 250 people in the last 18 months just in Canada and another 300 internationally. They sell the heavy engine for the highway tractors. It has very much been a generator of jobs at the local level.

We see, as you said, that we've lost a lot of our capacity, unfortunately, to assemble heavy trucks. But can we supply components? Absolutely: I think we're well positioned in that space as well.

Ms. Peggy Nash: That's a good point. Thank you very much.

Ms. Bittman, I notice that in your filling out of the questions for the finance committee's work, you have talked about the National Research Council and a shift in the focus of investment at the NRC. I'm wondering if you could talk a bit about that.

I'm always concerned about having balance in our research. I think it's important to work with the private sector and to foster innovation, but I also think it's very important to invest in basic research. It's just part of good public policy. Can you comment on that, please?

Ms. Shannon Bittman: I'm actually a last-minute replacement for President Corbett of the institute. With the indulgence of everyone here, I would prefer that Peter Bleyer, a policy adviser at the institute, take that question.

Mr. Peter Bleyer (Senior Advisor, Policy and Communications, Professional Institute of the Public Service of Canada): Thank you, Shannon.

The Chair: There's about one minute remaining.

Mr. Peter Bleyer: Our concern is that currently there's a lot of confusion at the NRC. There has been a trend towards downgrading basic research, certainly, but at the same time it's more a question of not being clear on what is actually going on.

With the restructuring, we have two processes that are criss-crossing. We have the deficit reduction action plan, which is having an impact, and at the same time we have reorganization that's being driven towards a new model. It's very unclear to a lot of our members there where this is actually going.

There are a lot of concerns. In many cases, they're feeling like the baby is being thrown out with the bathwater. There's a lot of uncertainty. Also, there's this feeling that experts are not actually being consulted as part of the process, which actually applies not just to the NRC but to most other science-based departments, really, where changes are taking place—for example, among the veterinarians at CFIA.

This concern is not only with what the change is, but with the fact that the very people who have the scientific knowledge and expertise have not been consulted as part of the process in arriving at change, which drives a lot of concern, often legitimate, but not always, necessarily.

● (1620)

The Chair: Thank you.

Thank you, Ms. Nash.

We'll go to Mr. Hoback, please.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Chair.

Thanks to all of you for being here this afternoon. It's great to see you here.

Unfortunately, I only get five minutes to ask questions, so I'm going to stick to one constituent.

I'm going to talk with you, Mr. Van Ankum, a grain farmer from Ontario. I'm a grain farmer from Saskatchewan. One thing I know about farmers is that if you say you're a farmer, you have a best friend, anywhere in the world—it doesn't matter where you are.

You made some really interesting points in your opening comments, which I found to be something we should be listening to and talking about, for sure.

I noted your disappointment in AgriStability and AgriInvest and the changes there. I will highlight the fact that with AgriInvest now, farmers can actually invest more in their accounts on a yearly basis, so even though it has gone from 1.5% to 1%, they can actually put more in and have it matching. I think that's a positive.

I think we also have to highlight the fact that AgriStability is a joint program with the provinces, so any changes to that program wouldn't have been only the federal government's. Actually, it was eight provinces in conjunction making the recommendations for the changes. I think it came down to the fact that we've had such great years in the grain sector across Canada, and the margins these guys have now are so high that if there were ever a trigger of a huge payment, we'd be paying farmers who would be still making money, more money on top of that. I think taxpayers would have trouble with that. I think that justifies some of the changes.

One thing happening with those changes is that it's freeing up cash to go into the research side of things. I know that in Ontario you talked about the winter wheat production and the cereal production. Could you highlight what you'd like to see as far as moving forward goes with research in the winter wheat and the grain sector, what you'd like to see that might be something we could support or help you with?

Mr. Henry Van Ankum: Thank you for the question.

We are excited about the opportunities in the freeing up of those dollars for some strategic investments in the research area. I think it's important to understand that one of the keys for a farmer to maximize his productivity and competitiveness is having access to first-class, high-yielding varieties to grow, varieties that are adapted to his region, to his climate. Time and again, we've seen that plant-breeding efforts to develop a plant as complex as wheat that are not conducted in the region the variety is intended for have not proven very fruitful over the years.

Mr. Randy Hoback: So that would be one of your priorities: if you're looking at research for Ontario farmers, you'd like to see that as one of the priorities for that region.

Mr. Henry Van Ankum: Very much so: a dedicated plant-breeder position, a wheat breeder, to develop wheat varieties for our Ontario climate, to help support our domestic milling industry also.

Mr. Randy Hoback: Now, on the trade side, I know that the agriculture minister has been very involved around the world on the beef side promoting trade, and on the grain side. I also know that the CFIA has been very helpful when it comes to the canola sector and the bean sector in dealing with non-tariff trade barriers when we see barriers going up in different markets around the world. How important is international trade to you guys? Is there any advice you would give us on that as we move forward?

Mr. Henry Van Ankum: Certainly, we are very appreciative of the minister's efforts to improve market access around the globe. Improving market access helps increase demand for the products we have become so good at producing here in Canada. That's an important step.

Specifically to the members that I represent, soybean exports are a large factor for us. We export well over 40% of our Ontario soybeans. We export them to some very high-value markets with a food-grade type of soybean to Japan and other Pacific Rim countries. Continuing to gain that access certainly helps our competitiveness.

● (1625)

Mr. Randy Hoback: I think that's the same thing you'll hear from producers right across Canada: Canada's an exporting nation when it comes to agricultural goods and we need market access. It doesn't matter which grain group or farm organization that comes forward—they all say the same thing.

You also talked about program equities between provinces. I notice that this is an issue that has come up in the agriculture committee, which I also sit on. It's really hard for us on the federal side to address that, because different provincial governments have different priorities when it comes to the agriculture sector. For example, the Ontario government may not view the agriculture sector in the same light as the Quebec government—

The Chair: Okay—

Mr. Randy Hoback: Could you comment on that and how we should maybe try to...? Is there something federally we can do about that?

The Chair: Very briefly, sir.

Mr. Henry Van Ankum: Certainly.

Very specifically to this issue of winter wheat breeding, what we find is that Agriculture Canada carries seven full-time positions in developing varieties for western Canada, whereas at this time we're looking at one position in eastern Canada on the chopping block. With the uniqueness of the growing conditions within this vast country of ours, that's the kind of equity we're referring to—

The Chair: Thank you.

Mr. Henry Van Ankum: —a balance of investment.

The Chair: Thank you, Mr. Hoback.

We'll go to Mr. Marston, please.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Thank you, Mr. Chair.

Welcome. I'm pleased to hear that there's quite a dialogue going on here.

Ms. Bittman, I was listening to your presentation. One of my beliefs—and I think it is one for Canadians as a whole—is that the federal government's primary role is delivering particular services, services that have been in place for a long time, such as, obviously, the Canada Pension Plan, old age security. Of course, employment insurance is one of the more prominent ones that come to mind.

In our offices, we get a lot of questions. People come in with concerns about immigration cases and with all kinds of spillover. As the cuts are happening and things are starting to change, we're seeing a higher volume of questions coming in. Now, I've been told—and this is a rumour and I want to stress that—that the government is giving consideration to closing 100 of 120 Service Canada centres. When we question the minister in the House, the response we get is that people will be able to access their EI through the Internet and that....

My experience—and I presume yours may be the same—is that when most people wind up being in the position of being on EI in the first place, one of the first things to go is their Internet connection. I'm wondering if you could respond to what you may know about potential suggestions of the closure of those offices.

Ms. Shannon Bittman: With respect to the closure of the service centres, it more directly impacts one of our sister unions, PSAC, since our union primarily represents professionals. Having said that, the closure of these offices is coming at a time when Canadians need them most.

From what I've heard in talking to my counterparts at the other unions, trying to resolve problems relating to those issues is creating long delays in the time in which unemployed Canadians receive paycheques. Again, it's another service that Canadians can ill afford to lose at this point, with all the other job cuts that are going on.

Mr. Wayne Marston: Thank you.

Ms. Milner, I'm going to be like everybody else, and I'm going to come back to you because what you're talking about is fairly exciting. Of course, the disparity between what we have available in Canada and what's on that map is very significant.

In this place, we've spoken many times about the infrastructure deficit that was identified by the municipalities and how there needs to be redevelopment. We've talked as well about the low interest rate climate we have: that it's time for Canada to get 10-year bonds to lever money into infrastructure redevelopment. With that, if you're changing roads, if you're doing these things, it strikes me that the potential for changing the infrastructure for the delivery of natural gas might be something that would go along with it. I wonder what you would think of that.

● (1630)

Ms. Alicia Milner: Could I just clarify your question?

Mr. Wayne Marston: Okay.

Ms. Alicia Milner: In terms of the intersection with the municipal infrastructure needs...? Is that—

Mr. Wayne Marston: Well, I'm talking about the broader needs of the country—

Ms. Alicia Milner: Okay.

Mr. Wayne Marston: —because you have roads, bridges, and a lot of things. If you're redeveloping a road, you could redevelop an access off that road to a place that could provide your services. That's where my thinking is.

Ms. Alicia Milner: Okay. We see the infrastructure where the industry is focused on two levels. One is bringing the fuel to the vehicle. The best way to do that is to graft it onto the existing services. That's exactly what Shell will do in Alberta. At their Flying J stations, there will be the diesel pump and the LNG pump. Make it easy, right?

