HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

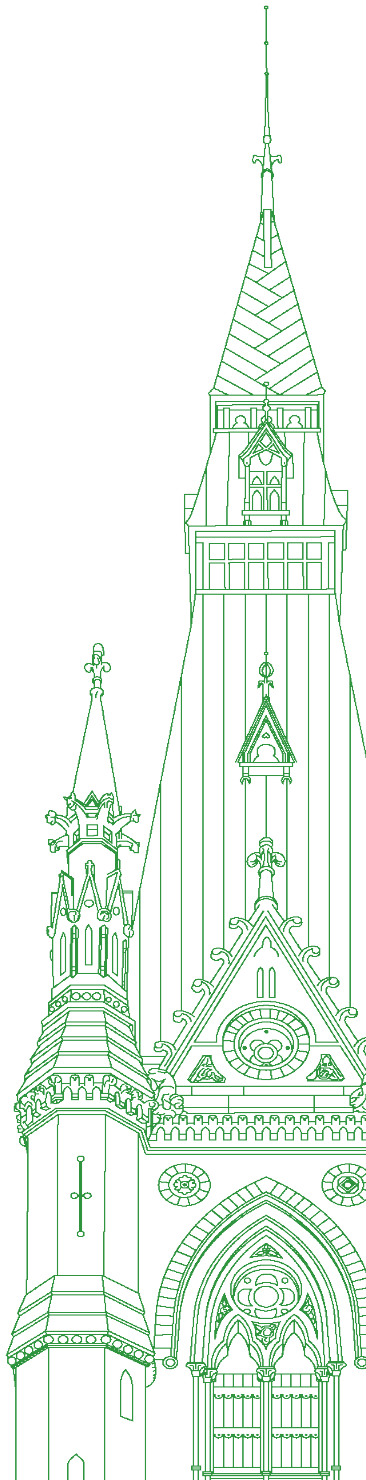
43rd PARLIAMENT, 2nd SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 048

Thursday, May 20, 2021



Chair: The Honourable Wayne Easter

Standing Committee on Finance

Thursday, May 20, 2021

● (1430)

[*English*]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): I call this meeting to order.

Welcome to meeting number 48 of the House of Commons Standing Committee on Finance. This will be our third panel today. Pursuant to Standing Order 108(2) and the committee's motion adopted on Tuesday, April 27, 2021, the committee is meeting to study the subject matter of Bill C-30, an act to implement certain provisions of the budget tabled in Parliament on April 19 of this year and other measures.

Today's meeting is taking place in a hybrid format pursuant to the House order of January 25, 2021. The proceedings will be made available on the House of Commons website. Just so that witnesses know, the webcast will always show the person who's speaking rather than the entirety of the committee, and we ask that screenshots not be taken.

With that bit of introduction, we will go straight to witnesses. If you could keep your presentations to about five minutes, that would be great, because it will leave a little more time for questions.

We'll start with Canada's Building Trades Unions. We have Mr. Kucheran, chair, and Mr. Strickland, executive director. I'm not sure who's taking the lead, but the floor is yours.

Mr. Robert Kucheran (Chairman, Executive Board, Canada's Building Trades Unions): I am. Thank you very much.

Good afternoon, and thank you very much for the opportunity to address you today on Bill C-30 and the effect the budget will have on the skilled trades workers in Canada.

My name is Robert Kucheran. I am the chair of the Canadian executive board of Canada's Building Trades Unions. The CBTU is an organization composed of 14 international unions, with over 500,000 skilled men and women from coast to coast to coast. I am also the general vice-president of the International Union of Painters and Allied Trades, one of the CBTU's 14 affiliates. Today I'll be sharing my time with the executive director of the CBTU, Sean Strickland.

First off, we are pleased to see the $30 billion allocated for a national child care program in the budget. Access to child care remains an issue for skilled trades workers who don't fit a typical nine-to-five, Monday-to-Friday work schedule. A large-scale investment of this kind is important to help working families, and we will continue to work with the government to ensure child care means child care for all workers.

Overall, over 500,000 workers have been laid off or faced cuts to their working hours due to the pandemic, impacts that have been disproportionate among certain segments of the population, including young workers, women and racialized communities. While the construction industry, which accounts for about 6% of Canada's GDP, has been a key player in keeping the economy going this past year, industry employment is down from pre-pandemic levels, with unemployment nationally at about 8% and much higher in certain regions of this country.

The recent extension of programs like the Canada recovery benefit in the budget will help workers through this unprecedented time. Looking to the longer-term, we are pleased to see the reforms in the employment insurance program included in Bill C-30. This has been a high priority for Canada's Building Trades Unions and will better support workers in the long term. Recently we appreciated the opportunity to address the HUMA committee on this issue, specifically on allowing claimants to start receiving EI benefits sooner by simplifying the rules around monies paid on separation, lowering the thresholds for entrance requirements to EI, and, very importantly, extending the EI sickness benefits from 15 to 26 weeks. This will help all Canadians, including CBTU members who don't have access to paid sick days. We commend the Government of Canada for taking those measures into account in this bill.

