HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Finance

FINA • NUMBER 168 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Wednesday, September 26, 2018

Chair

The Honourable Wayne Easter

Standing Committee on Finance

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● (1530)

[*Translation*]

The Vice-Chair (Mr. Peter Julian (New Westminster—Burnaby, NDP)): Good afternoon, everyone. Welcome to this meeting, which is part of the pre-budget consultations. As Mr. Easter, the regular chair, is absent, I will be replacing him over the next hour.

Many witnesses are here. We are hearing from: Morna Ballantyne, Executive Director of Child Care Now; Brendan Marshall, Vice-President of Economic and Northern Affairs of the Mining Association of Canada; Sarah Watts-Rynard, Chief Executive Officer of Polytechnics Canada, who appeared before us last week. We are also hearing from: Michael Gullo, Senior Director of Policy and Public Affairs at the Railway Association of Canada; Victor Wong, a member of that same association's Tax Committee; Ole Hendrickson and David Snider, both directors at the Sierra Club Canada Foundation; Victoria Lennox, Co-Founder and Chief Executive Officer of Startup Canada; and Richard Rémillard, Board Director of that same organization.

Without further ado, we will hear from the first witness.

[*English*]

I would like to pass the mike over to Child Care Now with Morna Ballantyne, Executive Director.

It's good to see you and thank you for coming.

Ms. Morna Ballantyne (Executive Director, Child Care Now): Thank you, Mr. Chair and members of the committee, for this invitation.

Child Care Now, which is also known as the Child Care Advocacy Association of Canada, acts on behalf of a broad range of voices across Canada who want high-quality, affordable, inclusive early learning and child care for families and all children. It's particularly fitting that we appear before you during Canada's first ever Gender Equality Week, which was established through an act of Parliament this year. In promoting this week, the Government of Canada has rightly said that, when we make progress toward gender equality, everyone benefits. We say, backed by mountains of evidence, that we can't make progress toward gender equality without a publicly funded, universally accessible system of early childhood education and child care.

In July 2017, the IMF reported that Canadian female labour force participation lags that of males by 10%, concluding that family policy change, particularly public spending on child care, is essential to realize women's full potential in the workforce.

In March 2018, the same message was echoed by the Governor of the Bank of Canada in a widely reported speech in which he outlined the economic benefits of helping more women, as well as other under-represented groups, to enter the job market. This could expand the labour force by half a million people, raising the country's output by $30 billion, or 1.5% annually. He pointed to affordable, accessible, publicly funded child care as the right tool to achieve this for women.

This year, the House of Commons Standing Committee on the Status of Women released its study of women's economic security and the future of the Canadian economy. Not surprisingly, it, too, identified child care as a first measure to increase women's access to the labour force and increase their economic security.

For decades, a multitude of voices have implored governments for action on child care. Study after study, including that of the Royal Commission on the Status of Women in Canada 50 years ago and this very committee's own report on last year's budget, recommended that the federal government assume leadership.

We applaud the current government for putting child care back in the federal budgets in 2016 and 2017 and for its commitment to long-term annual funding. We congratulate the federal, provincial and territorial governments for reaching a multilateral agreement on child care in 2017, all followed up with three-year bilateral agreements. We particularly welcome the announcement only last week of the agreement between the federal government and indigenous leaders setting a framework to address the urgent child care needs of Canada's indigenous peoples and communities.

However, this progress, while important, is only a beginning. It's not yet as ambitious as it could be, not as far-reaching as it should be and could therefore easily be rolled back. We know from the experience of other countries and the research conducted over many years that child care is essential to economic growth, to women's equality and economic security, and to the positive development of children and the well-being of families.

Not all types of child care will yield these positive and necessary outcomes. To move from Canada's current market approach to child care to a high-quality universal system is an enormous multi-year undertaking by all levels of government, including the indigenous governing structures as equal partners.

The multilateral framework and bilateral agreements now in place set out good principles, but the agreements fail to articulate steps with timelines for putting in place a child care system that can succeed. Also, the federal funding plan is not adequate to support the achievement of these principles.

We therefore ask this committee to recommend the following:

First, we recommend a boost in funding for the provincial and territorial transfers for child care. The current annual commitments do not ramp up enough each year to allow for the building of a high-quality, affordable child care system. We recommend instead an annual allocation of $1 billion for child care, starting in 2019 and adding an additional $1 billion each year that follows until annual spending reaches the international minimum benchmark of 1% of GDP.

Second, we recommend an implementation plan developed by governments and indigenous organizations with input from the child care sector and others to operationalize the principles and intentions set out in the multilateral framework agreement.

● (1535)

Third, we recommend the development and implementation of a Canada-wide system-building strategy, again, one that's developed by the provinces, territories, indigenous organizations, and the Government of Canada, with the full input from the child care sector and communities. This strategy must include funding to develop and support an early childhood education workforce strategy, funding to create the infrastructure needed to develop public and not-for-profit child care services across Canada and the reinstatement of funding to rebuild the child care sector's infrastructure, including child care organizations. We appreciate that a fourth system-building element, funds for a day care and child care data strategy have already been allocated.

Thank you very much.

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very much, Ms. Ballantyne.

[*English*]

Next we go to Mr. Marshall from the Mining Association of Canada. You have five minutes.

Mr. Brendan Marshall (Vice-President, Economic and Northern Affairs, Mining Association of Canada): Thank you for the opportunity to participate in this consultation process.

I'm Brendan Marshall, vice-president, economic and northern affairs at the Mining Association of Canada. MAC is the national voice of Canada's mining and mineral-processing industry, representing more than 40 members engaged in exploration, mining, smelting and semi-fabrication across a host of commodities.

Mining contributes 3.4% of Canada's GDP annually, employs just under 600,000 workers, and accounted for 19% of Canada's total overall export value in 2016. Proportionally, mining is the leading heavy-industry employer of indigenous peoples. Canada leads global mining finance with the majority of the world's public mining companies listed on the TSX.

In some respects, the government has contributed positively in recent years with policy developments and investments supporting the growth of Canada's mining sector, including in exploration, via the extension of the mineral exploration tax credit, though we support PDAC in advocating that this be renewed on a three-year rolling basis, and in northern infrastructure through road investments in the Yukon and the NWT.

In other respects, however, domestic legislative and regulatory processes with implications for project permitting and costs persist, while recent supply chain failures have damaged Canada' s reputation as a reliable trade partner. Internationally, these challenges are amplified by an increasingly unpredictable trade relationship with the U.S., whose comprehensive tax reform has significantly enhanced that jurisdiction's investment competitiveness over Canada's.

Since 2014, according to NRCan, total projected investment into Canada's mining industry has dropped more than 50% from $160 billion to $72 billion. Immediate action by government to quell increasing investment leakage and minimize the impacts of projected low-growth scenarios is needed.

Canada's mining tax regime has been falling behind international competitors for years. Budgets 2012 and 2013 reduced or eliminated several direct and indirect mining-related tax credits in areas such as dividend withholding tax and corporate restructuring rules. Other jurisdictions have amended their fiscal regimes to better attract foreign direct investment, while Canada has not. Most recently, the Tax Cuts and Jobs Act reforms have significantly reduced Canada's mining tax competitiveness vis-à-vis the U.S. As a result, the same mine in the United States now has an approximate 40% to 50% reduction in the effective tax rate compared to Canada.

Action is required to reduce Canada's waning international mining tax competitiveness. Specifically, government should consider the following:

One, it should consider reversing, reinstating and enhancing mining tax reforms from budgets 2012 and 2013, including augmenting the ACCA to include zero declining balance to match the U.S.

Two, it should consider phasing out dividend withholding tax. Canada stands out as the only rich country that taxes all dividends paid to foreigners. Other countries' rates are 0%, such as in the U.K., or they have rules that relax or exempt from this tax, such as in Australia, Canada's primary competitor for mineral investment.

Three, it should consider enabling corporate reorganization performed by Canadian or foreign groups to be tax-free. Canada taxes 50% of capital gains realized by corporations reorganizing their businesses to concentrate on value generation, while in the U. K., for example, capital gains tax is 0% if basic criteria are met.

Four, it should consider modernizing the tax treatment of QETs, qualified environmental trusts, by extending the carry-back period from three to seven years, allowing reclamation to be deducted at the consolidated level when incurred, regardless of which mine is being reclaimed, and by making QETs tax exempt until the distribution of funds.

Five, it should consider ensuring the deductibility of mining tax payable regardless of the year in which it is paid. MAC has worked constructively with Finance and CRA officials on a solution to our challenge, which they accepted, but we continue to wait for its implementation after almost three years of engagement, and are still without a firm commitment on a timeline.

These policies and the inability to implement solutions in a timely manner are reducing the attractiveness of Canadian investment projects, increasing financing costs and administrative burdens and putting Canadian firms at a disadvantage relative to their competitors.

Infrastructure investment decisions that recognize northern challenges and opportunities through the trade and transportation corridors initiative and the investing in Canada plan have been welcomed, though the need is greater than the funds allocated. MAC is aware the northern allocation of $400 million under the TTCI was oversubscribed by greater than five times. Also concerning is that the Canada Infrastructure Bank may not recognize remote and northern challenges, potentially limiting the utility of this institution to address northern priorities.

Enabling additional mining development in remote and northern Canada is inextricably linked to the government's indigenous reconciliation and climate change agendas. The government should renew the TTCI, including the $400-million allocation to northern Canada, and recognize the unique challenges of remote and northern regions through a dedicated northern fund in the Canada Infrastructure Bank.

My final point is with respect to accelerating indigenous inclusion in mining.

● (1540)

The mining industry is the largest employer of indigenous Canadians on a proportional basis. Since 1974, more than 375 voluntary company-community agreements have been signed detailing shared benefits in resource development, including direct and indirect benefits such as procurement. For example, the oil sands spend with 399 indigenous businesses exceeded $3.3 billion in 2016 alone.

To strengthen and enhance indigenous participation in mining, governments should increase funding for skills training and entrepreneurship to assist indigenous peoples in securing opportunities generated by the industry. They should establish and improve mechanisms through which governments share a portion of the revenues generated from royalties, mining taxes, and/or fees in their jurisdiction. Finally, they should strategically deploy government procurement as a tool to drive indigenous economic reconciliation.

Thank you for your consideration. I would be happy to take any questions.

● (1545)

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very much, Mr. Marshall.

[*English*]

Now we are going to Polytechnics Canada and Ms. Watts-Rynard.

Ms. Sarah Watts-Rynard (Chief Executive Officer, Polytechnics Canada): Thank you, Mr. Chairman and committee members, for inviting me today.

The committee's focus to create and identify levers for growth in a turbulent economic landscape is well-chosen. The Canadian economy is undergoing significant change and government must be proactive, particularly given how these forces stand to affect both industry and individuals.

Change factors topmost on our minds at Polytechnics Canada are technology, including artificial intelligence and automation; the reality of an aging workforce and new skill requirements; and the impact of trade on global supply chains. All require Canadians to have the skills and knowledge to compete in a complex and evolving landscape. All call for continued investment in human capital and Canadian business.

Investing in human capital will ensure that Canadians have the right skills to succeed in a digital economy. As jobs are created and transformed, our primary goal should be to ensure that Canadians are well-prepared. Similarly, investing in Canadian businesses ensures that they have access to the latest technologies, top talent and international markets, enhancing their ability to innovate, commercialize, grow and be globally competitive.

Canada's polytechnics play a differentiated role in our post-secondary education landscape. They're industry responsive and flexible, delivering demand-driven applied education that transforms to suit the needs of their industry partners. As innovation intermediaries they supply the technology and the talent to help firms get their ideas up and running and their products to market.

Polytechnics develop next-generation talent in collaboration with business, placing them at the nexus of Canada's changing economy. Learners attending our institutions gain practical credentials that are valued by industry, but they also build real-world connections with the people who will hire them. Equally important, given the speed of change, polytechnics are delivering training to individuals who find themselves in transition by offering opportunity for upskilling and reskilling, again, focused on the practical, recognizing existing skills and filling in gaps.

Canada has committed to inclusive growth, but we realize that this requires an equally inclusive vision for talent. The new economy will require technicians, technologists and skilled tradespeople to the same degree as Ph.D.s and engineers. With this in mind, let me outline a few of the specific actions that we're proposing as a part of this pre-budget consultation.

In budget 2018, the government made a multi-year investment in the college and community innovation program, the only federal program that supports applied research ecologists. Applied research capacity allows local businesses to partner with expert instructors, project managers and students who can help address their R and D needs.

We recommend a new $40-million envelope dedicated to the colleges to deliver industry-driven applied research. Predictable and sustainable overhead funding will allow the polytechnics to hire and train permanent staff to undertake business development, knowledge mobilization and implementation support. This funding will do more than keep the lights on. The very firms in Canada's race for global competitiveness are the ones that are seeking innovation solutions from colleges and polytechnics. Predictable support will minimize the delay on new projects, increase collaboration and ensure access to critical databases and cutting-edge facilities. In short, it supports the capacity to deliver on the research investments that were made in budget 2018.

We have also proposed a number of workforce development solutions, including the need to build out better skills data. The transformation of jobs makes it critical to understand the skills needed today and develop a forward-focused vision for tomorrow. By surveying employers using common terminology and definitions, we can help young people and their parents navigate through the post-secondary programs where there will be labour market demand. This also helps institutions to craft industry-responsive curricula and employers to make connections between their specific needs and the graduates who will fill them.

● (1550)

Further, Polytechnics Canada recognizes the importance of work-integrated learning to successful school-to-work transitions and would suggest that colleges and polytechnics excel at providing these hands-on opportunities for students. Work-integrated learning is taking place in the form of co-ops, internships, capstone projects, applied research and apprenticeship training, just to name a few. As a result, we're pleased to support stronger and smarter federal investments in this area.