The other—

Mr. Wayne Marston: That's exactly my point in the sense of doing it together: levering the dollars to do one but then attach the other to it and you have the jobs—

The Chair: You have one minute.

Ms. Alicia Milner: The other aspect, though, is the bigger investment in actually producing the fuel. While Canada has a very extensive natural gas distribution infrastructure pipe network in the ground, we don't have a lot of liquefaction plants. That's a gap area. That's why we really see the window as right now, because we know of the Irving announcement today and of other announcements to feed Ontario and Quebec. We know the border is right there, and it would be very easy to locate these plans.

Just to give you an idea, the Shell plant in Alberta was a quarter of a billion dollars.

Mr. Wayne Marston: Well, there's an opportunity for farmers to transfer over to this as well, if they had the supply available to them.

Ms. Alicia Milner: It would have to—

Mr. Wayne Marston: Combines, tractors....

Ms. Alicia Milner: At the local level for sure—yes.

The Chair: Thank you.

Thank you, Mr. Marston.

We'll go to Mr. Jean.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you, Mr. Chair.

My questions will be for Ms. Milner again.

You convinced me five or six years ago on this argument, and I see that the United States is moving forward very quickly. I'm quite surprised and am glad to see the information.

I guess this would be my question. If I didn't have any money to invest in this but had the ability to be a tax authority and offer credits or something like that, you would have two asks. You would need two things. I would need to change the trucks over to be able to accept this product, and I'd need to have a distribution network along corridors of high importance.

You are nodding your head. You're agreeing with everything I'm saying. Is that correct?

Ms. Alicia Milner: That's right.

Mr. Brian Jean: What would you ask for if you could only receive a tax credit or if your members could only receive tax credits? What would you ask for then?

Ms. Alicia Milner: In the past, we have brought forward a specific recommendation on a tax credit. It's not for the industry I represent. It's for the fleets. It's for the end-user to help lower that upfront risk of buying the technology. This is not a retrofit technology. It is a buy-new technology, so when they retire an old truck they replace it with one of these.

We are very interested in working with the government on a partnership to figure out the best measure to go along with this private sector investment in the corridor infrastructure and to create the certainty to attract investment to Canada, instead of the other side of the border.

Mr. Brian Jean: So you're working with the department now to draft some form of non-financial contribution by the government or...?

Ms. Alicia Milner: We're really looking for a discussion behind closed doors on what is the best approach for us and what is the most palatable approach for the government. We certainly know that a program option is one way to go with this. The goal here is to look at the end-user and what's going to drive that change and support them in that investment, and a tax measure could very well be....

Mr. Brian Jean: So your opinion is that if you drive the end-user, the service delivery will happen on corridors such as the Windsor-Toronto-Montreal corridor.

Ms. Alicia Milner: Absolutely, and we've seen that already. We know that with the larger, one-off users, like Vedder in B.C. or Robert in Quebec, at the right scale—physically, the scale is about 20 trucks—the all-in cost, including the station, is lower than for diesel. We know that now. The challenge is how to get the user from zero to 20. Fortunately, we've had these two leaders in the east and the west, and with some support, too; in Quebec, the province had a measure—accelerated capital. We know we need something to help the end-users get over that initial barrier.

Mr. Brian Jean: I understand that there is a bus manufacturer in Quebec that so far has manufactured about 800 buses that are used in the oil sands, particularly in Fort McMurray, which is in my riding. Is it Prévost Car? Which company is it? Do you know?

Ms. Alicia Milner: Yes, that's probably Prévost, which I think is a division of Daimler.

Mr. Brian Jean: Do they have this kind of technology or are they working on it because the transportation there is—

Ms. Alicia Milner: In Europe, yes, and in Canada, not yet, but we have the first coach-bus manufacturer, MCI, in Winnipeg now offering it. It's probably a matter of time, particularly with the U.S. market growth.

Mr. Brian Jean: Thank you very much.

The Chair: You have two minutes.

Mr. Brian Jean: Thank you, Mr. Chair.

My next question is in relation to the Prospectors and Developers Association of Canada. In particular, what is happening with the companies you represent? They obviously have a dramatic impact on our gross domestic product. They also have a dramatic impact on our trade.

My understanding is that there are more Canadian companies that own and operate abroad than there are foreign companies operating in Canada, by a much higher margin, so we are a success story in the world. Your ask is in relation to making the exploration tax credit permanent. Is that correct—the 15%?

● (1635)

Mr. Tom King: Yes.

Mr. Brian Jean: What would be the consequences on employment and TSX share prices, etc., if that were made permanent but at a lesser percentage, for instance, around 10%? Would there be a dramatic impact on the industry?

Mr. Tom King: As a point of clarification for the members who aren't familiar with this, the METC only provides a credit for exploration activity within Canada, so it won't have an impact on those companies that operate outside of Canada.

In terms of its significance and really what it is, it's looking at the impact of the after-tax cost to an investor. It's about the Canadian government sharing part of the risk in that field. Also, it should be noted that the 15% is taxable, so after tax it's really something like 8%, and probably slightly less, so—

Mr. Brian Jean: Would there be significant consequences?

Mr. Tom King: The reality is that it would impact the investment. Would it be significant to deter...? I would suspect not.

Mr. Brian Jean: Thank you.

The Chair: We'll go to Mr. Mai, please.

Mr. Hoang Mai (Brossard—La Prairie, NDP): Thank you, Mr. Chairman.

Ms. Bittman, on the question of job creation, you started by saying that job creation in Canada should not begin with job losses.You say that with the cuts the government has put forward, we will lose about 40,000 positions in the private sector, and that's on top of the 19,200 positions in the public sector.

Also, with respect to the cuts that were made, you mentioned that there are some issues that will have an effect on safety in terms of regulating bodies. For instance, you talked about food safety, environmental assessment, and safe transportation infrastructure. Can you tell us a bit more about the impact of those cuts?

Ms. Shannon Bittman: The bottom line on this government's deficit action reduction plan is that there are literally indiscriminate job cuts right across federal departments and agencies; it's not looking carefully at where the cuts should be made. The institute has on many occasions offered to work with the government to identify efficiencies. As of this date, we've still had no take-up on our offer.

The institute would not take issue with the government planning efficiencies, but what we do take issue with is arbitrary cuts that put Canadians' health and safety at risk. We're all aware of examples where Canadians have died because the regulatory system hasn't worked well. More job cuts obviously impact Canadians' health and safety.

Mr. Hoang Mai: Are you now aware of all the cuts that will be done? Where do you think it will affect Canadian safety in terms of cuts? You have propositions. Apparently the government is not listening. Where do you feel that we might be most affected in terms of cuts?

Ms. Shannon Bittman: The bottom line is that the government is being very secretive with respect to where the job cuts are happening, to the extent that we haven't been consulted and we haven't been able to offer our input to mitigate the impact on Canadians. Even the Parliamentary Budget Officer, Kevin Page, recently threatened to take the government to court to make the government more open and transparent with respect to where the job cuts will be. Quite frankly, our hands are tied, because we're not being consulted.

● (1640)

Mr. Hoang Mai: Do you also feel that this impacts environmental assessment? Obviously, when we think about the future, we think about protecting our children and we think about the environment. Do you think these will also be affected by the cuts or by how the government has gone forward with the budget?

Ms. Shannon Bittman: Our members have been very hard hit by cuts to Environment Canada. Obviously, to the extent that our members' jobs are being cut, services to Canadians are being cut. That obviously puts at risk future generations of Canadians.

Mr. Hoang Mai: Thank you very much.

Ms. Milner, I'll go quickly, because I don't have a lot of time.

You mentioned in your brief that the government should “recognize the importance of emerging 'green energy' industries that will play an important role in transitioning the economy to a lower carbon future”.

What has been done or what hasn't been done? What do you recommend the government do on that front?

Ms. Alicia Milner: To date, this is one of the challenges we see for alternative fuels. If you look back at 20 years of government spending, for energy use and transportation it's more than 95% crude oil. We may read a lot about electric vehicles, fuel cells, and other options, but at the end of the day, it's tremendously tough to get these things into the market.

With natural gas, I think this particular option happens to be at the intersection of a few things. One is the supply change I mentioned.

The other thing that's coming that will favour this and makes the investment right now the right window for the private sector are tighter marine regulations in 2015 and 2016. Again, there will be three compliance options there. That will be an issue for both the Great Lakes and the east and west coasts. Natural gas can already meet the requirements plus provide a GHG benefit. That's the other thing that industry is looking at to say, look, it's not just one part of the market now that the pieces are starting to fit together more effectively, but it's a very tough task.

The Chair: Thank you, Mr. Mai.

We'll go to Ms. McLeod, please.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Thank you, Mr. Chair.

I too would like to thank all the presenters. I'll start by picking up where Mr. Jean left off and talk a little bit about the mining exploration tax credit.

It was introduced in 2000, and it was renewed. It looks like it costs the Treasury about $100 million a year. Give me your best argument on why we should move forward in renewing it again for next year.

Mr. Tom King: Perhaps the easiest would be just to look at where it has been successful. For an example, let's take a couple of Inuit bands in Newfoundland and Labrador that have received cheques in excess of $100 million just in this last year as a result of the Voisey's Bay discovery. Take Baffinland: that entire iron ore discovery was primarily funded through flow-through shares, the METC. Also, our whole diamond industry came from that.