Thank you. I will hand my remaining time over to Mr. Sean Strickland.

● (1435)

Mr. Sean Strickland (Executive Director, Canada's Building Trades Unions): Thank you, Robert.

It's a real pleasure to be here today. Thanks very much, members, for the work you do on behalf of your constituents and all Canadians.

We appreciate the opportunity to engage on Bill C-30 and look forward to continued consultation on budget items such as the new apprenticeship service, the community workforce development program and the sectoral workforce solutions program as details get ironed out.

Bill C-30 includes important measures to alleviate some of the financial burden on apprentices as they move through their apprenticeship by absorbing interest accrued from the Canada apprentice loans program until March 2023. We applaud the government for this initiative. We also appreciate the budget's focus on green energy and workforce development, but we recognize there's an opportunity to expand on additional investments as we look beyond the pandemic and getting Canadians back to work.

In the construction sector, this means support for a skilled trades workforce mobility tax deduction, which is currently on the floor of the House of Commons as a private member's bill, Bill C-275. Unlike many careers, construction work is temporary, in that you build a project, complete the project and then move on to the next one. This can require workers to travel and temporarily relocate for work, with costs that can be too much for a worker and can disincentivize them from travelling to where the work is. This can create labour shortages in different regions, with high unemployment in others. A skilled trades mobility tax deduction would address this problem and transition workers away from utilizing programs like EI so that they instead contribute to the Canadian economy through tax revenues from their employment.

This past March, an independent financial projection commissioned by Canada's Building Trades Unions found that the Canada-wide implementation of a skilled trades workforce mobility tax deduction would save the treasury an estimated $347 million annually through increased tax revenues and reduced reliance on EI and other government programs. This private member's bill will not receive royal assent, but we encourage the government to adopt this measure. This is very important for helping to rebuild Canada's economy, and it is very important to members of the building trades.

There is a lot in the budget that will help to continue building Canada's skilled trades workforce. However, we need to ensure that funds that have been committed in budget 2021 and previously for infrastructure investment flow out the door, put shovels in the ground and get people back to work, and faster.

On behalf of the over half a million skilled trades professionals who belong to Canada's Building Trades Unions and our 14 affiliated international unions, I want to thank the committee for this opportunity to present. I look forward to any questions that you may have for me and Robert.

The Chair: Thank you both for that presentation.

We'll turn to Dr. Ann Collins, president of the Canadian Medical Association.

Dr. Ann Collins (President, Canadian Medical Association): Thank you, Mr. Chair.

I am Dr. Ann Collins. Over the past three decades, I have taught family medicine, run a full-time family practice, served with the Canadian Armed Forces and worked for 20 years in nursing home care. Today it is my privilege to speak to you as president of the Canadian Medical Association, representing the sentiments and convictions of our 80,000 members.

Since inception in 1867, the Canadian Medical Association has advocated on matters of national health. The pandemic has showcased the enormous strengths and tenacity of the professionals who are at work delivering the nation's health care. It has also shown us how quickly our resources can be overwhelmed. Our country's recovery hinges on the recuperation of our health networks, because economic security cannot exist without health security.

Of the significant investments announced in budget 2021, we are pleased to see the attention paid to better care for our older adults and the communities most impacted by structural inequities. We can create a more dignified provision of care in long-term care facilities and support age-in-place strategies. We can address social determinants of health and invest in the battle against climate change. These commitments will fortify the equitable health security of Canadians.

The CMA especially welcomes the federal government's commitment to provide the provinces and territories with $4 billion through a one-time top-up to the Canada health transfer. This will support health systems with the capacity to clear the backlog of delayed procedures from the first and second waves. Bill C-25 is the lifeline to Canadians' immediate health needs. It must pass without delay.

Canada's job now is to address equitable access to primary care teams. Thirteen per cent of Canadians lack access to a family doctor or a family care team. That's an astonishing five million Canadians.

Primary care is the front door of health care. It is affordable, it fosters equity, and it will be essential in supporting Canada through and out of the pandemic, but the door is broken and off its hinges. It's struggling to remain upright.

The federal government has long expressed commitments to invest in the expansion of primary care, with good reason. Expanding primary care will help ensure that every Canadian has access to a family doctor or primary care provider. Every person in Canada, especially those most impacted by structural inequities, deserves the attention of a primary care team.

At present, much of our care exists in a vacuum. One discipline is completely severed from another. We don't accept divisiveness in any other aspect of life. How can we accept it in our health care system?