Again, thank you for having me here today. Focusing our efforts on creating growth in an evolving economy is a critical challenge, and I'm confident that Canada's polytechnics are a key player in addressing it.

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very much, Ms. Watts-Rynard.

[*English*]

We'll now go to Mr. Gullo and Mr. Wong from the Railway Association of Canada.

Mr. Michael Gullo (Senior Director, Policy and Public Affairs, Railway Association of Canada): Thank you. I'm pleased to be here on behalf of the Railway Association of Canada. I'm joined today by Victor Wong, a member of the RAC's tax committee and assistant vice-president of taxation at Canadian Pacific.

Canada's freight railway network consists of two Canadian-owned and -operated class I railways, and more than 50 local and regional railways. Railways move approximately 200 billion dollars' worth of Canadian-originated goods each year, which account for 50% of the country's goods destined for export and 70% of all intercity freight traffic. In addition to the movement of goods, nearly 85 million people use railways to travel to and from work or for leisure, reducing emissions, congestion and wear and tear on Canada's roads and highways.

Prior to providing an overview of our key recommendations, I want to take a moment to highlight the critical role that Canada's railways play in supporting trade. Without railways, Canadian industries would be challenged to compete in the global economy as they fully do today. Conversely, railways depend on trade as a principal driver to create a demand that necessitates their services. In fact, 65% of all railway revenues are derived from trade-related traffic, of which the majority of these revenues flow between Canada and the United States.

Railways support trade through their unwavering commitment to invest significant levels of capital back into their network each year. Currently, class I railways invest more than 50% of their net income, or 18% of their revenues, back into their capital, which unlocks the trade potential of Canadian industry. Since 1994, Canadian-owned railways have invested nearly $50 billion to establish a tri-coastal continental railway network that is fully integrated into a North American supply chain required to facilitate the trade of raw materials, industry products and consumer goods. In 2018, the industry is expected to invest more than $5 billion, an industry record.

Capital investments are critical for replacing and enhancing track infrastructure and for the renewal of rail, ties, ballast, signals and bridges. They also fund strategic initiatives to enhance rail capacity through newer extended sidings, high-clearance tunnels, the continued implementation of centralized traffic control, and the development of inland ports across the railway network. Simply put, these investments allow railways to grow in concert with customer demands and ensure that their operations remain safe.

Our recommendations for the 2019 federal budget aim to encourage competitiveness by addressing several barriers to investment for our members. First, U.S. tax reform has introduced significant changes, resulting in a lower federal tax rate, the introduction of the BEAT minimum tax on transactions between U.S. taxpayers and foreign-related parties, and 100% tax depreciation or writeoff on capital expenditures, all of which is either a catalyst for growth of the U.S. economy or a protection of the U.S. tax base.

Of greatest interest to Canadian railways is to have the same ability as U.S. railways to fully depreciate or write off its capital expenditures in the year of spend. This ability would provide significant after-tax dollars for all railways in Canada to reinvest back into the Canadian economy through increased employment and purchasing power of both products and services.

In light of these measures and to ensure that the Canadian economy can continue to benefit from a competitive and resilient railway network, RAC recommends that the government allow railways to deduct the full amount of capital expenditures immediately; that is, allow full depreciation in the year of acquisition for new and used capital expenditures, such as rolling stock like railcars and locomotives, track infrastructure and work equipment. This would be a fundamental shift from our current depreciation system for railway track assets, which requires more than 20 years before 90% of the capital can be written off.

I would like to take the opportunity to highlight the importance of short-line railways to Canada's rail-based supply chain. Short-line railways are privately owned companies that play an integral first-mile/last-mile function to customers in rural and remote locations. Their business model allows them to link Canadian customers to the services provided by CN and CP. However, they are constrained by their limited ability to borrow against their capital and generate the revenues that allow them to compete against their principal competitor: a subsidized trucking sector.

While Canadian class I railways can invest substantive amounts of capital back into their networks each year, short-line railways are not able to match similar levels of investment. To date, neither the new building Canada plan nor the national trade corridors fund have been a significant source of funding for short-lines. In comparison, U.S. short-lines have the advantage of accessing a variety of innovative federal funding programs that include grants, low-interest loans and tax credits.

As a means to improving the competitiveness of short-line railways, RAC recommends that the government create a capital funding program of $365 million over six years, effective in 2019. This program would support short-line infrastructure investment and reduce the costs associated with federal regulatory requirements for railways. This program should leverage private sector investments.

In addition, the RAC strongly encourages the government to support the Huron Central Railway, a short-line that provides a critical rail service for customers from Sault Ste. Marie to Sudbury and requires immediate support to continue operations beyond 2018. This railway forecasts that a federal-provincial contribution of $42 million is required over a five-year period to maintain the line in operation.

● (1555)

In addition, the railway itself has committed to investing more than $4.6 million in the railway. RAC recommends that budget 2019 leverage private sector investment and include a federal contribution to maintain the HCR operations beyond 2018.

Finally, earlier this year, VIA Rail took a substantive step forward in its efforts to ensure that Canadians benefit from travelling in a passenger rail fleet that is efficient, safe, accessible and affordable. Budget 2018 provided funds to replace VIA's aging fleet in the Quebec City-Windsor corridor, and included $8 million for Transport Canada to undertake more work to advance VIA's proposed high-frequency rail project.

To build on the success of government support to date, the RAC recommends that the government empower VIA Rail to leverage the investments in fleet renewal to allow the railway to secure an additional $4 billion from financial markets for the HFR project.

Thank you for the opportunity to appear.

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very much, Mr. Gullo.

[*English*]

Now we'll go to Mr. Hendrickson and Mr. Snider from the Sierra Club Canada Foundation.

Mr. David Snider (Director, Sierra Club Canada Foundation): Mr. Chair, I'd like to thank the committee for inviting Sierra Club Canada Foundation to present today.

My name is David Snider. I sit on the board of directors of the Sierra Club Canada Foundation, and I have served as president and vice-president, in that order. With me today is Dr. Ole Hendrickson, who recently joined our board of directors.

Sierra Club Canada Foundation is a national environmental organization with a grassroots mandate: empowering people in their communities to tackle issues that affect the environment, with an aim of protecting, restoring and enjoying a safe and healthy planet.

We are members of the Green Budget Coalition and are proud to support their budget 2019 recommendations.

We have three recommendations that we wish to highlight for budget 2019 which we feel are important to achieving a sustainable economy, protecting wildlife and stabilizing our climate.

Recommendation one is to support a national wildlife collision reporting system and mitigation strategy. The consequences of wildlife-vehicle collisions include significant socio-economic, traffic safety, health and environment costs, including impacts on endangered species.

There is no doubt that collisions with wildlife across Canada are on the rise. Wildlife-vehicle collisions are a serious burden to our society, costing an estimated $200 million per year in Alberta alone in direct and indirect costs, according to an Alberta transportation study in 2015. A study commissioned in 2003 by Transport Canada recommended that a national collision data system was needed then, and that was 15 years ago.

The collision data is needed to plan mitigation measures and habitat connectivity. The federal government has shown some leadership on this issue with its work on wildlife crossings in Banff National Park. Provinces, including Alberta, B.C. and Quebec, are working on this issue. Alberta implemented a smart phone-based system for collecting wildlife collision data. The Sierra Club Canada Foundation has a program, Watch for Wildlife, in Nova Scotia and New Brunswick.

We're asking the federal government to work with the provinces and territories and environmental groups to develop and implement this strategy. We recommend that the government earmark a modest $1.5 million in budget 2019 to develop and implement a national wildlife collision reporting system and mitigation strategy with a national wildlife collision data collection system that will provide the data needed to plan collision mitigation infrastructure and create habitat connectivity plans.

Recommendation two is to continue and strengthen efforts to combat climate change by putting a price on pollution. Ottawa-Gatineau and the surrounding region was struck by six tornadoes last week. Western Canada was swathed in smoke from forest fires over the summer. Last spring, New Brunswickers endured record-breaking floods. The international scientific consensus is that these impacts are only going to worsen as global greenhouse gas emissions rise.

The carbon tax is a much-needed step, as it puts a price on pollution that is affecting all of us, and it will help steer our economy in the direction that it needs to go to shift away from fossil fuels. Economists agree that it's one of the most efficient ways of creating a shift away from fossil fuels.

Recommendation three is to identify and phase out inefficient fossil fuel subsidies, saving hundreds of millions to billions of dollars. Subsidizing the fossil fuel industry makes it harder for us to make the much-needed switch to an economy based on renewable energy and energy efficiency.

In 2016 as part of the G20, Canada agreed to phase out fossil fuel subsidies. The current government committed to phase them out as part of its election platform. Canada's Auditor General examined these subsidies in 2017 and recommended greater assessment to identify all the subsidies in place. He also found that there was no plan for phasing out subsidies.

A recent estimate put our subsidies to the fossil fuel industry in the hundreds of millions of dollars. Although clearly more work is needed to identify and quantify all subsidies, we commend the government for committing to conduct a peer review of these subsidies in 2017 following a voluntary G20 process. However, there are identified subsidies that could be phased out in budget 2019.

The purchase of the Trans Mountain pipeline represents a giant step in the wrong direction with regard to our commitment to eliminate subsidies and tackle climate change. As you know, the cost of this decision could balloon from $4.5 billion to $11 billion. We are against this purchase, but if it proceeds, we call for complete transparency so that the government's investment does not become yet another subsidy by virtue of selling this infrastructure at a reduced cost in the future.

The expansion of the pipeline should not happen because that will make the emissions go beyond what Canada's climate commitments allow.

Thank you for having Sierra Club Canada Foundation here today to present its recommendations.

● (1600)

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very, Mr. Snider.

[*English*]

Last, but not least, we have Ms. Lennox and Mr. Rémillard from Startup Canada.

[*Translation*]

Mr. Richard Rémillard (Board Director, Startup Canada): Thank you very much, Mr. Chair.

Good afternoon, ladies and gentlemen.

On behalf of Startup Canada and its board of directors, it is a pleasure to be here for the pre-budget consultations with my colleague Victoria Lennox, CEO and co-founder of Startup Canada.

[*English*]

Startup Canada, for those who may not know us, is the sole national not-for-profit in Canada dedicated to promoting entrepreneurialism, period, full stop. We pursue our mandate through a variety of means, including our very robust digital presence, with boots on the ground in 50 local communities from B.C.

[*Translation*]

to Quebec and the Atlantic provinces,

[*English*]

and seminal research into the challenges and opportunities facing entrepreneurs today. I'm going to get right to the point and the point is simple. We're proposing that budget 2019 include an allocation of $3 million over three years to Startup Canada to improve entrepreneurs' rapid adoption of everything digital. Furthermore, Startup Canada will commit to securing dollar-for-dollar matching funding for this initiative from the private sector, which brings the total capital

[*Translation*]

to $6 million over three years.

[*English*]

This funding will enable us to make a sustained—not one time and not one shot, but sustained—initiative to meet the real pressing needs of Canadian SMEs.

As I said, we conduct our own research and in 2017, we surveyed more than 400 small business owners. That survey concretely and conclusively showed that Canadian start-ups and scale-ups are facing several gaps that are hindering their ability to compete in today's very tough world. Twenty-nine per cent of small business owners surveyed don't believe that their current workforce has the right digital skills to grow their companies. This is the largest challenge facing Canadian small and medium-sized enterprises today. It's particularly acute in five big areas: digital marketing, social media, data analytics, programming and web development and design.

Furthermore, roughly half of small business owners stress the importance of taking part in digital training and professional development workshops. As such, our research dovetails with that of Business Development Canada, which earlier this week noted that a survey of its own recently showed that digital technology adoption remains quite low among small business with less than a quarter of small businesses having fewer than 20 employees currently using e-commerce platforms. Less than a quarter—wow. In BDC's own words, quoting from it's press release of a few days ago, “Canada's SMEs have to digitize now.”

These additional public and private sector resources will enable Startup Canada to significantly build up and build out its current suite of offerings and reach a much larger number of entrepreneurs than we can at present. It will enable us to make a measurable, significant reduction in the digital skills gap that's holding back our entrepreneurs.

We believe that the Government of Canada has already identified digital literacy as an area that needs to be addressed. We are honoured and pleased to have been able to participate in the consultation process launched by ISED Minister Bains on this matter.

Why us? Are we right? Even if the job has to be done, are we the right people to do it? I think we are. First, we have acknowledged expertise in the digital space. The Minister for Small Business and Export Promotion, Minister Ng, wrote on Twitter in mid-July that while being the number one digital presence in Canada for entrepreneurs, Startup Canada is doing some great work to bring more people into the fold. Our position employs the support of key stakeholders in the entrepreneurial ecosystem, more than 25, and that includes EDC, Export Development Canada, the Canada Learning Code, Mitacs, etc. I'd be happy to give you a list of those that my colleague Victoria has handy.

● (1605)

To date, in 2018, we have hosted over 150 practical entrepreneur-led digital training sessions that are pulling in a thousand new entrepreneurs every month. Our digital programs, five in all, support 35,000 entrepreneurs every year. To do this, we work closely with 75 major public and private sector partners. I've already mentioned BDC and EDC. It also includes Amazon, Google, Microsoft, Bank of Montreal, etc. We can do a lot more with the appropriate resources.

Thank you for your time.

[*Translation*]

The Vice-Chair (Mr. Peter Julian): I thank all the witnesses. Your presentations have been very insightful. I am sure that they will lead to many questions.

We will now move on to the question and answer period, in which all the parties will participate. We will begin with the Liberal members.