So when the government says that it costs $100 million, I think we should ask what the return on that investment is. It has been a significant investment in our remotest regions where aboriginals are impacted the most. It has paid off. There is a reason why we are the number one mining country in the world.

Mrs. Cathy McLeod: About the exploration and the people who are enjoying the benefits of the credit, how much successful exploration is there? How long does it take to move a project through to putting ore onto trucks or rail?

Mr. Tom King: To be honest, for the actual stage of exploration—because you're going to have your grassroots exploration and then you're going to get into pre-feasibility studies—it is not unlikely that it would take at least seven years to determine that you have a reserve in order to bring it into production. It takes seven years and probably another two to three years to actually develop the mine and bring it into production.

Mrs. Cathy McLeod: If we are looking at 2000 being the start time, we're probably only now starting to see some of the benefits from that increased exploration.

● (1645)

Mr. Tom King: Well, some of those.... Again, that was a broad industry. As I say, your diamond industry was in fact found through the flow-through share mechanism, and that's up and running and contributing significant dollars. There have been success stories as we've gone along, but as I say, it really depends upon the region. In fact, if we take all of Plan Nord, where Quebec's big region is, a lot of those mines that they're hoping to bring into production were discovered through exploration programs.

Mrs. Cathy McLeod: Thank you.

One of the other areas we were focusing on within this pre-budget consultation is some of the demographic challenges, the training challenges. Can you speak at all to that issue in your industry? What do you see as some of the solutions?

Mr. Tom King: As for where we see the issues, on our side we're looking at the exploration side. We're looking at our geologists and basically the whole engineering side. What you have is a very experienced group that is slowly moving on, and it's a challenge to build those additional resources.

Mercifully, a lot of major mines have focused on this, and they're trying to bring in training programs as well as assist our schools in opening opportunities, but that is the big issue for the mining industry, not only in Canada but around the world.

The Chair: You have a minute.

Mrs. Cathy McLeod: Okay.

Have you found that any of the programs offered to the rural and remote communities are providing support in assisting with the manpower issues?

Mr. Tom King: A lot of those programs have to be funded by the companies themselves, so they have developed training programs. What's happening is that the various associations are trying to bring in standard programs that can be used by various industries to help develop the skills of the aboriginal people.

Ordinarily in developing a mine in a region where there are Indian bands and aboriginals, one of the requirements is the percentage of employment made of up representatives from those communities. Training is a massive issue for them, and each company is recognizing this and developing programs.

Mrs. Cathy McLeod: Thank you.

The Chair: Thank you.

We'll go to Ms. Glover, please.

Mrs. Shelly Glover (Saint Boniface, CPC): Thank you, Mr. Chair.

I also want to thank the witnesses for being here.

As I listen to the panel, I hear a lot of different ideas for budget 2013.

I have to admit that I was quite surprised, Ms. Bittman, and actually quite disappointed, that you would come here and use this as an open mike without even having read the submission submitted by your organization.

Nevertheless, I'm going to try to put all of that aside, because Canada faces some pretty tough times. We are still faced with a fragile economy. We remain very, very tepid as far as moving forward goes. However, Canada is doing better than most countries. As a result, we're looking towards budget 2013 to try to continue job growth, prosperity over the long term and, of course, growth in the economy.

Ms. Milner, perhaps you could tell me how you feel about balancing the budget. Do you have any ideas for cost-neutral regulation changes or anything in your industry for budget 2013 that might help us ensure we don't fall behind?

Ms. Alicia Milner: That's a very difficult question. We've certainly taken the approach to look at return, and return to Canada in a much broader context, which is competitiveness. The threat of having a truck with a much lower operating cost is very real, particularly with the shared border, where most of our population is.

The whole idea of structuring something that is cost-neutral to government is something the industry would be open to. We've certainly discussed the concept of whether you could put a levy on the fuel, for instance, that pays for the end-user to help lower that barrier. That absolutely would not be off the table.

The real point here today is to underscore the urgency to do something—

Mrs. Shelly Glover: Yes, I agree with that.

Ms. Alicia Milner: —because otherwise we're going to lose some major investments in Canada.

Mrs. Shelly Glover: I appreciate that. Actually, your presentation last year was very, very powerful too. That's why I give the opportunity to some of our presenters to also think outside of what has been presented.

But on balanced budgets, do you think that's an important thing that we should continue to work towards?

Ms. Alicia Milner: Absolutely, and I think what we're proposing is very much in the vein of Canada's economic action plan. This is very focused on a sector that tends not to get much attention, and where you see that the reinforcement is actually on cost-of-goods delivery. I don't have my colleagues with Canadian Trucking Alliance here today, but they would be the first to tell you that not only is fuel their number one cost, but it has escalated tremendously. If we think there's no cost to the Canadian economy from that, I think we're fooling ourselves.

● (1650)

Mrs. Shelly Glover: Very good.

I'd ask this of Mr. King as well. Aside from the proposals you've made today, which were very interesting—and I've read your submission and I appreciated it—do you have any cost-neutral ideas that might help us to move forward and make things easier in your sector?

Mr. Tom King: Again, the METC actually helps us make jobs, and it develops us, so it is a payback. I think it is wrong to think of it as a cost to the government. I think if we looked at the return that the government gets, we can see that it is not a cost to the government. If we want to be number one in mining, we have to be there.

Mrs. Shelly Glover: How important is it to return to balanced budgets?

Mr. Tom King: It's always important for Canada in terms of how it stands in the global market. As I say, I understand the issues, and I understand that what you're talking about is investing. The issue is, if I don't invest today, it's not as if I can replace it tomorrow. It's a long-term game and you have to keep the markets going. The issue is that it's not something where you can turn the tap on and off.

Mrs. Shelly Glover: I appreciate that.

I have to say on behalf of the government that it was a very difficult decision that was made when we instituted the deficit reduction action plan. It was a very tough round of many, many meetings. It is not easy to see job losses, but in the interests of Canada we did what we felt was best to reduce the back office in many of these ministries.

I would say that it is simply absolutely misleading to suggest that the government didn't spend the hundreds of hours of time that were dedicated to reviewing the deficit reduction action plan, reviewing every ministry, and actually hiring an outside agency to give us the advice that was provided. I can assure you the government took this very seriously and we still believe that we did what was in the interests of Canadians and of our country.

So I appreciate that: thanks.

The Chair: Thank you, Ms. Glover.

We'll go to Ms. Nash for a brief round. Then the chair will wrap up with a few questions.

Ms. Peggy Nash: Thanks very much.

Ms. Bittman, I just want to ask you a supplementary question.

First of all, thank you so much for being here. You should of course feel free to say whatever your perspective is.... This is a democratic parliamentary committee. Feel free to give whatever testimony you want.

I want to pick up on the issue about outside consultants. The outside consultants my colleague was referring to cost Canadians something in the order of $20 million. I understand that much of the expertise is in fact already contained in our civil service for many of these services that we're going outside of government to provide at the same time that we're laying off the expertise we have within our public service.

I wonder if you can just give me your opinion about what this says about public administration. Because I think what Canadians expect is that their tax dollars are well spent and that we're providing good public administration. Can you comment on that, please?

Ms. Shannon Bittman: Actually, I believe the cost of the government study was $90 million, not $20 million.

Ms. Peggy Nash: Thank you for the correction: $90 million, not $20 million.

Ms. Shannon Bittman: It was not $20 million. It was Deloitte & Touche.

Our position was that it was unnecessary dollars being spent, which costs taxpayers. Quite frankly, the expertise to properly evaluate programs and to look for efficiencies is in-house. Instead, this government chose to go outside. The government is spending a lot of money—roughly $6 billion or $7 billion a year—on contracting out of IT services, again where we have the expertise in-house, and where it would actually be a savings to Canadians.

The government has implemented Shared Services Canada. Again, based on studies that the government has contracted out—the Pricewaterhouse track 2 study—it's looking more and more like the government is looking to outsource services to Canadians when the expertise is already available in-house and where our members could provide the services to Canadians at a lower-cost model through non-profit....

● (1655)

The Chair: Thank you.

Thank you, Ms. Nash.

I'm just going to finish this round.

I do want to thank all the witnesses.

Mr. King, perhaps as a comment, I want to thank you very much for pointing out the linkage between the important sector you represent and the financial services sector. I was at your last annual conference in Toronto, which I believe is the largest mining conference in the world and which was incredibly impressive. I do appreciate the fact that you're linking these sectors, because a lot of times in Canada we tend to put sectors in silos and that's not in fact how the economy works. I do appreciate that very much.

Mr. Tom King: Thank you.

The Chair: I just want to return to Ms. Bittman.

In your presentation, you talked about Moody's and Fitch criticizing Canada's budget cuts, and you recognized them as the world's two leading rating firms. Can you tell me what is the highest credit rating a country can obtain?

Ms. Shannon Bittman: Actually, I can't provide that information at this time—my apologies.

The Chair: Okay.

Well, it's triple-A.

What credit rating does Moody's give to Canada? It's triple-A, the highest.

What credit rating does Fitch give to Canada?

Ms. Shannon Bittman: Triple-A.

The Chair: It's triple-A, the highest.

I'll read from the Fitch report, headlined “Fitch Affirms 'AAA' sovereign rating for Canada”:

> Fitch Ratings has affirmed its 'AAA' sovereign rating for Canada, noting that the government has demonstrated fiscal responsibility and has a plan to further reduce debt.
>
> The rating agency affirmed its rating on Canada with a stable outlook, saying that the ratings are supported by Canada's institutional and structural strengths, which are, in turn, underpinned by effective policies and a history of macroeconomic and social stability.