Mr. Fragiskatos, you have seven minutes.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you.

[*English*]

Thank you very much to all of you for presenting today.

My first question will go to Mr. Snider.

I noted, sir, that you talked about putting a price on pollution. You spoke about it from an economic lens. I promise you that I'm not fishing here, but I wonder what you would say to those who say that putting a price on pollution would have a detrimental impact on the economy. There has been some debate on this, but even conservative commentators, Preston Manning and others, for example, have come around to the view that putting a price on pollution is necessary to combat the effects of climate change. Also, it can actually produce a net benefit for the economy.

What do you think about the whole debate?

Mr. David Snider: The experience from jurisdictions that have implemented carbon prices shows the policy does reduce emissions. B.C. saw per capita fuel use covered by the tax dropping 16% by 2014, relative to 2008. It works by sending market signals that guide both consumption choices and long-term investment decisions towards low-carbon alternatives; and it gives the province the opportunity to invest the revenues into green energy programs, renewable energy projects and programs to reduce the consumption of energy. There's also the option of providing rebates, particularly to lower income people who might be unduly impacted by it. On the whole, from studies in about 40 countries and 20 subnational regions, things are going very well.

● (1610)

Mr. Peter Fragiskatos: Thank you for that evidence.

I want to put a question to the Mining Association and to the Railway Association.

I'm from London, Ontario, so I don't have mines. I have a rail line that certainly passes through. We have VIA in the community.

It's a constant for members of Parliament, I think, to hear that there is a need for skilled people. There are jobs that need to be filled and they can't be filled because young people have not been encouraged to take to the trades.

To the mining folks and to the Railway Association, is this something that is impacting your industry in a dramatic way right now? Where do you stand on that?

Mr. Brendan Marshall: Thanks for the question.

We have a Mining Industry Human Resources Council that does annual forecasts for the subsequent 10 years to give industry important data about the number of new employees that we're going to need to meet demand for the production of the Canadian mining industry. This government funds that organization and we're grateful for that funding.

We think there's a real opportunity particularly to increase indigenous participation in the industry through targeted training programs. Mining has a natural relationship with indigenous communities largely because many mines are located in remote and northern areas. To your point about concerns over addressing the human resources gap, yes, we're aware of that. We do a lot of work in that area and we think there's opportunity for progress to be made, particularly with indigenous communities.

Mr. Peter Fragiskatos: Mr. Gullo, could you speak to labour shortages and rail?

Mr. Michael Gullo: I'll be very brief.

The gap for us is a lot narrower than other sectors. There are established programs in place with community colleges where we're constantly recruiting and finding a new workforce. Of course, we're coupled with the challenges that many sectors of the economy are in attrition and turnover, but our rate to replenish is fairly solid. When people join the railway workforce, they're usually there for the long haul.

Mr. Peter Fragiskatos: Thank you.

It pivots well to the questions I want to put to Polytechnics Canada.

We talk about apprenticeships. As you know, in 2018, there was the pre-apprenticeship program which encouraged under-represented groups—indigenous peoples, for example, women, newcomers, individuals living with disabilities—to take to the trades. There was the apprenticeship incentive grant for women. Over $50 million was committed in that budget to those initiatives. I noted, though, that you mentioned a $40-million envelope that would go to community colleges.

Can you go into a little more detail about how exactly that money would be used and why it's needed at this time?

Ms. Sarah Watts-Rynard: Sure.

I think that perhaps it gets away a little from the question around some of the apprenticeship training, because that funding envelope is being proposed to cover overhead and the continuing ability of the colleges to provide applied research support to business.

Then it is the matter of businesses coming into the polytechnic institutions and asking for support when it comes to commercialization, taking products to market, tech adoption, really thinking about some of their R and D challenges as small and medium-sized businesses that they might not be able to undertake on their own.

These applied research offices operate on a grant system. It comes out of NSERC and the college and community innovation program. They don't have access to ongoing funds to keep staff employed and to ensure they're doing the business development and knowledge mobilization work.

Mr. Peter Fragiskatos: I have one minute left, and I've left until the end probably the most seminal question when it comes to the trades, but I'm going to ask it anyway.

What else can the federal government do? How can we work in partnership with you and others to promote the idea among young people that the trades offer a path worth pursuing, a bright career?

The perception around the trades unfortunately has been quite the opposite. I wonder if you can speak to that. I think we really need to champion the trades and make it clear to young people that this is a worthwhile endeavour career-wise.

Ms. Sarah Watts-Rynard: While I think that the answer is probably more complex than this, I would start with a lot more career awareness work that tells young people about what those career opportunities look like. There's some really fantastic research that has recently been done out of George Brown College around what tradespeople see in terms of their long-term career options.

You'd find that tradespeople are some of the most satisfied, happiest workers in the country. They believe the reason there aren't people lining up to do their jobs is that they can't. It's not because they've chosen it. They've said that university is the preferred option. They simply believe that the work they do, the problem solving, the dynamic nature of their work, the hands-on application of those skills, is too complicated for people who have more academic....

If we told people that and we talked about the technology that was in the trades, I have a feeling we'd have a lot more kids lining up to do those jobs.

● (1615)

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very much.

I will now give the floor to Mr. Anderson, from the Conservative Party.

[*English*]

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Thank you, Mr. Chair.

Thank you to our witnesses for being here today.

I want to follow up a bit with Polytechnics on I think what Peter was asking. You mentioned there needs to be an opportunity for upskilling and reskilling. I think we all understand that.

Do you have any contact with the government about initiatives to try to close that link between polytechnics and universities, so people can upskill or reskill? Is there any consistency across Canada in this area?

The reason I ask is that I'm from Saskatchewan, and it seems to me that we have small enough numbers of people that it's something we could really do well.

Are there any initiatives to do that, recognizing that education can be just as silo oriented as government? I'm wondering about that.

Ms. Sarah Watts-Rynard: Something we have to consider is that colleges and polytechnics are ideally positioned to deal with market disruption. With the changing nature of work and the changing skills that are required, we have to think about short-term, quick turnaround, industry-responsive training. The government's involvement in that is minimal.

I would say that the polytechnics are really good at working with industry, are very, very industry responsive in terms of the programs they're putting together, either for specific businesses or within a sector that is dealing with a change—upskilling, technology adoption. We see that they're ideally positioned to deal with that issue.

Mr. David Anderson: There are some places where people can take a technical degree and then go on to university and get some credit for that.

Are academic institutions generally receptive to that, or is that another one of those areas where the connection is not made?

Ms. Sarah Watts-Rynard: We're seeing more and more that within the college and polytechnic sector, there is a desire to look at where previous training has been done and move them forward. We see some of these institutions even taking people who have done an apprenticeship and become journey persons, and putting them into advanced standing in applied degree programs or in business programs because they'll become entrepreneurs.

Equally, thinking about university graduates who are perhaps facing disruption within their own sectors, I think these are the institutions to ask what they already have, what they need, and to get them that and turn them back into the workforce, rather than saying they have to start all over and do a four-year degree from scratch.

Mr. David Anderson: Thank you for that.

Madam Ballantyne, I think your request was for $1 billion in funding in 2019 and an additional $1 billion each year until we reach 1% of GDP. What is that number and how many years would it take to reach that? You're suggesting $1 billion, and $1 billion more each year, until you reach what number annually?

Ms. Morna Ballantyne: To a great extent, it would depend on the GDP. Right now we're at 0.04%, so we have a long way to go to reach the benchmark. We think that we could get there with both federal and provincial support. We're not relying only on federal spending to reach the 1%, but also provincial and territorial investments. We think it's probably a 10-year plan.

Mr. David Anderson: What would that number be now? Would it be $10 billion?

Ms. Morna Ballantyne: The 11-year plan that was announced by the federal government in 2017.... Right now we're at $540 million. The problem is that it doesn't ramp up. It will ramp up more, according to the plan, in the last five years. Even then, we only get to just under $900 million by the end of the 11 years.

To give you perspective, in 2005 the then Liberal government announced a child care plan and spending; it proposed just over $1 billion a year. That's back in 2005, in 2005 dollars.

We think it's doable because it was on the agenda more than 10 years ago. The longer we wait, the more catching up we'll have to do.

● (1620)

Mr. David Anderson: Thank you.

I have a question for the Railway Association.

One of the things that's been in the news lately is the Churchill railway line. Are you aware of any proposal that has come forward that the government should support that proposal?

Mr. Michael Gullo: No, there are none specific to the railway. There are two recommendations that are strongly correlated.

The first is our recommendation of around having 100% right off in the first year of spending to facilitate greater investment in the infrastructure issues and challenges that would make a rail line more efficient and ultimately more safe.

The second recommendation we have built into our proposal is around support for short-line railways. That line is short-line railway. That's precisely the type of company we're referring to, which our program would be beneficial to create.

We've been advocating for the development of a program for years. It was part of our policy positioning in the Canada Transportation Act review. David Emerson wrote recommendations on this particular issue—that there was a need for a program. We're echoing that here. Really, that's a program that will provide assistance for the annual year-over-year spending for capital expenditures associated with infrastructure.

Mr. David Anderson: Are you talking about rolling stock or are you talking about help with tracks, lines and crossings?

Mr. Michael Gullo: We're referring to both infrastructure and rolling stock.

Mr. David Anderson: What would be the main criteria to qualify for that? What would you be focusing on?

Mr. Michael Gullo: There are several models to consider. I would be pleased to share information about those models to the clerk and to the committee.

In this context, we're referring to a program where a company has to demonstrate that it's willing to make an investment in order to have some sort of investment matching. Some of the formulas that are worth considering are on a per track mile basis, where you can set a floor and a ceiling in terms of what those matching requirements have to be for both parties.

There are some models and that's the type of thing we have in mind.

Mr. David Anderson: I think I'm running out of time here fairly quickly.

I have a question for the Sierra Club.

I'm from a rural area. One of the issues in rural areas now is the growing distrust of environmental organizations and particularly environmental bureaucrats. In my area we have a federal pasture that was turned over from Agriculture Canada to Environment Canada. There was a project where the local community was going to have a major say in how money was spent. Research that was done—

The Vice-Chair (Mr. Peter Julian): Mr. Anderson, please ask your question. Time's up.

Mr. David Anderson: Do you have any programs or are you encouraging the government to work positively with rural communities? I understand you're mainly urban-based, but do you have anything specifically where you're asking the government for help to work with rural communities that now want to work on environmental issues but feel that the government is not always on their side?

Mr. David Snider: We don't have a specific program, but we certainly would encourage local people to organize and reach out to us. That's the benefit of a grassroots organization. It's that we can provide assistance for them to strategize on how best to work collaboratively with all organizations and all levels of government to find a reasonable solution.

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very much.

Since I am chairing this meeting, if there is no objection, I would like to share my time with Mr. Dusseault, as usual.

Mr. Dusseault, you have seven minutes.

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Thank you.

Although I am a regular member of the Standing Committee on Finance, I am happy to be here with you.

I thank the witnesses for joining us.

I will begin quickly to cover as many topics as possible, starting with daycares.

I went over the committee's report that was published last year as part of pre-budget consultations. Recommendation 26 was to fund the development and administration of an early learning and child care plan. It is clear that the issue has not made any progress over the past year. The report consisted of 92 recommendations. I don't want to be a pessimist, but at first glance, the government has followed up on very few of them.

Ms. Ballantyne, in the report the committee will submit in advance of the 2019 budget, should we call for an affordable and accessible universal plan? Do you think we should take things further, as the government has not done anything since last year?

• (1625)

[*English*]

Ms. Morna Ballantyne: Yes, it would be an excellent recommendation if the objective of the committee is to come up with recommendations that would contribute to economic growth, to gender equality and to the well-being of families and particularly of young children under the age of six who are lacking in adequate services. It's not enough to just recommend broad objectives, though. We need recommendations specifically around money. The Liberal government has to recognize and act on the fact that the funding commitments at this point, although welcome—because we went for many years without any funding commitments at the federal level—are simply inadequate to be able to actually build the system we need.

I wouldn't agree with you entirely that nothing has happened in the last year. There have been developments, particularly at the provincial and territorial levels. Some have been good. Some have not been so good. We've had some recent provincial elections, and one in particular might result in major rollbacks on some of the improvements we saw in the last 12 months.

What we need through the federal budget is a more robust commitment of funding, but also with some conditions attached to that funding. We also need timetables and a requirement that measures be taken so we can actually see change that really becomes entrenched. Right now we're just getting patches to a very broken market-based system, and what we really need is a very different kind of approach and system to child care.

Because we have so many witnesses from important sectors of the economy, I want to suggest that that kind of investment will deal with labour force challenges across the economy, across the sector and across the country. You're not going to see great changes in the participation of women in sectors of the economy where they continue to be largely excluded unless there is a firm policy in support of child care and other family supports. It's just not going to happen.

[*Translation*]

Mr. Pierre-Luc Dusseault: Thank you for that very complete answer.

In my area, there is a railway project between Sherbrooke and Montreal. That regional railway needs an upgrade in order to have passenger trains, as safety measures are different for passenger trains.

Could the regional railway funding program you talked about apply in that case? Would it make it possible to make upgrades, so that trains could go faster, and thereby increase safety on regional railways?

[*English*]

Mr. Michael Gullo: I wouldn't want to exclude them from the proposal that we put in front. The principal focus of the recommendation is short-line freight railways.

That being said, there are short-line railways, some in Quebec, that have a split service model whereby they're providing both passenger and freight services. I don't see why the subject railway that we're referring to wouldn't be able to apply to a program like this and benefit in terms of providing the investments for the infrastructure and also bringing the passenger carrier piece on board. It would be completely reasonable.