It also says:

> Given the Conservative majority, which was awarded to a government running on a platform of fiscal austerity, Fitch expects Canada's fiscal conservatism to continue...gross general government debt is expected to decline as fiscal consolidation proceeds and GDP growth remains steady.

I think it's important to get on the record what Fitch, Moody's, and Standard & Poor's are actually saying about Canada and the government.

I do want to turn, however.... You were very critical in your presentation about our government's approach to science, so let me just read from another document. This is from the Association of Universities and Colleges of Canada:

> Canada's universities welcome the smart, strategic investments in research and innovation contained in today's federal budget. “In the face of tough fiscal choices, the government showed leadership by continuing its investments in research, innovation, research infrastructure and university-private sector collaborations,” says Stephen Toope, the chair of the Association of Universities and Colleges of Canada's board of directors and president of the University of British Columbia. “These investments will build a stronger future for our society and economy.”
>
> In a climate where...federal government departments are seeing reductions, the federal budget provides ongoing funding for research and innovation through [SSHRC, CIHR, and NSERC] to enhance their support of industry-academic research partnership programs.

It talks about an additional $500 million over five years for the Canada Foundation for Innovation. It talks about investments in Genome Canada and CANARIE, and investments in McMaster, in the lovely city of Hamilton.

Do you want to comment on the AUCC's comment on the last federal budget? It is saying exactly the opposite of what you're saying here today.

Ms. Shannon Bittman: As I was a last-minute replacement for President Corbett and science is not my portfolio, I would prefer to defer the question.

The Chair: Mr. Bleyer, if you want to, answer, but this—

Mr. Peter Bleyer: Absolutely. First of all, I think, with regard to the rating agencies, the point was that these rating agencies were implying that some of the extreme nature of where the government was going was unnecessary, given what they had: a relatively positive assessment of the circumstances in Canada.

There was a news report—

The Chair: That's not what they said. I just read to you what Fitch said.

Mr. Peter Bleyer: They said that, and they said this as well.... There is no doubt that they're generally very pleased with your government and the direction your government is heading in. There's no doubt about that. What they were identifying was the fact that it was unnecessary to go to the point that you were intending to go to.

Now, on your next question around the science situation and where the university community may very well be at, as you know, a number of major programs fund the sciences in this country, including the university sciences—the major projects funding—as well as issues around NSERC. Some of what you're quoting there are positions that are.... Clearly, there are difficulties for many organizations. You're our employer, our members' employer; that's a difficult relationship. You're also the major funder for these organizations and we're all trying to ensure that the resources are there to have the things done that we believe need to be done on behalf of Canadians—

● (1700)

The Chair: I'm sorry. We have a point of order.

Mr. Jean.

Mr. Brian Jean: I was just wondering whether Mr. Bleyer....

I agree with you: I have not seen those particular comments being substantiated with text.

I would like to have that tabled by Mr. Bleyer.

The Chair: I don't know that this is a point of order, but....

Mr. Peter Bleyer: I'm not sure which comments you're referring to.

Mr. Brian Jean: In the future, you can pass it to the committee. Otherwise, this evidence is quite frankly—

Mr. Peter Bleyer: Is it the Moody's and Fitch that you're...? We'll provide you with that—

The Chair: Okay—

Mr. Peter Bleyer: —but with regard to where the general scientific community stands, there is no doubt that there's an issue around how much funding and support there is for intramural science. Many major scientific projects in this country require the participation of the private sector, absolutely, and require the participation of universities, most certainly, but they also require ongoing, long-term major project funding, some of which has to be done through intramural science. That is the issue.

The Chair: Here is one final question for you.

In what fiscal year has the Government of Canada—any government of Canada—provided more public support for research and development in this country?

Mr. Peter Bleyer: In what fiscal...?

The Chair: The most recent fiscal year is the highest in terms of public support from the federal government for research and development.

Mr. Peter Bleyer: Not.... The trend line in public support for intramural science is a downward trend. We are heading towards the bottom of the OECD tables in that regard, and there's a clear sense from all the partners in the scientific community—

The Chair: I'm sorry, but there's a point of order from Ms. Glover.

Mrs. Shelly Glover: Before PIPSC embarrasses itself any further, I have to correct the record.

The $20 million that was suggested by Ms. Nash and then corrected by Ms. Bittman—

Mr. Guy Caron: This is not a point of order.

The Chair: This is a point—

Mrs. Shelly Glover: It's a point of order because it's not $90 million. That's a fictitious number—

The Chair: I know, but these are—

Mrs. Shelly Glover: —just like the rest of what was said.

It's $20 million.

The Chair: These are points of debate, and they may be valid points of debate.

Anyway, I'm over my time so I'm going to have to.... But I welcome continuing this debate, and we can receive further information.

I do want to thank all of you for being here today.

I want to thank colleagues for a wonderful debate.

We will bring the next panel forward.

Thank you.

● (1700) (Pause)

● (1710)

The Chair: I call this 78th meeting of the Standing Committee on Finance back to order.

I want to welcome our second panel here today.

We have the first organization, Big Brothers Big Sisters of Canada, and then the Canadian Construction Association, the Canadian Nurses Association, and Ecojustice Canada.

[*Translation*]

Lastly, we have representatives from the Fédération de la relève agricole du Québec.

Welcome to the committee. You have five minutes for your presentations.

[*English*]

Then there will be questions from members.

We will start with you, Mr. MacDonald, for your presentation, and work our way down the table.

Mr. Bruce MacDonald (President, Chief Executive Officer, Big Brothers Big Sisters of Canada): Good afternoon, everyone. Thanks for the opportunity to share our thoughts with you today.

As part of a vibrant non-profit sector that represents 11.1% of Canada's workforce and whose $106 billion in economic activity counts for 7.1% of GDP, Big Brothers Big Sisters is an on-the-ground organization providing direct service to more than 36,000 children and youth each year. Our 122 local Big Brother Big Sister agencies have been serving Canadian children and families for a very long time. In fact, we're fewer than 100 days away from celebrating the beginning of our 100th anniversary. As you can appreciate, a healthy and thriving economy is critical to the sponsorship and donating climate in which charities such as ours exist.

With a vision that “every child in Canada who needs a mentor has a mentor”, we have big dreams, and we will need to maximize both traditional and non-traditional sources of sustainable funding and fundraising.

For our part, Big Brothers Big Sisters is looking at developing new sources of funding that not only provide long-term revenues but also contribute to job creation. Having just partnered with the University of Waterloo, we're in the final stages of assessing the feasibility of launching a social enterprise.

Tentatively branded “First Mentors Incorporated”, this for-profit corporation would secure private sector clients and develop, implement, and monitor mentoring programs to attract and maintain new, young employees. The profits from First Mentors would then be channelled back to Big Brothers Big Sisters as a corporate donation.

Another area that will be critical for our organization in the future will be the development of a better understanding of the economic climate and forces at play in the world around us and of how the non-profit sector needs to respond.

We're fully supportive of a new initiative by Imagine Canada that will see the creation of a chief economist for the non-profit sector. When the chief economist begins work in early 2013, he or she will analyze the economic implications of both government-initiated and sector-initiated policy proposals for charities and public benefit non-profits.

Through the work of the chief economist, the charitable and non-profit sector will inform federal and pan-Canadian public policy in order to create a more supportive environment that will enable charities and public benefit non-profits to better serve and engage Canadians. As well, the sector's first chief economist will interact with parliamentarians, government officials, other economists, and the media to ensure that the impact of the sector is more fully understood.

We're also delighted that our organization has become involved with other voluntary sector organizations in two new partnerships aimed at providing additional support to northern and remote communities, first with DreamCatcher Mentoring, and second in conjunction with Boys and Girls Clubs of Canada, YMCA Canada, YWCA Canada, and the United Way of Canada. If we can positively affect the life trajectory of young people primarily from aboriginal and Inuit families, we can work to develop a healthy and sustainable workforce of the future.

I've mentioned the notion of partnerships. Being seen as a credible and important partner is essential in today's world. I'd like to draw your attention to a recent Ipsos-Reid/TrojanOne sport marketing study on the most valuable sponsorship properties in Canada. Big Brothers Big Sisters found itself in 11th position in a pool of 35 causes and properties. We're delighted that our organization was cited as a leader in two of the seven categories that comprise excellence in corporate and government sponsorship, impact of cause, and responsible management.

Big Brothers Big Sisters recognizes that it has multiple roles in contributing to a healthy economy, first and foremost in helping to develop children and youth into the workforce of the future; second, as an employer of staff across this country; and third, in the development of innovative approaches to organizational growth and sustainability.

Finally, as you may be aware, 25 young people from across Canada arrived in Ottawa on Monday to begin our social innovators summit. Each young person is a current or former “little brother” or “little sister”. While they share a common background of having a formal mentor in their lives, we are hoping to hear from them about the issues they care about the most and to provide them with skills and tools to go back to their communities and initiate a social change project. This summit is fully funded by the private sector, with MasterCard Canada, WestJet, and Roots Canada having stepped up to the plate.

Upon the conclusion of this session and after the vote, you're all invited to come down the hall to visit with these dynamic young people, volunteer leaders from Big Brothers Big Sisters, and representatives of other youth-serving organizations.