[*Translation*]

Mr. Pierre-Luc Dusseault: Exactly. The project is intended to split the railway between freight services and passenger services.

I will switch to a completely different topic and turn to the Sierra Club Canada Foundation representatives.

I will rely on your experience and your brief. Is the purchase of a $4.5-billion pipeline from an American oil company in Texas the biggest subsidy you have seen? That $4.5 billion is going directly into the pockets of shareholders who met for about an hour and accepted the Government of Canada's offer. That is our collective money.

• (1630)

Mr. David Snider: I don't have information on all the subsidies that have been provided over the years, but I think this is one of the largest ones.

Mr. Pierre-Luc Dusseault: That's also what I think.

You talked about the G20 strategy to phase out subsidies to oil companies. Can you rank Canada among the G20 countries in terms of that objective? Is Canada the only country to take a step back rather than forward in that area?

Mr. David Snider: Canada is a bit behind the other countries in that respect. A lot of work will need to be done to improve the situation. There are subsidies such as

[*English*]

the accelerated capital cost allowance for liquefied natural gas projects, Canadian development expense claims and Canadian exploration expense claims, including unsuccessful exploration. There are remaining flowthrough share deductions for the oil and gas sector, Canadian oil and gas project expense claims and foreign resource expense claims.

Those are the ones that have been identified. Then there are the more subtle ones that perhaps don't jump right off the page at you, so there's still work to be done.

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very much, Mr. Dusseault, from the New Democratic Party.

I now give the floor to Mr. McLeod, from the Liberal Party.

[*English*]

Mr. Michael McLeod (Northwest Territories, Lib.): Thank you, Mr. Chair.

My question is for Brendan Marshall from the Mining Association of Canada.

First of all, thank you for dedicating so much of your submission to improving opportunities in the north. I think many of us know that in order to improve the economy in the north and to make our economy competitive, our communities and our businesses need access to reliable all-season transportation infrastructure. We also need cost-effective energy solutions to get off diesel.

Given our geography, could you speak to the importance of expanding federal support for northern projects of all sizes to address this infrastructure gap?

Mr. Brendan Marshall: Yes, absolutely.

MAC recently was working with CanNor to identify how many projects are in the northern projects management office pipeline and what their remoteness is. If I remember the numbers correctly, I believe that 13 of the 22 projects listed in that registry were without access to an all-season road. Some of those expansion projects are mines that are currently operating at significantly higher costs and will have shorter mine lives because they don't have access to the infrastructure that you mention.

Infrastructure is critical in the north for a couple of reasons. MAC did a study in partnership with other industry organizations about quantifying what the cost differential is between doing mining in the south versus doing mining in the north. Our research suggests that it is two to two and a half times more expensive to build the same mine off-grid in the north than it would be in a centrally located jurisdiction in southern Canada.

Seventy per cent of that cost differential is attributed exclusively to the infrastructure deficit. Acknowledging that mining is the largest private sector employer of Canadians and indigenous Canadians in the north, there is a significant opportunity to enhance social and economic development by stimulating mineral investment into the territories, and not just the territories, but also the near north and the northern regions of the provinces.

Mr. Michael McLeod: I want to touch on the indigenous involvement. We all know that the mining industry has been the backbone of our economy in the Northwest Territories, and it's really done well in terms of indigenous participation in mining.

You've raised a lot of key points, but maybe you could specify what some of the concrete steps are that our government can take in the next budget to assist indigenous people and communities to take part, or take an increasing part, in this whole sector.

● (1635)

Mr. Brendan Marshall: In the Northwest Territories, I believe that 60% of the population demographic are indigenous Canadians. When I say that one in six jobs in the north is provided by the mining industry, the vast majority of those jobs would be benefiting, directly or indirectly, indigenous communities whether they were working at the mine site or working in some sort of supply capacity, in an entrepreneurial capacity, servicing the mine in one of many respects.

How can we further benefit the government's indigenous reconciliation agenda?

I would suggest that growing the pie is probably the single most important component of achieving greater levels of indigenous economic reconciliation in the north. We have a fleet of mines right now, some of which are up for investment renewal decisions, others of which have determined what their closure date is going to be. There is a real opportunity to generate the next edition of mines in that pipeline, but there's also a potential cost of not doing so. The reversion of economic agency and independence of the territory onto Ottawa is something that I don't think anyone in the north wants to see. I don't think it's something that indigenous communities want to see either.

Mr. Michael McLeod: I have one more question.

How has the mineral exploration tax credit benefited the industry? Can you give us a quick response on that?

Mr. Brendan Marshall: Exploration is the front end of the minerals business. You have to find the minerals in the ground before you can develop a project into a viable mine. Let's say there's a needle in a haystack. Exploration is finding that needle in the haystack. The ratio of deposits that are economically developable is very small and it's an extremely high-risk business proposition. The mineral exploration tax credit provides an incentive for investors to move their money into this industry, to locate and identify the next generation of Canadian mines. In the event that the exploration project is unsuccessful, or doesn't identify a deposit that's developable at this time, there is a softer landing for that individual.

From our standpoint, we won't see the next generation of mines in Canada if we don't have a strong, competitive exploration industry.

[*Translation*]

The Vice-Chair (Mr. Peter Julian): You have two minutes left, Mr. McLeod.

[*English*]

Mr. Michael McLeod: Okay.

I have a question for Startup Canada.

Earlier this year, I had the pleasure of presenting Jeff Philipp of SSI Micro with a Startup Canada high-growth award for the north, in my hometown of Fort Providence. There are only 800 people there, so it was a huge achievement. SSI Micro is a very good success story in our territory and across Canada.

I was hoping you'd be able to quickly discuss, based on your recommendations, how you can help other northern entrepreneurs and small businesses reach their potential.

Mr. Richard Rémillard: Thank you very much for your question.

I think I'll turn this over to my colleague Victoria, who ducked out of an event that we're running in Halifax today to be here, and who has direct ownership as CEO of our suite of programs everywhere across the country.

I'm sorry to do this to you, Victoria.

Ms. Victoria Lennox (Co-Founder and Chief Executive Officer, Startup Canada): Thank you so much for the question.

We're so excited to be celebrating SSI Mobile and their amazing achievement. Congratulations to you and the community.

Startup Canada now has 50 communities across Canada, but we only have one in the north, and that's in Whitehorse. Through building more start-up communities that are entrepreneur-led, with entrepreneurs like Jeff, or Sarah at Erasmus Apparel, we can begin to transfer the knowledge of these entrepreneurs on how to go global and how to use e-commerce to do it.

If we can take 1.4 million businesses, which are employer businesses in Canada, and help them to get online, help them become more likely to employ, with essentially every business in Canada adding one more employee, that would be our goal with this digital skills program through Startup Canada.

The Vice-Chair (Mr. Peter Julian): Thank you very much.

We'll now go to five-minute rounds, starting with Mr. Richards.

● (1640)

Mr. Blake Richards (Banff—Airdrie, CPC): Thank you.

You may have just answered the first question I had, but I want to be certain that it was the answer I was looking for, so I'll ask it anyway. You talked in your presentation about the $3 million you were asking for that you would match through private sector matching to help small and medium-sized enterprises to digitize or address the digital skills gap.

What exactly is the digital skills gap? What does it mean for them to become digitized? I think that was the answer you just gave. You were talking about an online presence and e-commerce. Is that what we're talking about there?

Ms. Victoria Lennox: Yes.

Mr. Blake Richards: Would you say that's the biggest issue facing—and I'll ask this in two parts—those trying to start up and the biggest issue facing our small and medium-sized business that are already under way in Canada? Would you say that's the biggest issue? If so, why would you say it is, and if not, what would you say is the biggest issue, and how should we address that?

Mr. Richard Rémillard: Several thoughts come to mind. This gap, I believe, affects many sectors, if not most sectors, of the economy, be they tech or non-traditional tech, smaller start-ups or what are increasingly called scale-ups. It's maybe not so much the very large Canadian nationals and multinationals, but it's certainly where most jobs are, most employment is and the most number of companies are. That's a big one.

It might be very difficult to quantify whether or not this is the biggest single gap. What has my attention is the fact that the yardsticks keep moving. Look south of the border and look over the Pacific to China. Right now, those two countries are in a war—not a trade war or a tariff war—for dominance in e-commerce. If we don't up our game significantly, we're going to be—and I hate to take the word from my friends at the Sierra Club—roadkill on the information highway. That's where we're coming from.

I think there has been considerable progress in recent years in Canada in trying to address this gap. Is it sufficient? No. Is it necessary and has it been necessary? Yes. Is more required? Yes.

Mr. Blake Richards: Thank you.

Let me turn now to Ms. Watts-Rynard from Polytechnics.

One of the priorities you identified in your opening remarks was workforce development. You specifically talked about being able to match the skills needed in today's economy with the students who are entering. That was music to my ears, because it's something I've said many times. I think sometimes governments tend to focus a little too much on whatever it is they might believe is the answer, but don't seek the input of industry. That's how we determine the needs, right? The industry can tell us what their needs are going to be in the workforce. That was music to my ears.

Could you tell us a bit more about how you see that best happening in terms of matching not only the needs of today but also the needs of the future by engaging industry in that conversation? How do we best include them and make sure that we are, in fact, doing the right things to ensure that the needs in the workforce are best being addressed through our institutions?

Ms. Sarah Watts-Rynard: The polytechnic institutions are to some degree doing some of that work now. They are very much connected with industry, and they're providing that linkage.

One of the recommendations we've really suggested is to go back to employers and ask them to reflect on the skills they need today and the skills they see themselves needing over the next five or 10 years. It's important to get to terminology that is consistent so that we're not talking about human skills one minute and employability skills or essential skills the next, and nobody remembers what skill they're talking about anymore, or everybody is talking about the same skills but they're using different terminology.

It's about getting to the point of an employer survey asking employers what their needs are now and into the future, and then really ensuring that, not only are parents and young people aware of that information in terms of if those are the skills the employers are looking for, then the programs that offer someone the opportunity to connect those skills. That becomes really practical for students and our post-secondary education institutions, thinking about how we ensure that our programs and curricula respond to the things employers are looking for now and into the future. It also allows businesses, when they start to reach back out, to know which programs have those skills in their graduates.

● (1645)

The Vice-Chair (Mr. Peter Julian): We'll move to Madam Rudd.

Ms. Kim Rudd (Northumberland—Peterborough South, Lib.): Thank you very much, Mr. Chair.

Thank you all for coming.

I'm going to try to get in as many questions as I can.

Morna, I just reflected that I was sitting in that chair 25 years ago when I was chair of the Ontario Coalition for Better Child Care talking about this very thing. As you mentioned, we did have hope when in 2005-06 there was a decision to move forward. Unfortunately, for lots of reasons we won't go into here, that didn't happen.

You mentioned the $7.5 billion in 2016-17 over the period of time and as you may know right now, the government is trying to create three-year bilateral agreements with provinces and territories to get that money out.

One of the challenges—you mentioned a recent election and I am from the province of Ontario—is there is a concern about the movement toward opening up child care from the not-for-profit sector to the profit sector and having the profit sector being able to access government dollars going into child care.

Can you talk about any of the concerns you might have of how that may slow down this process and what the ramifications of that would be?

Ms. Morna Ballantyne: Yes, sure. I too was sitting in this chair 32 years ago when I had just become a parent for the first time. I'm a grandmother, and here we are still addressing the same problems. It's frustrating.

We will see what happens in Ontario but I think it's going to be very instructive to the federal government and to Parliament because the bilateral agreements were signed. They set out certain commitments and there's every indication that the new Government of Ontario will walk away from those commitments.

It's going to be very interesting to see what the federal government does in that case. We're already starting to see that the provincial government intends to use the federal government to replace spending that it would otherwise have made. That is what I mean about taking steps backwards.

There's nothing in the multilateral framework agreement that makes a firm commitment to expansion in the not-for-profit sector, and we're not happy with that.

The fear is that there's going to be public money without restrictions on how that money is spent. We're very nervous about large corporate child care chains from outside Canada—for the most part they're all outside Canada—moving in. It's not the small, what we call the mom-and-pop operations that we're nervous about. They're doing the best they can. Once the chains comes in, we know how they operate. We saw it in Australia. We've seen it in other economies.

Ms. Kim Rudd: Thank you very much.

I want to go to you, Mr. Gullo, on the railway.

I'm one of those MPs who takes advantage of the complimentary VIA and I ride the train for three and a half hours back to my riding every week. There's absolutely no question there has been improvement in rail. The $8 million to revitalize the fleet, as you mentioned, is extremely important.

You also mentioned high-frequency rail in your brief. Can you talk about what that would mean in getting VIA off the main track of CN and CP to some degree, which slows us down so often, but also what it means in economic development for that transit to be so fast and so frequent?

● (1650)

Mr. Michael Gullo: Absolutely, and thanks for taking VIA Rail.

Essentially, the HFR project addresses dedicated track in Toronto, Ottawa, Montreal and Quebec. The estimated costs are $4 billion. It's a four-year deployment. Estimates of corridor ridership of 9.9 million and the potential of GHG reductions are about 10.3 million tonnes of CO_2 equivalents by 2050, which is equivalent to taking 2.3 million cars off the road. That is with the existing diesel fleets. If the project proposal is approved and they move to electrification, there will be an estimated 13.9 million tonnes of CO_2 equivalents by 2050, which is equivalent to about 3.1 million cars off the road.

In terms of the economic impacts, it's roughly 50,000 person years of construction-related jobs and 334,000 permanent person years of jobs resulting from improved economic growth over the project's life cycle. On time improvement, performance is expected to be over 94% and trip times are supposed to be reduced by about a quarter.

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very much.

We will move on to the last person to ask questions, Mr. Nater. I apologize to Mr. Fergus, who will not have time to ask questions before the meeting ends.

Mr. Nater, go ahead.

Mr. John Nater (Perth—Wellington, CPC): Thank you very much, Mr. Chair.

[*English*]

I'm going to throw out a few questions and I'll see if we get to them all or not.

I want to start with a comment for the Railway Association. In summer 2015, VIA Rail committed to an additional early morning train on the north main line between London and Toronto going through St. Marys and Stratford. It's now fall 2018 and that still hasn't happened. I'm not going to ask you to answer on behalf of VIA Rail. I just want to put that on the record, because those of us in our community, in St. Marys and Stratford, are still waiting for that early morning train to be implemented as was promised by VIA Rail at the time.

I want to start with Polytechnics Canada. You mentioned in your submission the importance of work-integrated learning. We see that so often. You mentioned as well the importance of linking it to federal programs. You used the example of the innovation superclusters.

I'm curious as to whether there's been any discussion thus far with ISED Canada, with the department, on making that linkage happen. If so or if not, how do you foresee that working within the supercluster? What role do you think polytechnics would play within a structure like that?

Ms. Sarah Watts-Rynard: We have ongoing discussions with the people at Innovation, Science and Economic Development Canada about our thinking. Certainly we're talking to them about the economic strategy tables and superclusters, and less so probably about the work-integrated learning, but we're seeing that coming out of those initiatives sectors are identifying skill shortages. If that is the case, then we have to find ways of making the connection between those sectors that are facing skill shortages and those students who are looking for opportunities.

We see an opportunity to make government a leader there, to be able to start saying, as part of our initiatives, that we want to start participating in work-integrated learning, because we think that's a good way of trying to reach the goal of giving every student access to economic opportunities in different sectors.

Mr. John Nater: Thank you so much.

To both the Mining Association and the Railway Association, in your opening comments, you mentioned the U.S. tax reforms and the challenges those create on the Canadian side of the border.

One of the suggestions brought up, I believe, by the Railway Association was about the accelerated capital cost allowance, writing off capital cost purchases at the full 100% in the first year. I know in the past, prior to 2015, the allowance in the first year was 50%.

I'm curious as to how you would foresee that. I know you mentioned the full 100%. Do you see this as a permanent tax allowance? Do you see this as a short-term project of one or two years? How long do you foresee that happening?

Also, I wouldn't put you on the spot to estimate the cost of this across all sectors, but obviously this would likely be something we would apply to more than just the railway sector. I'm wondering if you foresee a ballpark cost of that within your industry.

For the Mining Association as well, can you foresee the impact this would have on the mining industry?

We will start with the Railway Association.

Mr. Michael Gullo: Sure.

I may defer the ACCA question to you, Victor, if that's okay.

I would be very hesitant to try to predict what type of investment uptick this could create. I would just underline that we argue that the railway business is the most capital intensive business in the country. Right now we invest nearly 18% to 20% of our revenues, or over 50% of our net income every year, back into the infrastructure not as a running expense but as a capital expense. I think any tax reform that can help support that level of investment is going to lead to increased investments and be positive for competitiveness and economic growth.

● (1655)

Mr. Victor Wong (Member, Tax Committee, Railway Association of Canada): The tax rate in Canada right now is about 27%. At this point in time most of our track work writeoffs are at 5% in the first year and 10% in the second year. Roughly, the cost would be about 27% of whatever the spend would be.

Mr. Brendan Marshall: If this committee sees fit to recommend that the Mining Association and the mining industry get an ACCA and that the Railway Association doesn't, I would be okay with that, just so we're clear, Mr. Nater.

There are two things. I think the ACCA is an important potential tax measure to stimulate investment, but it's not a silver bullet. For the mining industry in particular, our sector has been falling behind internationally in a tax-competitive space for a number of years. We would encourage the members of this committee to take into account broader options and not put all their eggs in one basket.

Some of those options would include phasing out the dividend withholding tax which Canada has while other jurisdictions don't. We have options to alleviate. Canada has a 50% capital gains tax whereas a number of our competitor jurisdictions also do not require that tax for those types of transactions. We would love to see the mineral exploration tax credit extended from having a one-year renewal to having a three-year renewal to provide a greater level of certainty for investment in that space.

With respect to the U.S.—

The Vice-Chair (Mr. Peter Julian): I'm going to have to cut you off there, unfortunately, unless you want to wrap it up. We'll give you another 10 seconds.

Mr. Brendan Marshall: Thank you. Ten seconds is great.

With respect to the U.S., I think we're seeing a much more acute competitiveness concern.

Would this be an open-ended measure? I would imagine that even if you wanted to, you would never get that through Finance Canada. You would probably be looking at a five-year period, bookending on when the U.S. reform is likely to be revisited.

The Vice-Chair (Mr. Peter Julian): Thank you for that. I thank all our witnesses for coming forward today. We'll suspend, and we'll start up again in five minutes.

●

(Pause)

●

● (1700)

The Vice-Chair (Mr. Peter Julian): Welcome, everybody, to the finance committee. We have votes coming up, so we would like to move immediately to our witnesses for this second round.

● (1705)

[*Translation*]

We are hearing from: Keith Newman, from the Canadian Health Coalition; Chris Roberts, National Director of the Social and Economic Policy Department at the Canadian Labour Congress; and Andrew Van Iterson, Manager of the Green Budget Coalition.

[*English*]

From the Tourism Industry Association of Canada, we have Charlotte Bell, president and chief executive officer. From Universities Canada, we have Paul Davidson who is president and Wendy Therrien who is director, external relations and research. Thank you so much for being here for our pre-budget hearings.

We will start with Mr. Newman from the Canadian Health Coalition.

Mr. Keith Newman (Board Member, Canadian Health Coalition): Thanks very much.

The Canadian Health Coalition is a national public advocacy organization dedicated to the preservation and improvement of public health care. Our membership includes organizations representing health care workers, nurses, retirees—I'm one of them—churches and trade unions, as well as coalitions in 10 provinces and one territory. I'm a member of the CHC board. I have a masters degree in economics from McGill University, and I am a constituent of Mr. Fergus who is sitting over there.

The CHC supports the implementation of a national universal public drug plan, as proposed by the HESA committee earlier this year. We ask the finance committee to recommend financial support in the 2019-20 budget for its implementation. Today I would like to focus on some of the financial and broader economic reasons for our support.

Some of you may be aware that currently, prescription drugs are provided through a patchwork of more than 100 public and an incredible 100,000 private plans, a system rife with high prices and excessive administration costs. Drugs should be included in medicare just like doctors and hospitals. A universal public plan would consolidate bargaining power at the national level and lead to lower prices through bargaining with pharmaceutical companies. Countries similar to ours with single-payer pharmacare, including Sweden and the U.K., spend only about two-thirds what we do on prescription drugs. We would achieve similar savings.

In 2016, if we had had a public drug plan, employers would have saved a remarkable $9 billion in that year alone. Every year, year in and year out, employers would save about almost $10 billion. A reduction in costs of this magnitude would enhance the competitiveness of Canadian businesses. The automobile industry has pointed out the value of public health care covering doctors and hospitals to its Canadian facilities. Pharmacare would add significantly to that advantage.

I would just like to note that the burden is not only financial. A public plan would also allow businesses to focus on running their firms rather than managing and bargaining drug coverage for their workers. From a business perspective, I have to tell you that an officer of a very large company once told me how she supported a public plan, because rather than deal with pressing business issues, she often had to deal with employees unhappy with the company's drug plan. She had no knowledge in the area, of course—how many of us do?—whereas a public plan would have specialists who could determine which drugs to cover based on the evidence. I would add that these specialists should be free of financial or other conflicts.

For households, if a public drug plan had been in effect in 2016, savings would have totalled $7.1 billion in just that year, once again, year in and year out. These numbers are according to the Parliamentary Budget Officer. When premiums are included, it's $7 billion. People can invest that money in themselves or their small businesses or pay down debt.

In this case, the leadership of the federal government will be critical and must contribute a significant [*Inaudible—Editor*] to the program to induce the provinces to participate and to follow national standards. The CHC believes that the federal government should fund at least 50% of pharmacare. When medicare began 50 years ago, the federal government covered one half of the cost of doctors and hospitals, and it should do the same today for pharmacare.

Net new spending by the federal government would be rather modest given that it currently spends almost $3 billion on prescription drugs directly, as an employer, to first nations and others, and indirectly—and this is the largest part—through tax credits. Should money happen to be needed to be raised for pharmacare, it should come from small increases in personal and corporate income taxes, the fairest sources of taxation. An increase in the GST should not be considered. That would be both unfair and unpopular. A positive new program should not be associated with it. Might I add—and I would like to underline this three times—nor should a payroll tax on workers or employers be considered. Such taxes amount to a tax on jobs, increase their costs and hinder job creation. The competitive advantage of lower costs for employers would be negated by a pharmacare payroll tax.

● (1710)

To sum up, I'd just like to say that public health care can be thought of as part of Canada's social infrastructure, just as bridges, roads, ports and railways are part of our physical infrastructure. Efficient and fair drug coverage will add to our country's overall productivity and competitiveness. It will lead to a healthier population and less time away from work. It will reduce the burden on the health system caused by, it is estimated, 100,000 needless admissions to hospital every year resulting from non-adherence to required medication due to cost.

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very much, Mr. Newman.

[*English*]

Now we will go to Chris Roberts, National Director for Social and Economic Policy at the Canadian Labour Congress.

Mr. Chris Roberts (National Director, Social and Economic Policy Department, Canadian Labour Congress): Thank you very much, Mr. Chair.

Good afternoon, committee members. Thank you for the opportunity to appear before you today. I'm here on behalf of the Canadian Labour Congress, Canada's largest labour central, advocating on behalf of three million workers in Canada.

I want to spend the time I have available today focusing on several priority areas for the labour movement: pharmacare, child care, good jobs and the transition to a low-carbon economy.

Our first recommendation is that the Government of Canada commence planning in budget 2019 to implement a national universal single-payer pharmacare program in Canada in conjunction with the provinces, territories and indigenous communities. Not only would a universal single-payer pharmacare program improve the health outcomes of Canadians and save billions of dollars in prescription drug spending, but it would also strengthen competitiveness by lowering employers' labour costs and improving labour mobility.

Canada's existing patchwork prescription drug system provides uneven and inequitable access to medicines, based on place of residence, employment status, income and age. The current system is also extremely wasteful and inefficient. We pay as much as $11 billion more than we would if we had a single-payer universal pharmacare system. Currently, drug prices are about 40% higher in Canada than in countries with single-payer, evidence-based pharmacare systems. We urge the federal government to sustainably fund the universal pharmacare plan based on principles of fair and progressive taxation.

The CLC also recommends expanded investments in such productivity-enhancing programs as universal, high-quality, accessible public child care. Accessible affordable child care has been shown to significantly boost women's labour market participation and training, to say nothing of the positive impact the investments in quality early learning and child care can have later in life. The government's current child care commitments are modest and should be significantly expanded, increasing the number of child care spaces available and reducing fees, enabling higher female labour market participation in order to offset the cost of the program.

We recommend that the federal government commit to a minimum of $1 billion in the coming fiscal year and an additional $1 billion each year until total spending on early learning and child care in Canada reaches the international benchmark of 1% of GDP.

In order to address Canada's long and disappointing record of sluggish productivity growth, the federal government must put quality jobs at the heart of its agenda. Labour market and social policies should systematically restrict precarious work and the exploitation of vulnerable workers. The federal government should strengthen labour standards and lead the way in improving job quality by ending contract flipping in airports and federally regulated workplaces, the misclassification of employees as independent contractors, and employers' ability to discriminate in pay and benefits based solely on employment status. I'm thinking here of part-time, temporary and contract workers. It should also reinstate the federal minimum wage at $15 an hour and implement a robust, proactive pay equity regime to close the gender wage gap.

Having ratified ILO convention 98, the government should improve access to collective bargaining for workers who want to form a union, and replace tied work permits, which currently shackle vulnerable migrant workers to their employers, with open work permits and a path to permanent residency. Budget 2019 should also include funding for increased labour program inspectors to enforce compliance with federal labour standards and for the additional staffing and enhanced training of health and safety officers necessitated by Bill C-65.

Finally, in order to stimulate business investment while meeting Canada's carbon emission reduction targets, the federal government should be much more ambitious with respect to investing in economic transformation for environmental resilience and sustainability. This means a much bolder plan of public investment in environmentally resilient infrastructure, renewable energy, public transit, and energy efficiency in home and building retrofits. An integral part of this plan must be continued investments in just transition measures to assist workers, their families and their communities affected by climate change and climate change policies.

Thank you very much. I look forward to any questions you might have.

● (1715)

The Vice-Chair (Mr. Peter Julian): Thank you very much, Mr. Roberts. You were under five minutes. I appreciate that.

We'll move to Mr. Van Iterson from the Green Budget Coalition.

Mr. Andrew Van Iterson (Manager, Green Budget Coalition): Mr. Chairman and honourable committee members, thank you for inviting the Green Budget Coalition to speak to you today.

Active since 1999, the Green Budget Coalition is unique in bringing together the expertise of 21 of Canada's leading environmental and conservation organizations as members, supporters and volunteers, and includes groups from Ducks Unlimited to Greenpeace.

The Green Budget Coalition's mission is to present an analysis of the most pressing issues regarding environmental sustainability in Canada, and to make a consolidated annual set of recommendations to the federal government regarding strategic fiscal and budgetary opportunities.

Over the past week, we mailed each of you copies of this document, in English and French. It's the Green Budget Coalition's detailed recommendations for budget 2019, with five feature recommendations that I would like to highlight today.