Thanks very much.

● (1715)

The Chair: Thank you very much, Mr. MacDonald.

We will go to Mr. Atkinson, please.

Mr. Michael Atkinson (President, Canadian Construction Association): Thank you, Mr. Chair.

I thank you and committee members for providing the Canadian Construction Association with the opportunity to appear before you today.

Our association represents the non-residential side of the construction industry. We build Canada's infrastructure. We have an integrated membership structure of some 70 local and provincial associations from coast to coast to coast in Canada, with a membership of just over 17,000 member firms, over 95% of which are small and medium-sized businesses.

The construction industry employs just under 1.5 million Canadians, or nearly 10% of Canada's total workforce. Our construction market is projected by international economic projections to be the fifth largest in the world by 2020, behind only China, the U.S., India, and Japan.

Our pre-budget submission addresses the areas of economic recovery, growth, job creation, demographic change, and productivity.

With respect to Canada's continued economic recovery and growth, it will probably come as no surprise to you that we continue to emphasize the importance of ensuring that Canada's key critical public infrastructures—its highways, roads, bridges, seaports, border crossings, inland trade routes, water treatment facilities, water distribution systems, schools, and hospitals—are not only repaired and restored, but improved and maintained. Why? Because there can be no economic growth without state-of-the-art and well-maintained critical public infrastructure.

Canada's critical public infrastructure is our national economy's health care plan. Despite the fiscal challenges, we cannot reduce our efforts to rebuild, improve, and maintain our vital infrastructure. We must not repeat the neglect of the past.

We very much support the focus of the current economic action plan on economic growth. Economic growth cannot occur without state-of-the-art public infrastructure. The current $33-billion Building Canada plan comes to an end on March 31, 2014. In order to ensure no gap in funding and not to lose a construction season, the new plan's successor long-term infrastructure plan must be part of the next federal budget.

We are hopeful that this summer's consultations with stakeholders around the country on the new federal long-term infrastructure plan helped reinforce the importance of ensuring that this plan continues and that we continue our sustained effort to ensure that Canada's infrastructure is world class. From our perspective, the long-term infrastructure plan must be truly long term, must be funded at a level equivalent to that of the current Building Canada plan, and must be flexible enough to meet the changing needs of the diverse regions and participating partners.

In addition to the next long-term infrastructure program, we also believe the federal government needs to provide greater support and certainty for municipalities in the maintenance and rebuilding of their key municipal infrastructure. To this end, we commend the government for continuing and making permanent the gas tax transfer fund of $2 billion annually to municipalities; however, we would like to see that indexed so that it is not eroded over the years by inflation.

That brings me to my second recommendation on red tape. As an industry, we strongly support the efforts of the government to reduce the regulatory burden on small business, chiefly in areas where provinces or municipalities already have robust regulations essentially performing a similar function. Signing interjurisdictional agreements to deliver joint services, harmonizing regulations where possible, and creating a single federal-provincial service delivery window for small business would all be welcome. Certainly, your efforts in the area of environmental assessment and, indeed, the recommendations to the red tape commission, are positive movements.

With respect to the needs of our workforce of the future, and in training especially, we very much support the reforms that are being made to our permanent immigration system and also to our temporary foreign worker program, especially the measures that will see employers more involved in the process. With that, we commend the recent announcement by the government to bring in an expression of interest program for skilled worker immigration to Canada. We think that's a very positive step. We would certainly want to have it ensured by this committee that the necessary measures and resources to put that in place are there.

With that, Mr. Chairman, I will conclude my remarks. I look forward to your questions.

● (1720)

The Chair: Thank you, Mr. Atkinson.

We'll now hear from Ms. Mildon, please.

Dr. Barb Mildon (President, Canadian Nurses Association): *Bonjour.*

As president of the Canadian Nurses Association, which represents more than 146,000 registered nurses in our country—the largest group of health care providers—I thank you for this opportunity to present the nursing profession's solutions for a transformed health care system that will support and contribute to economic growth.

A healthy economy and a healthy nation are inextricably linked. To strengthen and grow our economy, we must first tend to the health of our nation and its ability to support this economy. It just makes good financial sense. We are presenting strategies and tools that the federal government can use to achieve better health and a healthier economy.

The CNA has two key recommendations:

First, the federal government should work collaboratively with the Canadian Institute for Health Information , Canada's registered nurses, physicians, and other health providers to select five health and health system indicators on which to focus our efforts. The federal government should then convene a consensus conference with these stakeholders, as well as provincial and territorial representatives, to endorse the indicators and commit to having Canada within the top five ranking nations on each indicator by 2017.

The federal government has the opportunity to set forth a pan-Canadian vision for better health, but it must be built communally, based on consensus from all levels of the government and leaders in health care and business. The incentive to act now could not be greater, with direct medical costs in Canada at $200 billion annually and chronic disease estimated to cost the Canadian economy $190 billion every year.

This brings me to CNA's second point: the need for policy interventions to support healthy aging. Canada's population over the age of 65 is projected to more than double by the year 2036, bringing it to more than nine million. More than 40% of Canadians currently report having at least one of seven chronic conditions. If the current trend continues, Canadians will suffer from several chronic conditions as they age. These further complications, once in place, are costly to treat.

As our seniors age, the broader social determinants of health, such as income, literacy, and employment, have a deeper impact. The Canadian Nurses Association recommends that the federal government support healthy aging by expanding federal tax credits and home care benefits to help older Canadians stay in their homes longer, receive the right care at the right time, and remain resilient and independent.

In addition to improved quality of life for seniors, Canada's economy could save more than $15,000 per patient per year by moving palliative care patients from costly and scarce acute care beds to robust home care services. For example, as one family recently shared with me in despair, the four hours of help that they were allocated per week was simply not enough.

A system that is heavy with overburdened hospitals and emergency departments cannot be sustained. The absence of a healthy aging strategy means increased rates of chronic diseases and their related complications and rising costs on an already overtaxed acute care system. These consequences strain the generations that follow, who put aside their careers, productivity, and personal lives to care for aging family members. It is clear that implementing a healthy aging strategy to support a healthy and productive nation is key to a thriving economy.

On behalf of Canada's registered nurses, I thank you, and I look forward to answering your questions.

● (1725)

The Chair: Thank you very much for your presentation.

We'll now hear from Mr. Peterson, please.

Mr. Robert Peterson (Staff Lawyer, Ecojustice Canada): Thank you for inviting Ecojustice to this committee meeting.

Ecojustice is a group of lawyers in Canada who have been in practice for 20 years with an objective of seeking a healthy environment, using the law as a tool to achieving that.

You may wonder what a lawyer has to tell this committee and to say on the economy. No, we're not economists, but there are obvious places where the law and the economy do intersect. I will offer two concrete examples that Ecojustice has identified. At the very least, if adopted they would be cost-neutral, if not ultimately affording government savings in the end.

As I was in the audience, I heard the earlier comments about Canada's fragile economy. We're certainly cognizant of that and are not in the position of advocating enormous spending on environmental enforcement that simply won't happen. We're trying to be creative and look at ways in which we can achieve better outcomes for the environment, enforce and uphold Canada's environmental laws, and not put us in an economically disadvantaged position.

The first of those two ideas is making environmental law enforcement information readily available to Canadians. This is something that's available in the U.S.; it's something that is available piecemeal in Canada. If one wants to know if enforcement action has been taken against a certain polluter, for example, it can often be very hard to get that information.

From a transparency standpoint, I think it's obviously not good for the public to be unable to get that information, but it has deeper consequences that we're aware of. One of those, for example, is the inability for investors to easily obtain information when they're doing their due diligence on a facility as to whether they ought to buy an entity. Such information is not very easy to get right now. It requires access to information requests that can be costly and time-consuming. These go into the government bureaucracy and are not an ideal way to get that information.

What we're advocating is the creation of a database that would be easily searchable online. It would contain the following: inspection information, investigations, warnings, orders, prosecutions, convictions, and penalties. It would be a comprehensive database that would allow all of the different agencies throughout Canada that engage in environmental law enforcement to put their information there. The obvious cost saving would be that this information would no longer be subject to access to information requests; it would simply be available. So we're putting this forward as ultimately a cost-neutral outcome.

Beyond that, there are the greater, loftier ideals about democracy and the notion that access to information is democracy in action, more or less. I think it would be a good thing. No matter what our environmental laws say and what they are, we want to enforce them —whatever is on the books—and this would be an excellent tool for doing so.

The second issue is the notion of capped liability for offshore drilling. This is something that's very important to Ecojustice. Right now, our legislative regime caps liability at $40 million for a spill in the Arctic, like the BP *Horizon* offshore spill. That's a very low figure. In the U.K, I believe it has gone up to $125 million. To give a perspective to this, the BP spill has cost around $40 billion already, so there really is no reason for a government to be acting as an insurer for these companies. It creates disincentives for companies to enact proper policies to ensure safety and that kind of thing.

● (1730)

The Chair: You have one minute.

Mr. Robert Peterson: I'll wrap it up.

On that issue, we're not necessarily suggesting that there be no cap on the liability. Obviously, a balance probably ought to be struck. Again, I'm not an economist, but right now it simply does not make sense to have a $40-million cap.

How this ties back to the economy, in my view, is that Canadians will be ultimately holding the bag if a spill happens place in the Arctic, and right now, bidding is closed on 195,000 hectares of Arctic oceans. This is a new issue. The licences haven't been really issued that much in the past, and now they are. It's something that's very important to us.