Before doing so, I would like to reiterate the Green Budget Coalition's appreciation for budget 2018's investment of $1.3 billion to create and manage protected areas and recover species at risk. I would also like to reiterate the Green Budget Coalition's strong, long-standing support for taking credible, responsible action on climate change, particularly for implementing an effective price on greenhouse gas emissions. This is a measure that has broad support within Canada's business and environmental community.

For budget 2019, the Green Budget Coalition recommends that the Government of Canada prioritize actions to advance the following five recommendations collectively, with the potential to create notable economic, health and environmental benefits for Canadians, and offering many synergies amongst them: toxics and pesticides, fossil fuel subsidies and non-tax supports, sustainable agriculture, freshwater management and oceans.

First, we recommend tackling toxics and pesticides to protect the health of Canadians and our environment by providing regulatory departments—Environment and Climate Change Canada, and Health Canada—with sufficient resources to meet and enforce their current and anticipated federal legislative requirements related to the Canadian Environmental Protection Act, 1999, and the Pest Control Products Act for managing toxic substances including pesticides.

Second, regarding phasing out fossil fuel subsidies and non-tax supports, we recommend that the government continue progress on aligning fossil fuel tax policy with the government's climate change objectives through increased transparency and reporting, a credible peer review process, defining what “inefficient fossil fuel subsidies” means, and a phase-out timeline for remaining subsidies and non-tax support.

Third, to deliver on Canada's commitments to sustainable agriculture, the Green Budget Coalition recommends investing in agri-environmental programs, research and development, and food loss and food waste prevention programs. This would make Canada a trusted global leader in sustainable food production and improve the agriculture sector's sustainability, resilience and competitiveness.

Fourth, to deliver 21st century management for freshwater protection, the Green Budget Coalition recommends addressing water challenges due to climate change and changing land use with improved data collection, restoring aquatic habitat, reducing land-based run-off of nutrients and pollution, and balancing hydroelectric development with river connectivity and flow.

Fifth, for conserving the biodiversity and health of our oceans, we recommend investing in long-term, stable funding to support Canada's domestic and international commitments to ocean co-management and conservation, ocean governance, and a blue economy, as well as addressing fisheries stock assessment, aquaculture research and ocean plastic pollution.

Last, in our document we also outline a number of complimentary recommendations relating to environmental science, data management, carbon pricing, international climate financing, allocating the costs of climate change, arctic ship fuels, zero emission vehicles, home and building energy efficiency, community ownership of clean energy, bird conservation, plastic waste, and first nations drinking water and waste water.

To conclude, I would like to thank you again for inviting me to speak here today. I look forward to your questions. I would happily meet with you individually with the coalition at another date.

Thank you.

● (1720)

The Vice-Chair (Mr. Peter Julian): Thank you.

You were also just under five minutes—a very impressive panel. It's a first. We've had people respecting time very effectively.

[*Translation*]

I now give the floor to Ms. Bell, from the Tourism Industry Association of Canada.

Welcome.

Ms. Charlotte Bell (President and Chief Executive Officer, Tourism Industry Association of Canada): Thank you, Mr. Chair.

[*English*]

Now the pressure is on. I have to stay under five minutes. I'll talk fast.

Good afternoon, Mr. Chairman and honourable committee members. On behalf of the tourism industry, thank you for your invitation to participate. By the way, today is the eve of World Tourism Day, so it's very timely.

Canada's travel economy continues to provide financial and employment benefits to this country which surpass those of many sectors of the economy. Last year alone it generated almost $100 billion in revenue and 1.8 million jobs for Canadians. Tourism is one of the few sectors that has seen consistent growth and it is projected to keep growing worldwide. Considering that almost 1.3 billion visitors travelled the world in 2017 and posted 4.6% GDP growth worldwide, tourism continues to be a bright light in uncertain times where other sectors are experiencing challenges and decline.

Our pre-budget submission points to six key recommendations. As an overarching theme, Canada needs a more holistic approach to tourism policy.

Canada's tourism sector has had to react time and time again to policies and regulations that have serious implications to the health and sustainability of this sector. This happens consistently with little or no consultation with the industry. Just this summer the Department of Fisheries and Oceans implemented new regulations for marine mammals, which have serious consequences to whale-watching and ecotourism operators, but there was very little consultation.

The implementations of the electronic travel authorization, which we call the eTA, biometric requirements for visitor visas and the unexpected cancellation of the GST rebate last year are measures that have had significant impacts on tourism, especially for small and seasonal businesses.

International travel is on the rise, with last year's record-breaking 20.8 million travellers. Yet Canada remains 17th worldwide, compared with other countries. We did well, but we can do better.

Canada's travel economy includes millions of travellers who visit each year for business meetings, study and leisure. The meetings and conventions sector alone represents $30 billion in economic activity. Travel fosters trade, and there's a direct correlation between rises in international travel and subsequent increases in export volumes. According to a Deloitte study, “each 1% increase in Canadian arrivals would generate an $817 million increase in Canadian exports.” So what can we do to maximize Canada's growth?

In terms of marketing, Canada's capital investment in tourism falls well below that of Australia, the U.S., the United Kingdom and New Zealand. As the Government of Canada continues to focus on creating a competitive Canadian export market, let's remember that tourism is Canada's largest service export, but here, too, we fall below competitors such as Australia and others. What are these countries doing better?

Canada could easily improve its competitiveness by raising Destination Canada's base funding to $135 million per year, putting us on equivalent footing with Australia. A 10% annual performance-based increase in addition to stable base funding would also improve competitiveness.

Travel is experiential. We must ensure that visitors have the best experience possible when visiting Canada. Labour shortages continue to be a problem. There simply are not enough people to work during high season to keep up with demand, and this impacts visitor experience and our ability to meet traveller needs.

TIAC has long advocated for a path to immigration. We're pleased that new immigration targets could potentially fill 85,000 of the projected 145,000 jobs shortfall between 2018 and 2035. This still leaves us with a projected shortfall of 60,000 jobs at the end of the day. This issue is exacerbated by the government's categorization of tourism jobs as low skill and by the use of broad economic regions that make foreign recruitment inaccessible.

We urge the government to help us remedy this by using industry labour need as the main determinant to access all immigration streams, regardless of skill level. We should also prioritize the tourism sector in ESDC and IRCC programming by promoting tourism career options and funding programs to train under-represented labour pools, such as new Canadians, indigenous youth and people with disabilities.

Access barriers remain a significant irritant for international travellers. Canada should streamline the visa application process, open more visa application centres, invest in innovative biometric technologies, and move low-risk travellers to the eTA to improve visa openness.

Dear members, we have the opportunity to enhance the economic performance of one of Canada's most important growth sectors. TIAC has made several recommendations in its submission which address how to strengthen Canada's competitiveness on the international stage.

● (1725)

Thank you very much. I hope I stayed very close to five minutes.

The Vice-Chair (Mr. Peter Julian): You weren't bad.

[*Translation*]

Thank you very much, Ms. Bell.

I now give the floor to Mr. Davidson and Ms. Therrien from Universities Canada.

Mr. Paul Davidson (President, Universities Canada): Thank you, Mr. Chair.

[*English*]

Thank you for the opportunity to speak to you on behalf of Canada's 96 universities.

[*Translation*]

I am very happy to be joining you this afternoon.

[*English*]

Last year I appeared before this committee in Saskatoon, where we discussed how research drives innovation and builds prosperity. Since then we've seen important and new investments in research, including the announcement of five new superclusters and historic new investments in fundamental research.

[*Translation*]

Our members are grateful for the investments that were made in the 2018 budget to improve Canada's research ecosystem.

[*English*]

It was great to see the recommendations of this committee see their way through to the budget in 2018.

This year we encourage the government to build on that momentum by investing in the skills and talent of Canada's young people across all disciplines. We did make a formal written submission to the committee and we were in touch with each of your offices with additional information.

In a world of disruption and constant change, our most valuable resources are our people. As we saw on multiple fronts this past summer, trade and diplomatic relationships can change quickly. Investment in people and ideas helps us navigate that change and maximize new economic opportunities.

Our first set of recommendations is about equipping young people with the skills they need to compete in the 21st century. That's why we've joined our partners on the Business/Higher Education Roundtable and 25 other organizations to call for all post-secondary students to have valuable work-integrated learning experience.

We also see an urgent need for more of Canada's young people to have an international study experience. Last fall a groundbreaking report called "Global Education for Canadians: Equipping Young Canadians to Succeed at Home and Abroad" noted that business and civil society leaders are warning that Canada is not preparing its young people to meet the challenges of a rapidly changing world.

In previous years I've talked about the importance of attracting international students to Canada, and that remains important. International students contribute more than $15.5 billion to Canada's economy—more than the export of wheat, more than the export of softwood, and as much as the export of auto parts. International students are drivers in communities across Canada, large and small. Canada's universities have met our target for attracting students five years ahead of schedule, but the percentage of Canadian students who have an international experience—a year abroad, a term abroad, or a work study experience internationally—has not changed in decades. We have to do better.

I also urge this committee to take action on the chronic underfunding of student financial aid for indigenous students. Now is the time for the government to act on its budget 2017 commitment to address the needs of indigenous students who want to pursue post-secondary education. We all know that a university degree opens a pathway to a brighter future for indigenous students and their communities, yet only 10.9% of indigenous people have a university degree, compared with the national average of 29%. Canada must do better.

Canada's universities have embraced the Truth and Reconciliation Commission's report and have made important progress on improving students' access to success—and I hope to get some questions in that regard—but indigenous students need increased direct financial aid. More support is needed for student services, such as gathering places and elders on campus, to help indigenous students complete their education and achieve their full potential.

We also recommend the government expand support for programs that work, like Indspire's building brighter futures. Some of you may have been with Chief Roberta Jamieson yesterday at the Indspire awards. There is incredible potential in this country and huge need.

Our final area of recommendation links the investments in students and people to Canada's research and innovation agenda, because investing in people and ideas also means supporting research talent and the places where discoveries are made. We must remember that investments in research are investments in students.

Just last month I was in Halifax, where I met a student named Jaime Wertman. Jaime started out studying philosophy but got hooked on biology. She's now pursuing her Ph.D. by doing research with zebra fish to improve the prognosis for children with cancer. Jaime credits that background in philosophy for making her a better researcher. Jaime's path has been shaped by working alongside leading-edge researchers throughout her studies. Today about 56% of undergraduate students have opportunities to work with top researchers. We need to increase that number.

The skills those students learn are the skills employers need: problem-solving, teamwork, and analytical and communications skills. While real progress has been made on supporting research talent, I want to draw your attention to important unfinished business.

● (1730)

Specifically, the 2018 budget spoke to the need to increase support for graduate scholarships and fellowships, and we look forward to progress there in the next budget. To support Canada's talented researchers in doing their best work, Canada needs to invest in world-leading research and training environments. This can be achieved through significant, multi-year increases to the research support fund, as recommended by the Fundamental Science Review.

[*Translation*]

In a world that is evolving quickly, urgent measures must be taken for young Canadians.

[*English*]

I want to thank this committee for your work. I know. I've seen you in Saskatoon. I've seen you in New Brunswick. I've seen you on budget night. I see the difference you are making in the lives of Canadians. I thank you for your work and I ask for your support on these important investments for young people.

[*Translation*]

The Vice-Chair (Mr. Peter Julian): Thank you very much.

[*English*]

The bells are ringing. Do I have unanimous consent to continue for another 20 minutes?

Some hon. members: Agreed.

The Vice-Chair (Mr. Peter Julian): Terrific. Do I have unanimous consent to move to a five-minute round instead of seven minutes?

Some hon. members: Agreed.

The Vice-Chair (Mr. Peter Julian): Great. We will go to Madam Rudd.

Ms. Kim Rudd: Thank you very much, all of you, for coming tonight.

I don't know where to start. I have five minutes and so many questions.

I'm going to start with Mr. Roberts and the CLC.

You noted in your brief that you support a national seniors strategy. You talk in the brief about food security, among other things. You talk about home care, which we all agree is very important. I just want to remind everyone that a couple of things have happened. We put in the first Canadian poverty reduction strategy ever, which is something I'm very proud of, and we also have $40 billion over 10 years for housing, affordable and attainable housing, as well as seniors housing and more.

The other thing you mentioned, which I just reiterated, was the home care piece. Last year we reached an agreement with the provinces and territories on $11 billion over 10 years for home care, community care and mental health. When you mention these things in your brief, are you looking at an expansion of those programs or do you have anything specific that you're wanting to let us know you'd like to see in addition?

Mr. Chris Roberts: Specifically with respect to home care, for instance, there are no particular asks that we're bringing forward. We want to see a stronger and sustained federal commitment to spending more broadly on health care and the seniors strategy is an important part of that.

Ms. Kim Rudd: Thank you very much. Those were concise answers, fabulous.

I'll move to the Green Budget Coalition. Your presentation was very informative, and I was quite interested in two things.

One of them was on Canada's commitment to sustainable agriculture. I live in an agricultural riding. One of the things we do as MPs is talk to our local federations of agriculture. Certainly as a government we're talking to associations. Regarding some of the things you've listed, have you had conversations with those organizations about these requests? Has it been a holistic approach, or is this your organization coming up with these requests on its own?

● (1735)

Mr. Andrew Van Iterson: I appreciate the question. The coalition includes 21 different environmental organizations and a number of our members have been reaching out to some of the agricultural industry associations.

Ms. Kim Rudd: They're not specifically in your organization, because I saw the list and I didn't see them. That's why I wondered.

Mr. Andrew Van Iterson: There are no agriculture.... We are a coalition of environmental organizations, but we are in touch with them and consult with them.

Ms. Kim Rudd: Understood. Thank you.