Thank you very much for your time.

The Chair: Thank you, Mr. Peterson.

[*Translation*]

Ms. Delomier, you have the floor.

Ms. Magali Delomier (Director General, Fédération de la relève agricole du Québec): Good afternoon. I will speak in French, which will be a bit of a change.

My name is Magali Delomier, and I am the director general of the Fédération de la relève agricole du Québec. I would like to thank you for inviting us to appear before the committee. As far as I know, this is the first time we have been asked to appear. This is probably because a little more importance is being given to the next generation of farmers, which is very good news.

First, I will give you a little bit of information about my organization.

My federation is the only spokesperson for the next generation of farmers in Quebec. We have been working for 30 years to improve conditions for farmers to get established. We have also been trying to make the profession more attractive to young people, to give them information and to offer them training. The federation has over 2,000 members across Quebec. They are between 16 and 40 years of age and have a shared passion for farming. These young people are in training, in the process of getting established or already established.

I would like you to take four things that I am going to talk about from my presentation. The first is the need for a strong agricultural policy. The second is tax measures. The third is implementing a transfer savings fund. The fourth is the renewal of the agreement with the Canadian Young Farmers' Forum. These are important elements for making it easier for young people to get established in agriculture and making it easier to maintain agriculture in Quebec, and across Canada. We think that a strong agricultural policy that supports farmers is critical and that it must be the basis of other future measures.

Recent cuts to support programs under Growing Forward will affect young people in particular and make their situation more precarious. Young people are especially at risk because they are, for the most part, in the development stage. They are especially sensitive to variations in price and changes in weather conditions. That cuts have been made to these support programs has not really helped them.

One of the major problems in Quebec, in particular, is that it is more cost-effective to dismantle a farm than to transfer it because the next generation is not in a position to buy it at the market value. So we need to have transfer incentives, if not some kind of positive discrimination for dismantling. I have three tax recommendations to make in that regard.

Today, incorporated family farm operations are not considered capital gains under the Income Tax Act and, therefore, they are not covered under the capital gains exemption. We are therefore asking that operations sold to a family member be considered an exemption from now on. This would simply require a change to the Income Tax Act. In addition to this measure, and to encourage transfer rather than dismantling, the capital gains exemption could be increased from $750,000 to $1 million, only in cases where operations are transferred.

We also recommend that a transfer savings fund be created. It would be similar to the educations savings plan, where the parents would contribute to a fund that would be complemented by contributions from the provincial and federal government and would be paid out upon retirement, but only in the case of a transfer. This would encourage parents to plan for their retirement and the transfer of their business. There are serious gaps in this respect, and I think this is true across Canada. This would also enable these people to have additional funds when they retire in order to meet their needs, without depending on dismantling their farm. Lastly, this would help reduce financial pressure on the next generation when the transfer occurs.

The fourth and final point is important, with respect to funding, renewal of the financial framework agreement between the government and the Canadian Young Farmers' Forum. This agreement will expire in 2013. Without the funding, this organization will no longer be able to exist. The Canadian Young Farmers' Forum brings together all the young farmers organizations from all over Canada. It has been around for 15 years and enabled the next generation of farmers to structure itself, network, train leaders and dispense information on best practices in agriculture. It is the spokesperson for young farmers at forums and discussions involving Growing Forward 2. It is truly important to continue this support, if not increase it.

● (1735)

Currently, this organization can only afford to hire one resource person to take care of the entire Canadian network.

In closing, we would like to see the Canadian Young Farmers' Forum relaunch the National Future Farmers Network, which was started by Minister Blackburn in 2009 and was completely abandoned when the minister left. But time and money had been invested in this network. Work had been started to look into the problem of the next generation of farmers, and we think this network needs to start again through the Canadian Young Farmers' Forum.

The Chair: Thank you for your presentation.

[*English*]

We will begin members' questions with Ms. Nash, please.

Ms. Peggy Nash: Thank you, Mr. Chairman.

I would like to begin with Mr. Atkinson. I couldn't agree with you more about your comments concerning the importance of investing in infrastructure and how sound infrastructure investment boosts Canada's productivity. Just yesterday at this committee, we had the representative of the Toronto Board of Trade, who talked about a $6-billion drag on that region's economy specifically because of the lack of transit infrastructure.

I'd like to hear you speak a little more about the Building Canada fund. I know that you're asking for that to be renewed in this budget. You'll be happy to know that the Toronto Board of Trade also called for the indexation of the gas tax. I would like you to elaborate on that. I'm someone who is a big transit fan, and I'd like to hear you speak a bit more about the impact on jobs and the impact on the productivity of our economy.

Mr. Michael Atkinson: I think it goes without saying that everyone understands how related the state of our highways and the state of our trade routes, etc., are to our economy and to prosperity for our country, and indeed, for our standard of living, and even our health, such as when it comes to our drinking water and the environment. What has pleased us over the last while is that not just the federal government but the provincial and municipal governments have seen the need to continue to ensure that our public infrastructure is in a state such that it can provide this.

In fact, it's even more important, coming out of a recession, that Canada is strategically positioned with state-of-the-art infrastructure that can continue to attract foreign investment and continue to ensure that we're competitive in a very competitive marketplace. It is key. Quite frankly, we're encouraged by the position that governments of all stripes at all levels in Canada have taken. They have shown a real, renewed partnership to ensure that. Indeed, it's the private sector as well; there is a role for the private sector in ensuring that Canada's public infrastructure continues to improve and is maintained.

What's so important about this is having a long-term plan, because the more long-term planning we have, the more that we as an industry, one of Canada's largest—if not the largest—industrial employers, can also plan. We can plan our human resources, our training, and what we're going to need to meet that future demand. It makes it so much easier in many other areas as well. It's absolutely key. It's not a question of “should we?”; it's a question of when and how committed we are.

● (1740)

Ms. Peggy Nash: Thank you.

I completely agree that we need a multi-year plan. We can't just go from budget to budget; we need a multi-year plan. At a time when there is uncertainty because of the global economy, making investments in infrastructure is a way to keep the economy moving and to keep us growing until some of the rest of the world catches up.

Mr. Peterson, you made a number of recommendations, but I would like to ask you more specifically about the capping of liability. Can you tell me after the BP spill what action the Americans took? I could be wrong, but it's my understanding that they increased the level of liability because they learnt how disastrous a spill can be and how much the liability can be. Can you tell me if that happened?

The Chair: There's about one minute for the answer, Mr. Peterson.

Mr. Robert Peterson: I don't have the answer on that number. It is higher than in Canada, but there has been debate in the U.S. to take it all the way up to unlimited liability. Obviously, with a $40-billion tab, there became a heightened interest in that issue. As far as I understand it, amongst the U.K., Canada, and the U.S., Canada has the lowest by far.

Ms. Peggy Nash: We have the lowest....

Mr. Robert Peterson: Yes.

Ms. Peggy Nash: When there is an unforeseen and undesired environmental impact—let's say there's an oil spill—I guess the impact on the environment is devastating and needs to have focus, but also the impact on business as well....

The Chair: Do you want that to remain a comment or will we have a brief comment from Mr. Peterson?

Mr. Robert Peterson: Just following up from before, I do have $75 million as the cap in the U.S. I didn't want to misspeak without seeing it written here....

The Chair: Okay.

Thank you, Ms. Nash.

Mr. Hoback, please.

Mr. Randy Hoback: Thank you, Chair.

I want to make you aware that if I have a little bit of time left, Mr. Jean might take the rest of my time.

Ms. Delomier—and I'm sorry if I'm pronouncing your name wrong—you gave us some really interesting perspectives. The transfer of family farms is always something that we're trying to figure out how to do more effectively and more efficiently. You made some good comments about the capital gains exemptions; I understand where you're coming from. The capital gains extension of $750,000 to $1 million is I think in some ways a reasonable request in light of the size of our farms now and the capital that's involved.

One thing you talked about that I thought was really intriguing, though, was the savings account for the next generation. There has been talk in the sector that maybe the AgriInvest account should be that account, that as a farm is transferred from one person to the next, the AgriInvest account should transfer with the farm and not stay with the person who had the farm. The logic behind this is that the farm entity put the money in that AgriInvest account, so that farm entity should maintain that account as it moves into the next generation.

Do you have any thoughts on that?

[*Translation*]

Ms. Magali Delomier: Are you talking about a transfer savings fund?

[*English*]

Mr. Randy Hoback: Yes. Again, you're talking about a savings fund transfer. My question is, could the AgriInvest account established now be that venue if it were to stay with the operation instead of the owner of the operation?

● (1745)

[*Translation*]

Ms. Magali Delomier: By transfer savings fund, I mean a fund that could perhaps be AgriInvest. I don't know. However, the goal would be to enable the parents to put money aside so that, when they retire, they can benefit from it. But since it would be enhanced by government money, it would increase. The transfer incentive would be that this government money would be given to the parents only if the farm were transferred, not if it were dismantled.

[*English*]

Mr. Randy Hoback: Those are some good points. Again, I was just throwing that out there to see if you'd thought that through and maybe using AgriInvest as a tool for doing what you're talking about.

With the AgriStability account, what we're seeing out west is that the account is being transferred from entity to entity, especially if it's part of a corporation. We're actually seeing farmers spending money in goodwill to buy up a margin of another corporation. If I buy you out, for example, the first thing I want to see are your AgriStability margins. If they're better than mine, then I take on your shares and run your entity. Do you think AgriStability needs some changes to reflect that also or...?

[*Translation*]

Ms. Magali Delomier: I do not know enough about the technical aspects of the AgriInvest program. But if this helps a young person and favoured transferring, rather than dismantling, then yes, why not. This possibility should be examined.

[*English*]

Mr. Randy Hoback: I think I'll turn the rest of my time over to Mr. Jean now.

The Chair: You have one and a half minutes, Mr. Jean.

Mr. Brian Jean: Thank you, Mr. Chair.

First of all, in relation to Ecojustice, I'd be happy to meet with you at another time—my iPad is unfortunately not charged—to go over specifically what Canada has relating to the Arctic Waters Pollution Prevention Act, which we brought into force since our government came to power, and the maximum penalties and the insurance liability, etc. I was on that committee when it, along with the Migratory Birds Convention Act, was passed, and it's not what you're suggesting. I'd be happy to meet with you to go over that in particular.

My interest is in relation to the Canadian Construction Association in particular.

First of all, would you agree that this federal government has been in charge of the largest-ever investment in infrastructure in Canada's history as far as money goes? It has been the fastest that any government has ever implemented and paid out. As far as the application process goes, it's the most efficient rollout ever. In fact, it's about five times what any Liberal government has done before, because of the nature of the economic action plan. Would you agree with that $45-billion infrastructure plan?

Mr. Michael Atkinson: In answering that very loaded question, what I will say is that the stimulus program was rolled out at light speed. It was done because of the tradition we've had in Canada of the partnerships that have been made with lower levels of government. We have—if I can use the pun—the infrastructure in place to make sure that our co-funded infrastructure programs can work effectively. We would certainly like to see the kind of administrative ease and—

Mr. Brian Jean: I only have one minute.

The Chair: Actually, we're out of time for this round. Unfortunately, we'll have to move on.

We'll go to Ms. Murray for five minutes, please.

Ms. Joyce Murray: Thank you.

The construction sector is hugely important in British Columbia, of course, and important to small businesses across the country. I wanted to pick up on your comment about the stimulus program. When I was out talking to small business people, chambers of commerce, and mayors, one of their complaints was that the stimulus program was rolled out in a way that didn't really reflect the core priorities; it reflected whatever came forward that they could do right away.

One of the requests I heard was about predictability and sustainability of the funding so all of the strategic plans can dovetail. Is that what you're talking about?

Mr. Michael Atkinson: I think it's important to make the distinction that it was a stimulus program, not an infrastructure program. As a stimulus program, it worked very effectively.

What we want to see in terms of a successor program to the Building Canada plan, which is an infrastructure program, is a long-term infrastructure plan. I think it's important to make that distinction between what was effectively a stimulus program and what was an infrastructure program. Because we all know that we must invest in our critical public infrastructure, not because it creates immediate jobs, which it will; we invest in our public infrastructure because it's of course the sanity going forward....

● (1750)

Ms. Joyce Murray: Thank you.

I think it's fair to say that if there were a planned, methodical infrastructure program, if there were a need to do stimulus, you would just deliver on that plan and it would be predictable and sustainable.

Mr. MacDonald, from Big Brothers, I'm interested in your comments about mentoring. In your written submission, you talked about income inequality. You also talked about the need for first nations mentoring.

Can you tell me a bit more about your organization's experience with income inequity and where it is going? Does that link to your concern for first nations?

Lastly, how do you see your work as being important, preventative work to keeping people out of prisons so that we don't need to have a lot more spending and a lot more people in jail?

Mr. Bruce MacDonald: They're both interdependent and independent questions. First and foremost, our organization has a tendency to serve a lot of kids who come to us with multiple risk factors. These are kids who are going to be living in poverty and are transient. They may be witnessing family violence or drug and alcohol abuse in the family. As well, we have kids who live in great families. There is an undeniable correlation: those kids who come from families who don't value education are not breaking the cycle of poverty and are not becoming contributing members of society.

One of the things we're doing right now has been around for a long time. In January, we'll be announcing the results of a five-year study that has taken a look at almost 1,000 families who have had Big Brothers and Big Sisters for the last five years and how they've turned out, in effect. One thing that the early findings are showing is that these kids are graduating from high school at a rate of two and a half times their peer groups in Canada. That's the first step to going on to post-secondary education and breaking that cycle.

In terms of looking at aboriginal populations, one of the biggest things we're learning about is whether we are actually prepared to give up the brand of Big Brothers Big Sisters to make effective inroads in working with aboriginal populations. Last fall, we piloted a program in Flying Dust First Nation in northern Saskatchewan. It is a modified in-school mentoring program whereby high school students are matched with elementary school students in school, but the match itself is paired with an elder for a cultural component. One of the things we learned during the process was that the band council we partnered with wants to make sure the high school students get on to post-secondary so that the economic gap starts to be minimized as they're getting good jobs because they have an education.

As well, we found out that the program wouldn't work if we called it Big Brothers Big Sisters, so it actually has a Cree name. For organizations like ours, it's a fundamental rethink and shift in terms of how we're going to approach working not just with aboriginal or first nations communities but also with new Canadians.

Ms. Joyce Murray: Well, wouldn't it be great if the work you're doing and that kind of work converts jobs as security in prisons into jobs in small businesses and communities that are hiring first nations?

The Chair: Just a brief response, please.

Mr. Bruce MacDonald: Absolutely: the cost benefit is incredible.

Ms. Joyce Murray: Is my time up?

The Chair: Yes, your time is up. Thank you, Ms. Murray.

I want to ask for unanimous consent. I'm going to recommend that the committee keep going for another three rounds to get in as many members as possible for questions before the votes.

Some hon. members: Agreed.

The Chair: Seeing consent, I will move forward with Mr. Adler, please.

Mr. Mark Adler: Thank you, Chair.

I just want to preface my remarks by saying that I'll be sharing my time with Mr. Jean.

In the very limited time I have, I do want to say, Mr. MacDonald, that your organization is fabulous. I love what you do. You should be very proud of Big Brothers Big Sisters. I respect what you do so much. You do some fabulous work. Congratulations.

Similarly, Ms. Mildon, nurses are the backbone of our health system, so keep up the good work. Again, nurses are first class.

Mr. Atkinson, I just want you to comment on a couple of things. Environmental assessment: one project, one review...good?

● (1755)

Mr. Michael Atkinson: Absolutely.

Mr. Mark Adler: Terrific.

Mr. Michael Atkinson: The private sector loves certainty.

Mr. Mark Adler: Absolutely, and that certainty encourages investment, which creates jobs, which creates long-term prosperity. Correct? Fantastic.

You're nodding your head, so that means yes.

Mr. Michael Atkinson: Yes.

Mr. Mark Adler: Thank you, because the transcript doesn't pick that up.

On our reforms to immigration and aligning it more with labour market demands...good?

Mr. Michael Atkinson: Yes, absolutely, and more employer engagement is even better.

Mr. Mark Adler: Fantastic.

We've reduced corporate taxes to 15%. How has that helped create jobs? How has that helped create investment?

Mr. Michael Atkinson: The more money the company has in-house to reinvest in training and in productivity gains, the better. Our members are all small businesses. Anything you can do to enhance the small business deduction would be extremely helpful in those circumstances, in order to give an incentive for companies to reinvest in their human resources.

Mr. Mark Adler: So business is good among your members.

Mr. Michael Atkinson: Absolutely.

Mr. Mark Adler: Terrific.

I have two more questions, and then I'll pass this over to Mr. Jean.

I've been asking all the associations that have been coming in this one question. So far, the tally is 140,000 to zero.

Mr. Atkinson, among your members, did any one of them, knowing that you were coming up here today, ask you to ask the committee to impose a $21-billion carbon tax? Yes or no?

Mr. Michael Atkinson: No.

Mr. Mark Adler: How many members do you have?

Mr. Michael Atkinson: We have 17,000.

Mr. Mark Adler: Thank you very much.

Mr. Jean.

The Chair: Mr. Jean, you have two minutes.

Mr. Brian Jean: That's excellent. Thank you very much.

Mr. Atkinson, I'm going to continue with the same questions.

How do we encourage the private sector to build in places—I'm from Fort McMurray—keeping in mind the situations that are happening? It's also happening to my other constituents who are from Newfoundland, and in other areas of the country, especially the north.

How do we do so without putting money into it? Because governments, in my opinion, are not very good at spending money. We've done a great job with the economic action plan and the $45 billion included, but how do we do so...? Do we do it through tax incentives? Do we do it through tax credits or maybe a rebate on the GST in certain areas to do builds in residential or commercial to alleviate some of the problems?

In one minute, what would you tell me to do?

Mr. Michael Atkinson: Just so I understand your question, you're talking with respect to finding additional funding options for public infrastructure or...?

Mr. Brian Jean: No. I'm talking about construction to get the private sector into it, such as PPPs and things like that. How do we do it in particular areas?

Mr. Michael Atkinson: One of the things I think we have to do with respect to public-private partnerships is get the transactional cost down. Right now, because they are so expensive to deal with because of the legal agreements, complexities, etc., you need a minimum threshold of project size or value before it makes any sense. We have to do something about bringing those transactional costs down before they're going to become lucrative for municipalities, for example.