I have another quick question. You mentioned freshwater protection in your brief. I happen to live on Lake Ontario, so it's a very important thing to me. This past July, Minister McKenna announced the Great Lakes protection initiative, and I wondered if you were familiar with it. It is $8.95 million for 36 projects. We're doing a number of those projects jointly with the U.S. Are you aware of that work?

Mr. Andrew Van Iterson: Yes, I'm aware of it.

Ms. Kim Rudd: Are you involved?

Mr. Andrew Van Iterson: Again, our member organizations are engaged in that process. We were certainly pleased to see it and our recommendations are designed to build upon those announcements.

Ms. Kim Rudd: Thank you.

I'd like to go to Ms. Bell on the tourism piece.

Tourism is so important to our country, as you articulated. Because of the diversity and the vastness of our country, one of the things I'm hearing from you has to do with the importance of tourism not just as an economic driver but also as...I'm going to give you an example. While travelling recently, I had a guide, and that guide happened to have a Ph.D. in ancient history. It makes the experience so much more robust. I think that's what you're saying, that there are many professionals and highly skilled people in this sector who aren't necessarily being recognized for the work they do.

Ms. Charlotte Bell: That's absolutely true, but we're experiencing labour shortages in a number of markets across the country, and especially in those resort markets like Banff and Lake Louise where Mr. Richards' riding is. He's more than familiar with those issues. There are very serious labour shortages. There are managers who are making beds and cleaning bathrooms.

There are also shortages of pilots and people who are highly skilled. The reality is there really aren't any programs currently, and immigration streams are not really targeted to fill those jobs. I think it's important, if we're going to continue to grow this sector, that we ensure our policies are designed to target those people for jobs in this particular sector.

The Vice-Chair (Mr. Peter Julian): Thank you very much.

We now move to Mr. Richards for five minutes.

Mr. Blake Richards: Thank you. I want to pick up on that same topic, so that was a good segue.

You mentioned this in your opening remarks as well, but you briefly touched on the idea of broad economic regions when it comes to the availability of the temporary foreign worker program as one of the pieces that can help to address some of the labour shortages.

For the benefit of some of the other members, I'll give some context first. The challenge here, with the broad economic regions, is that—and I'll use my area as an example, because it's a classic example of the problem. If you're in Banff or you're in Canmore in the Rocky Mountains, there's essentially zero unemployment. However, the barrier to being able to access the temporary foreign worker program is 6% unemployment, I think, and because the region is so broad, it can end up being over 6% because of communities far to the north of there that are primarily oil and gas communities where there's a lot of unemployment right now. That drags the entire region above 6%, even though in their niche area, they're far below. They're probably at zero. Many of our tourism areas are much the same. They're remote or resort types of communities.

Another example is Whistler. Another example is Cape Breton. Those are the kinds of places we're talking about, and there can be a real need for employment, yet in the broader region, maybe not. In Banff, for example, you're not going to get someone from Rocky Mountain House to come to Banff to work, because that's far too much to expect in terms of the commute, I think.

I want to get your comments on that. Also, because of the remoteness and the rural nature of tourism—much like some of the problems faced by agriculture, which does have its own stream—what would you think about the idea of a specific stream for tourism and hospitality-related jobs that could help fill some of those needs?

● (1740)

Ms. Charlotte Bell: Thank you, Mr. Richards, because, in fact, you've explained very well what the problem is, and this is something that happens in a variety of markets, and it is an issue.

Part of the problem is that it's being treated as one size fits all and, of course, in those resort communities in particular, that becomes very problematic. We've addressed this time and time again, but the reality is that it continues to be a problem, and it's not only in your region; it is a problem in other regions.

In terms of a seasonal program like the agriculture one, we have advocated for this, again, in the past. I'm not sure why tourism is treated differently. It's a seasonal industry to some extent, and it would help in terms of finding enough people to fill those jobs during the high season. It wouldn't fix the whole problem, and I think that we still favour very much the immigration stream and training programs that match labour needs, but having said that, yes, a seasonal program would be helpful. There's no question about it.

Mr. Blake Richards: To go back to the broad economic regions, just to be clear of what you're suggesting, I know there have been some exemptions given. I think Yukon received one for specific areas. Are you suggesting that—

Ms. Charlotte Bell: Absolutely.

Mr. Blake Richards: I'll again use my example. Are you suggesting that Banff be specifically broken out of a bigger region? Is that the kind of example you're suggesting?

Ms. Charlotte Bell: Absolutely. I think that's exactly what needs to be done. You can't have a one-size-fits-all model. I think you have to take those regions and those particular circumstances into consideration, and they should be exempt, absolutely, yes.

Mr. Blake Richards: Thank you.

Do I still have time?

The Vice-Chair (Mr. Peter Julian): You have 45 seconds, unless you want to give them to Mr. Dusseault.

Mr. Blake Richards: I'll try to be as brief as I can.

You touched on marketing as well and used Australia as an example. Another comparison we can use is that of the United States. They have a very different model, Brand USA, and essentially no taxpayer dollars go into that. Can you give us a brief explanation of how that works and what your thoughts would be on that kind of a model for Canada?

Ms. Charlotte Bell: In terms of the U.S. model?

Mr. Blake Richards: Yes.

Ms. Charlotte Bell: We're not advocating for the U.S. model. We're asking the Government of Canada to fund Destination Canada more adequately, and then, of course, Destination Canada has matching programs with a number of other organizations. We've never advocated for the U.S. model in Canada.

The Vice-Chair (Mr. Peter Julian): Thank you very much.

Monsieur Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault: Thank you, Mr. Chair.

If everyone agrees, I will ask a few questions.

Mr. Newman, your testimony and the figures you have given us were enough to convince us that a universal pharmacare program is useful. It is missing from what the government is currently saying, and probably even what your MP is saying. What the government and the Minister of Finance are saying leads us to believe that, for the time being, there may be private interests behind that program, which is similar to putting a small band-aid on a large wound. Money is being lost in the economy because of that.

Do you have an opinion on the direction we are taking? The government has openly stated that it was considering an approach whereby only a few holes would be plugged in the system rather than reviewing the entire approach and finding savings that would benefit society as a whole.

Mr. Keith Newman: Thank you for your question.

We are not in favour of a system that would only plug the holes. First, there are so many holes to plug that it would really be impossible, in our opinion. Second, that would not control our costs, which would become exorbitant. In Canada, pharmaceutical costs are extremely high. They're only surpassed by the United States or, occasionally, countries such as Switzerland or Germany, depending on the year. Our expenditures in that area are among the highest in the world.

In fact, the Quebec model, which is something of a stopgap, was a good attempt 20 years ago, when it was implemented. Unfortunately, compared with costs in other western countries, Quebec's costs are the highest. It is nearly impossible to control those costs without a publicly funded universal system. Huge amounts are being spent, but the results are unfortunately inconsistent. Some countries that are spending much less than us have far better results than we do.

In other words, the stopgap system is really inadequate financially speaking. It is also inadequate for companies. That system will not lower their costs, quite the opposite. Finally, it is a matter of justice. With such a system in place, some people will always fall through the cracks. Those people are far too numerous already.

● (1745)

Mr. Pierre-Luc Dusseault: Do you think a certain amount of political courage is needed to choose a publicly funded universal system? As I was saying earlier, insurance companies would not have much to gain under those circumstances. What do you think about the courage needed to implement such a system? That may be what the government is currently lacking.

Mr. Keith Newman: You have put your finger on a fairly sensitive issue.

It is certain that very powerful interests are not in favour of a universal public system. Clearly, if drug prices were reduced, pharmaceutical companies would have lower profits in Canada. They would only make profits in Europe, where public systems are already in place. That is not always the system we advocate for—a universal public system or a single-payer system, if you will. Those companies will have lower profits.

Insurance companies don't really play a role in a universal public pharmacare system. For instance, when you go to a doctor, you show your health card and that's it. You make no transactions with insurance companies. That's normal. Why would you? It is completely useless.

To establish an analogy with a quote from John Maynard Keynes, which is probably 100 years old now, I would say that insurance companies dig holes and refill them. That is what insurance companies do in the pharmaceutical industry.

Mr. Peter Julian: Thank you very much.

Thank you, Mr. Dusseault.

Mr. Fergus, go ahead.

Mr. Greg Fergus (Hull—Aylmer, Lib.): Thank you very much, Mr. Chair.

I am happy to be able to ask questions.

I would have liked to put a question to my fellow Canadian on the national pharmacare program, but Mr. Dusseault has explored that recommendation very well.

I must congratulate the Canadian Labour Congress on making a suggestion regarding the daycare program. That said, the questions I would like to ask are more for the Universities Canada people.

I really like all the recommendations you are making, and I would like you to give me more information on one recommendation in particular.

Why is it important for Canadian students to study abroad for a semester in order to gain experience in foreign education? My youngest daughter is currently in Mexico for a semester, and she is loving the experience. What is the connection between that experience and the importance for young people to become good citizens and more efficient workers?

● (1750)

[*English*]

Mr. Paul Davidson: Thank you very much for the question. This is something I believe in very passionately, having had an international experience 35 years ago that shaped my own career. These are 21st century skills. Employers are saying they want people who are globally savvy, who are comfortable getting on an airplane and who conduct business in new and emerging markets. That's one thing.

Also, in a world of closing borders and closing minds, our young people are amongst our best ambassadors for Canada, and that's an important aspect.

Another thing that's changed over time, and I'm really pleased about this, is increased efforts to get all students to have this experience. It should not just be an experience for the elite. In fact, there have been studies that show that for those from underserved communities and under-represented groups, one of the fastest ways of improving their economic outcomes is to ensure that they have an international experience as part of their undergraduate years.

[*Translation*]

Mr. Greg Fergus: Mr. Davidson, you mentioned the importance of having what is referred to as work-integrated learning. This is the second time that concept has been brought up in this committee. Representatives of the Business/Higher Education Roundtable made the same recommendations to us last week.

Can you explain what Canadian universities are doing to encourage that type of experience?

[*English*]

Mr. Paul Davidson: One of the really encouraging things in this space is it's not just Universities Canada. I was here for the last few minutes of the Polytechnics presentation, and I heard my counterpart there speak very persuasively about it. The Business/Higher Education Roundtable is joined by about 25 other groups who are supporting this.

At Universities Canada we are creating the space and encouraging our members to dramatically increase the number of opportunities for their students. The key component of that is to make sure there are opportunities offered by the private sector. Forums like the Business/Higher Education Roundtable have been very important in facilitating the dialogue about what the emerging skills needs are and how we can get this working at scale.

[*Translation*]

Mr. Greg Fergus: Thank you.

My question is for Ms. Bell, from the Tourism Industry Association of Canada.

It concerns your fourth recommendation. Considering the current labour shortage across Canada, you recognize the importance of immigration as a source of labour. Can you elaborate on your comments and your recommendation on that issue?

Ms. Charlotte Bell: It is clear that we prefer to hire people who live in Canada, instead of going abroad and hiring temporary foreign workers.

For a very long time, we were asking for permission to hire immigrants—more specifically permanent residents—to help them integrate into Canada. So far, that experience has been rather positive, but most of the Canadian government's programs in immigration are not intended for people who want to work in this industry.

[*English*]

For the most part, the government is focused on STEM jobs. What we're saying is, if we're looking at immigration and we're going to increase the number of immigrants coming to Canada, then we should be looking at the labour needs that Canada is experiencing so that we can actually bring people to fill those particular jobs and actually become part of our society.

The Vice-Chair (Mr. Peter Julian): Thank you very much.

I'm sorry that the question period was truncated. You had a lot of rich testimony that we will be taking into consideration.

[*Translation*]

We will now suspend the meeting and reconvene at 6:45 p.m.

Thank you.

●

(Pause)

●

● (1845)

[*English*]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): We will reconvene and call the meeting to order. For the benefit of the audience and some new people on the committee, I will explain what the open-mike session really is.

This is the first time we've done an open-mike session in Ottawa. I think the main reason that they were designed is that when we are travelling the country and there is only space for about 12 witnesses, there are usually others who want to make a point. We open it up for usually half an hour before the formal meeting starts in order to give people an opportunity—a minute—to say what is on their mind. Their information gets on the record and is considered by the committee in terms of our pre-budget consultations.

We have 10 people here. Hopefully, you can hold it to one minute. We might stretch it a bit to a minute and a half, seeing as there are only 10 people. There are no questions from members, but certainly some members might have some questions for you afterwards on a personal level.

People can stand up or sit at the table, whichever makes them feel more comfortable.

With that, we will start with the first witness, Mr. David Al-Aidroos.

David, I may not have pronounced your name quite properly. Welcome to the table. Take your minute or a minute and a half and tell us what's on your mind.

Also, thanks to all of you for coming. We really do appreciate your interest.

Mr. David Al-Aidroos (As an Individual): I'm curious to see if you're going to appreciate my coming here after I say what I say.

Voices: Oh, oh!

The Chair: Go ahead, David. The floor is yours.

[*Translation*]

Mr. David Al-Aidroos: Good evening,

[*English*]

ladies and gentlemen, you are asking for input on a very big challenge, which is to set the budget for next year. I have to say that I feel like I'm one of those little gophers in those games where you hit them on the head, because I don't feel like I belong here, but there are two things I have that I think make me different.

Number one, unlike you, I know who you voted for in the last federal election. Number two, unlike these people who came before you who had big problems and were wanting your solutions, I have a big solution for your problem or challenge that is before this committee.

Think about what it would look like. What is the solution going to look like when it comes to you? In 2013, Minister Clement picked up on it and sent me on a whole dog-and-pony show—and my clients, who were several governments—to the Treasury Board Secretariat, and people got it. All the assistant secretaries kind of got it and it got batted around and it kind of fizzled out.