Number two, very quickly, one of the constraints Canadian firms have in participating in concessions, particularly where they're foreign-led, is that our balance sheets aren't as healthy as those of the European contractors, for example, because we've relied on the surety bonding mechanism to leverage our balance sheets by a factor of 15 to 20 times. Surety bonding is unknown in Europe. When it's a foreign-led concession, particularly from Europe, they demand letters of credit. They will not accept surety bonds. It puts Canadian design/build companies at a disadvantage in those circumstances.

So in looking at how you can incent more Canadian homegrown—if you will—P3 participants, look at some of the financing restraints.

One last one...?

The Chair: Very briefly, please.

Mr. Michael Atkinson: Extend EDC's domestic powers: that's a big help to our firms getting involved in those large financing arrangements.

The Chair: Thank you.

Thank you, Mr. Jean.

Monsieur Caron, s'il vous plaît.

[*Translation*]

Mr. Guy Caron: Thank you very much. I am going to share my time with Mr. Mai.

Ms. Delomier, what you were saying echoes what I have been hearing in my riding of the Lower St. Lawrence. I would like to ask you three related questions. Then I will turn things over to Mr. Mai.

How long have you been developing and presenting your recommendations to the government? What has been the response of the government or governments so far to those recommendations? What do you think is the importance of these measures for the survival of family farms as opposed to large integrators?

● (1800)

Ms. Magali Delomier: I will address the various points that I presented with respect to the different scales of application. When we talk about a strong agricultural policy, certainly that is something we have always been fighting for. The recent cuts that were imposed with respect to Growing Forward do not move in that direction at all.

Concerning the tax measures and the transfer savings fund, we presented that to this committee a long time ago, back in 2006. It was not presented by my organization, but by the Union des producteurs agricoles.

With respect to the Canadian Young Farmers' Forum, that is a fairly recent recommendation. In fact, since the agreement needs to be renewed next year, it is urgent to share the necessity of renewing the agreement.

What were your other questions?

Mr. Guy Caron: How important are the measures you are suggesting for the survival of family farms compared to large integrators?

Ms. Magali Delomier: It is critical. As soon as we allow family operations to be transferred as such, we are maintaining a family kind of agricultural system. As soon as we permit the transfer from generation to generation, we make it possible to maintain the family farm model we know in Quebec.

Mr. Guy Caron: Would it be fair to say that, so far, the various governments or the government have not listened to your recommendations?

Ms. Magali Delomier: We have made our requests.

Mr. Guy Caron: Very well. Thank you.

[*English*]

Mr. Hoang Mai: Thank you very much.

Mr. Peterson, is there a difference between cap and trade and a carbon tax?

Mr. Robert Peterson: As a lawyer, I'm probably not the best person to speak on that.

Mr. Hoang Mai: That's fine. Do you believe in polluter pay...?

Mr. Robert Peterson: I think it's a principle that's being widely endorsed in the legal system throughout much of the world.

Mr. Hoang Mai: I've seen in your report on your website that you find there's chronic under-enforcement in terms of inspection, investigation, charges, and convictions under the Fisheries Act. Enforcement has declined since 2002-03. In the most recent years, you say also that the number of inspections and warnings under the Canadian Environmental Protection Act has declined since 2005-06, and investigations, prosecutions, and convictions have also declined steadily since 2003-04.

Mr. Robert Peterson: It's our understanding that the number of prosecutions leading to conviction is very low, meaning that under CEPA in recent years I saw a number of around 20. I can't pinpoint the year, but that gives a sense of the number.

One would expect more than that. They may be settling out, or there may be compromises, but ultimately, part of the reason we're advocating a database is that so you can gain access to that information and know what exactly is happening with these files and how many are going to conviction. That's part of the accountability in ensuring that government agencies and public servants are enforcing the laws on the books.

Mr. Hoang Mai: By enforcing the law, the federal government could get more revenue.

Mr. Robert Peterson: Certainly, fines go back to the crown, so there's no disincentive to offsetting the cost of the prosecution by collecting the fine at the end of the day, and sometimes costs can be awarded in certain settings.

Mr. Hoang Mai: Do you think the fact that Environment Canada has cut 700 jobs will help the budget or will it help in terms of enforcement?

Mr. Robert Peterson: Without getting into politics too much, it doesn't sound as though a cut like that enhances capacity.

The Chair: Thank you.

Thank you, Mr. Mai.

We'll go to Ms. Glover and Ms. McLeod, who are sharing the final round, please.

Mrs. Shelly Glover: Thank you. Please cut me off when my time is up.

Mr. MacDonald, first of all, I do want to thank you very much. I, as a teenage mother, had a daughter who benefited from a Big Sister. It made her a better person and actually made me a better parent, so thank you for that. At that time, it was only Big Sisters, and then you amalgamated to become Big Brothers Big Sisters, and you have gone on to do great things.

I have some quick questions. Do you have a business plan on the First Mentors Incorporated program? I'd love to see it. It sounds interesting. I want to know what you want from government to get this off the ground, because it does look like it would be a good mentorship program, but I need to know the costs you're looking for, and I would like to know what are your targeted outcomes.

● (1805)

Mr. Bruce MacDonald: The answer is yes, we do have a business plan. The investment we're looking for is modest support to help do a feasibility assessment to assess the market environment as to whether it will support this. Our outcomes here are: (a) to help Canadian companies be more competitive around attracting and retaining the best and brightest minds to go to them because they have this great mentoring program inside of it; and (b) from a selfish perspective—well, let's be honest—we're looking for a new, sustainable stream of revenue to support Big Brothers Big Sisters.

Mrs. Shelly Glover: What I was actually looking for are specifics, Mr. MacDonald.

Mr. Bruce MacDonald: Oh—

Mrs. Shelly Glover: I need to know dollar figures and I need to know how many students you're looking at targeting to put with how many skilled people.

Mr. Bruce MacDonald: Sure—

Mrs. Shelly Glover: I understand generally what the plan is and I think that's great, but if you wouldn't mind, I'd encourage you to table a business plan to the committee—

Mr. Bruce MacDonald: Absolutely.

Mrs. Shelly Glover: —so that we can actually see what you're asking for.

Mr. Bruce MacDonald: Absolutely—

Mrs. Shelly Glover: What is the cost—

Mr. Bruce MacDonald: Sorry: what we're looking for is $75,000 to do the feasibility assessment. This actually won't target students per se. Our customer base, we believe, will be vice-presidents of HR and—

Mrs. Shelly Glover: So you want to study it first. I would suggest that you go and talk to ThirdQuarter at the Manitoba Chambers of Commerce.

Mr. Bruce MacDonald: Okay.

Mrs. Shelly Glover: They actually have a program—it was brought forward in budget 2012—that matches, through a database, seniors who want to get back into the market to employers looking for skills. You may not have to reinvent the wheel and you may save yourself a whole lot of time.

Mr. Bruce MacDonald: That's great.

The Chair: Okay. You have 20 seconds left.

Mrs. Shelly Glover: Go ahead.

The Chair: Ms. McLeod, you have almost three minutes.

Mrs. Cathy McLeod: Thank you, Mr. Chair.

I certainly would like to focus my time on Ms. Mildon.

You haven't had much of an opportunity, I think, and as I listened to your first recommendation, I was quite intrigued by it. It sounded very much like it was respecting the provincial-federal jurisdictions. You're talking about five indicators being readily and possibly available from CIHI.

Tell us more about how you perceive this moving forward and what the benefit would be. It didn't sound like it would be a very expensive thing to move forward with. Also, perhaps what the benefits might be.... Again, I might also put it in this context: I know that we've done some targeting for hips, we'll say, and it's actually skewed other areas when we've developed it. Talk a little bit about how you perceive this being a benefit and what it would look like.

Dr. Barb Mildon: Thank you so much. We are very encouraged by CIHI's work so far to identify indicators, and we are taking this ask further by asking that nurses, doctors, and other health providers be at that table to help identify those indicators specifically. We also believe that with the kind of investment Canada is making in health care, we should be in the top five in these key kinds of indicators.

To look at possible indicators—and there is a wide range of them—just one example would be the incidence and prevalence of diabetes in our country. We know that people with diabetes incur medical costs that are two to three times higher than costs for those without diabetes. If we were looking at that, tabling it, and finding out what it is—measuring it—we could address it with a much broader strategy then we have now. Basically what we're saying is that by identifying these indicators, by agreeing on what they are, we then track them.

There's a common saying that what gets measured gets managed. We believe that this would benefit our economy and the health and well-being of Canadians.

Mrs. Cathy McLeod: Are you saying that we're not doing that right now? If I look within the provincial focus, perhaps, certainly they can tell you what the diabetic rate is and what the hemoglobin A1c drifting is. How would this be different?

Dr. Barb Mildon: We're asking the federal government to have a vision and a plan for these indicators at the federal level. We believe this would put a national strategy in place that would have effects across the country, whereas now we have a patchwork quilt of indicators and measures.

The Chair: You have 10 seconds, if you want a brief question.

Mrs. Cathy McLeod: No, I think that's good. Thank you so much.

The Chair: Thank you, Ms. McLeod and Ms. Glover.

I want to thank our witnesses for being with us here today.

There has been mention of some additional documents. If you do have anything to submit, please send it to the clerk. The clerk will ensure that all the members get it.

[*Translation*]

Thank you very much for your presentations and for answering our questions.

[*English*]

The meeting is adjourned.

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