You guys have your house in order, right? The most important thing you have is that the Minister of Finance is not the Auditor General. The problem for the budget to be fair and transparent is that fairness and transparency occur in the justice system and the Attorney General and the Minister of Justice are the same person. When you're going out there, if you can ask the question—when will Canada's legal system be rules-based, always, everywhere you go?—and have an answer for that, the future will be bright indeed. There are two people I've been working on a lot for six years now. If you could ask that question of the clerk and the administrator of the Judges Act, I think you'd be pleased with the answer.

Thank you.

● (1850)

The Chair: Thank you, David.

Carolyn Webb, the floor is yours.

Ms. Carolyn Webb (As an Individual): Thanks for the opportunity to speak. My name is Carolyn Webb. I represent Sustain Ontario, which is a member of the Coalition for Healthy School Food, which is a network of more than 40 groups and a project of Food Secure Canada.

Approximately 20% of students in Canada receive a meal or a snack at school, and evidence shows that a national healthy school food program would increase children's consumption of healthy foods, reduce the risk of chronic diseases, improve mental health, improve educational outcomes, and increase graduation rates.

These programs have the potential to create jobs and to grow local economies by investing in local agriculture and food businesses.

A national school food program has been recommended by the Senate social affairs committee, a former House finance committee, the Ontario Healthy Kids Panel, the former chief public health officer, and with Senator Eggleton's June Senate Motion No. 358.

We're asking your government to invest $360 million in your next budget to join provinces, territories, municipalities, community groups, parents, and many others in a cost-shared program that is estimated at around $1.8 billion.

Thank you.

The Chair: Thank you very much, Carolyn.

Next is Sana Musa.

Welcome, Sana. The floor is yours.

Mrs. Sana Musa (As an Individual): Honourable members, I am honoured and humbled that I have been given the opportunity to stand here today. My name is Sana Musa, and I am a member of the ONE campaign.

Canada is the best performing economy in the G7. We should be proud. However, on average, Canada invests 37% less on international assistance than other G7 countries. In fact, our investments have dropped by 12% since 2010. As Canadians, we must do more.

Seven hundred and sixty-six million people live in extreme poverty worldwide, and women and girls are the most affected. New investments in the sustainable development goals present a massive opportunity. Every dollar invested in an additional year of schooling generates earnings and health benefits of approximately $10 in low-income countries.

Let's continue to be proud of Canada's role in the world. Let's ensure that Canada contributes its fair share in the fight against extreme poverty.

Thank you.

The Chair: Thank you, Sana.

Next would be Mr. Alain Trépanier. You can pronounce your name properly. I believe you're from Vancouver.

● (1855)

Mr. Alain Trépanier (Director, District of British Columbia and Yukon, National Association of Federal Retirees): I'm from Vancouver. With your permission, I would like to do a joint submission with a colleague from the same association.

The Chair: That's not a problem. Just try to keep it as tight as you can.

If you could too, sir, state your name.

Mr. Roy Goodall (Vice-President, National Association of Federal Retirees): Committee members, I am Roy Goodall, the vice-president of the National Association of Federal Retirees.

With 180,000 members, the National Association of Federal Retirees is the largest national advocacy organization representing active and retired members as well as their partners and survivors of the federal public service, the Canadian Armed Forces, the Royal Canadian Mounted Police and retired federally appointed judges.

One of our recommendations is that the federal government lead the implementation of a comprehensive national seniors strategy with our provinces and territories that addresses the social determinants of health, including access to affordable and appropriate housing, retirement income security, and robust and sustainable social services.

This must include action on improving seniors-focused home and community care, developing and promoting age-friendly community principles, increased support for caregivers, and combatting isolation and ageism.

Thank you.

The Chair: Thank you very much.

Alain.

[*Translation*]

Mr. Alain Trépanier: Mr. Chair, my name is Alain Trépanier. I am from Vancouver, British Columbia. I represent the National Association of Federal Retirees.

[*English*]

Our second recommendation is that this government help Canadians build better retirement security, honour the promises made to retirees when pension plans are changed and continue to improve CPP and OAS. A good first step in achieving this would be the immediate withdrawal of Bill C-27.

Our third recommendation is that the federal government follow through on the budget 2018 commitment to consult on retirement security to ensure that current retirement savings regimes are effective and that Canadians' retirement security needs are met. This should include a consultation process with retiree and pensioner organizations, veterans associations, academics, subject matter experts, labour, business leaders and others to map our country's path to retirement security.

[*Translation*]

Thank you very much.

[*English*]

The Chair: Thank you both.

Next on my list is Mr. Stéphane Laviolette from across the river in Gatineau.

Welcome.

[*Translation*]

Mr. Stéphane Laviolette (As an Individual): Good afternoon, Mr. Chair.

I want to begin by thanking Mr. Fergus for inviting me this evening. I really appreciate it.

I support what the gentleman said earlier. We all have parents or we all had parents who worked hard to shape and found this wonderful country of Canada. We have all paid taxes and we all pay our taxes to be able to have such a prosperous and organized country.

I am here this evening to ask you to consider the information I will present to you.

Some people work from the age of 16 until the age of 65. They pay taxes for our good country and for our society. I agree with that, but many people do not reach the age of 70. They die and do not have access to their pension.

Mr. Chair, I did not have much time to prepare, but I will still provide this information.

According to Statistics Canada, in 2016, there were 5,935,000 people aged 65, but 482,000 were aged 85. So 5,453,000 had died. If we take half the people who have paid taxes and could not get that....

I ask you to take this suggestion into consideration. People who live past the age of 80 should not pay any taxes on their old age security pension. Let's just take into account the interests of those who have not had an opportunity to benefit from their pension because they died at the age of 70, and let's prevent those people over the age of 80 from having to pay taxes.

I am not asking for this to apply to people who do not need it, but to those with a low income or those who are living below the poverty line.

I hope that my words will be taken into account.

● (1900)

[*English*]

The Chair: Thank you very much, Stéphane.

Next is Mary Patricia Blum from Ottawa.

Ms. Mary Patricia Blum (As an Individual): Thank you so much.

I'm here, obviously, to represent the ONE campaign and women and girls globally.

Honourable members, did you know that 2.7 million infants die every year at birth? Did you know that adolescent girls account for 74% of all new HIV infections? Did you know that, today alone, 800 children will die of malaria? That's 800 children who will die today.

These stats are startling, but there's hope, and Canada can be a part of it. In 2015, 2016 and 2017 your very committee moved forward with recommendations to increase Canada's international assistance and establish a path to investing 0.7% of Canada's GNI in official development assistance by 2030.

I'm here today to call on the Government of Canada to act on these recommendations, please, by finally increasing Canada's spending on global development and humanitarian assistance over 10 years through predictable 15% annual increases to the international assistance envelope starting in the fiscal year of 2019.

We can do this. If each Canadian spent an extra $17 a year, we could generate and close gaps that add up to about $28 trillion. When we empower women and girls with education, when we increase our international aid and those women and girls can go to school, we're activating brain power. The planet's in dire straits; we know this. When we activate those young, vibrant brains alone.... These girls, 130 million, are not allowed to go to school. For a lot of them, they cannot afford a $6 uniform. Their families cannot afford this.

Through our international development and through increasing what we put into international development, just small increments, we can have incredible global impact.

I'm here to ask you to please reconsider the past three years in the recommendations. The recommendations of this very Standing Committee on Finance, three years in a row and then echoed again last year in 2018 at the G7's Gender Equality Advisory Council, have been held close by our government.

Let's see something happen with this, please.

Thank you.

The Chair: Thank you very much, Mary.

Jean-François Tardif, welcome.

Mr. Jean-François Tardif (As an Individual): Honourable members, good evening, and thank you very much for the invitation. I'm here thanks to

[*Translation*]

a quick reminder by Mr. Fergus today. I really appreciate it.

[*English*]

I don't know any of the people [*Technical difficulty—Editor*] me, but I feel I know them at the really deepest level because I, too, come here to ask you for more of the same. Actually, I'd like more of your recommendation to increase foreign aid with clear, measurable, three-year rolling averages and targets set in advance, so we can all know what to expect and how we're going to get to the internationally agreed goal of 0.7% of GNI for foreign aid.

● (1905)

[*Translation*]

In a context where the United States, for instance, wants to make its aid a reward for countries that grovel before it, aid counts. Let's just take as an example what is happening in India. Oxford University just published new figures that help us see that poverty in India has been cut in half in recent years. In other words, investments in foreign aid produce tangible results, which are quite dramatic. Hundreds of thousands of people are raising themselves out of abject poverty and starting to find a way for them and their families to live with dignity.

[*English*]

I'm requesting that we have the same recommendation.

However, since the government increased aid but didn't quite increase it enough to catch up with economic growth, could you suggest what the first installment of that new goal would be? What would be the first of those targets that we should reach—the three-year averages? We could perhaps reach 0.27 next year. How about, I don't know, 0.30 a few years later? Could you please make concrete suggestions?

In the meantime, because this government has invested very cheaply in international aid, we need to make sure that our dollars are really leveraged. I think it would be great if this committee could recommend investments in very leveraged mechanisms.

I want to bring to your attention the Global Financing Facility. It's a consortium of aid institutions from around the world housed at the World Bank. It draws in funding from all other institutions. That means that $1 spent by the Global Financing Facility draws in funding from other institutions around the world, the UN, etc.

Interestingly enough, the recipient countries themselves learn how to tax themselves for what really matters, like nutrition, girls' health, maternal reproductive health.

Thank you very much.

The Chair: Thank you very much, Jean-François.

Mr. Duncan Black, welcome.

Mr. Duncan Black (As an Individual): Good evening. *Merci beaucoup*.

You'll probably see some of us wearing these T-shirts.

I thought I would very briefly read something from the website, which is one.org. If you visit that website, it is very comprehensive and will give you an extremely good insight into this organization.

It says:

> Where does ONE get its name from?
>
> Contrary to popular belief, ONE is not named after the song of the same name by the band U2, of which ONE's co-founder Bono is a member.
>
> The name was inspired by the belief that one voice, coming together with many others - the political left [centre] and right, business leaders, activists, faith leaders and students - can change the world for the better. The name is also influenced by ONE's first campaign in 2004, which called on the US government to allocate an additional 1% of its budget towards the fight against extreme poverty.

I'm sure that here in Canada we can do far better than that and in our next budget increase the amount we can give.

I want to thank everybody who has come here from ONE as well, and hopefully we can do something in 2019.

I have some leaflets, and I'm sure that other people do too, which you are very welcome to take at the end of the evening if you have any questions.

Thank you very much.

The Chair: Thank you very much, Duncan.

Turning then to Ms. Edidiong Ekanem, welcome.

● (1910)

Ms. Edidiong Ekanem (As an Individual):

Good evening, honourable members.

I am Edidiong. I'm also here with the ONE organization. I have a short statement.

I'm here today on behalf of over two-thirds of Canadians who believe that it's our responsibility to help others around the world. Sadly, Canada's contribution to international assistance has been in steep decline. At its current rate of 0.26% of ODA to GNI, Canada is lagging far behind our closest friends and allies in the G7 and OECD. All of this is despite Canada's support for The Global Fund, additional investments to girls' education and the increases in budget 2018, which were very effective and wonderful.

These were important first steps, but we are still not doing our fair share. I am here today to call on the Government of Canada to finally increase Canada's spending on global development over 10 years, through predictable 15% annual increases to the international assistance envelope, starting in fiscal year 2019.

Thank you.

The Chair: Thank you very much, Edidiong.

Last on our list is Jean-Pierre DeBeaumont. Welcome.

Mr. Jean-Pierre DeBeaumont (As an Individual): Good evening. Thank you for hearing me.

[*Translation*]

My name is indeed Jean-Pierre DeBeaumont, and I want to thank Mr. Fergus and the National Association of Federal Retirees.

I support the request made by the National Association of Federal Retirees, and I'll add one more point. The association is asking for better retirement income security and a national strategy for seniors.

I also want to talk about the resolution of the Phoenix pay system issues.

I've just returned from a trip to Europe. Since I'm now retired, I was fortunate to have the opportunity walk from Paris to Compostela, a distance of 2,500 km. One thing that I found less pleasant when I arrived home was the fact that the Canada Revenue Agency was asking me for thousands of dollars following—I'll use the word in front of me—the Phoenix “fiasco.” I'm asking the Standing Committee on Finance to ensure that this situation is resolved as quickly as possible to put a stop to the seemingly endless negotiations, the successive errors, and so on.

I would be remiss if I didn't finish by thanking you for all your work, which constitutes the foundation of everything accomplished in Canada. Obviously, the actions of Canadians are based on finances.

I would like to make a request. I want you to reduce access to tax havens. In my family, I don't dare say it, but I'm happy to pay my taxes because income taxation is a basic system that ensures that we knowingly and logically contribute to cover the cost of roads, bridges, health care, and so on. In my opinion, it goes without saying.

However, there's a lack of fairness when it comes to people who don't pay taxes. I find it a little incomprehensible that our Canadian system allows this. I know that this also happens abroad. However, this evening I have the chance to express my gratitude and to ask you to reduce access to tax havens for wealthy people, who have a great deal of money and who could better contribute to the Canadian system.

[*English*]

The Chair: Thank you very much, Jean-Pierre. Thank you for those compliments to members as well.

We've come to the end of our list. On behalf of all members of the committee, which is representative of all parties, we want to thank each and every one of you for taking the time. Your statements are on the record with the finance committee, and your points of view will be considered by members as we go further down the road on our pre-budget consultations for the 2019 budget.

With that, thank you very much again.

The meeting is adjourned.