Primary care is a team-based model that is rooted in the networking of health professionals. They work in concert, just as a healthy body does. Primary care is the infrastructure with which to deliver mental health services and make virtual and remote care a reality. I think we can all agree that making a distinction between physical health and mental health is antiquated. The time has come to work towards parity in the resources needed to treat Canadians, regardless of their illness.

The future of sustainable health care is housed in the success of primary care. Our younger physicians and physicians in training seek to practise under this model. It is the means that will prevent greater illness and further strain on our health care systems. This is the time to support the future of medicine, the future of care, the future of Canadians' health.

The CMA appeals to parliamentarians to deliver this critical health care resource in budget 2021. There's still time. An infusion of federal funds in the amount of $1.2 billion over four years would expand the establishment of primary care teams in each province and territory.

We are equally intent on seeing an increase in federal funding for health care to the provinces and territories in the long term. It is the truest signal of collaboration.

Mr. Chair, let me thank the committee for the invitation. The CMA is grateful for the opportunity.

● (1440)

The Chair: Thank you very much, Dr. Collins.

We're turning to, from the medical profession as well, the Canadian Nurses Association. We have Mr. Villeneuve, CEO; and Ms. Hamza, policy lead.

● (1445)

Mr. Michael Villeneuve (Chief Executive Officer, Canadian Nurses Association): Thank you, Mr. Chair and committee members, for inviting the Canadian Nurses Association to share our perspectives on Bill C-30 and the 2021 federal budget.

I would like to acknowledge that I speak to you today from the ancestral unceded lands of the Algonquin Anishnabe peoples in eastern Ontario. My name is Mike Villeneuve and I am the CEO of the Canadian Nurses Association. I am joined today by my great colleague Aden Hamza, who is our policy lead.

Overall, the Canadian Nurses Association welcomes the important measures outlined in the budget to continue fighting COVID-19, to care for children, to protect older adults, to expand broadband Internet to support virtual care, and to tackle systemic racism. I will focus my remarks on key issues CNA has strongly been advocating throughout the pandemic and on how the budget addresses some of these concerns.

CNA has been calling for a larger national conversation around aging to identify the best models to support safe and dignified aging in Canada. Since the beginning of the pandemic, we have all seen, and some have even experienced, the devastating effects of the virus for older adults and the way COVID-19 has put a spotlight on some well-known vulnerabilities in our health care systems.

In our pre-budget submission and advocacy, CNA urged the federal government to lead the development of pan-Canadian standards and to increase funding for long-term care. We're pleased to see a commitment of $3 billion to support provinces and territories in ensuring that standards for long-term care are applied, while respecting jurisdictions.

As referenced in the budget, the Health Standards Organization and Canadian Standards Association are launching a process to develop standards for long-term care. While CNA welcomes this work, of course, we do continue to urge the federal government to take a leadership role and to institute meaningful change by implementing measurable, actionable, and accountable standards to address the shocking outcomes we have seen.

Furthermore, although division 12 of part 4 of Bill C-30 provides an important emergency $4-billion top-up to the Canada health transfer, more funding is needed to meaningfully support the health and social needs of the largest generation of older people in our history. As we shared with this committee during pre-budget consultations, just the aging of our population will drive increases in health care spending by an additional $93 billion over the next decade. New dedicated funding is critical to enhance the ability of provinces and territories to invest in home care, community care, long-term care, palliative care and end-of-life care. That is why CNA continues to call on the government to implement a new demographic top-up to the Canada health transfer.

Finally, as nurses continue to fight COVID-19, CNA was pleased to see that budget 2021 pledged mental health supports dedicated to health care workers who are experiencing trauma due to COVID-19.

More than a year into the pandemic, and with many provinces facing a dangerous third wave this very day, nurses and other health care workers are facing critical fatigue and burnout. We have been hearing stories about nurses, physicians, and others planning to leave the profession, and we have seen major staffing issues in critical care units over the recent weeks across Canada. CNA is extremely concerned about nursing shortages and about how those could impact the health of Canadians going forward. A new health human resources plan led by the federal government will be crucial.

Thank you, Mr. Chair. My colleague Aden and I will do our best to answer any questions. Thank you for including us.

The Chair: Thank you very much to you both.

We turn now to Ms. Mrozek, who is with Cardus.

You have the floor, Andrea.

Ms. Andrea Mrozek (Senior Fellow, Cardus): Thank you very much, Mr. Chair.

Every morning I work in taking care of my two-year-old. Every afternoon I work for Cardus, a not-for-profit think tank. The federal government thinks only one of these activities is worthy of federal support. Some afternoons my husband takes care of our two-year-old and other afternoons a paid helper does the same.

Again, for those whose primary concern is increasing GDP, only the waged work contributes, but child care is the care of a child no matter who does it. For the majority of parents and children, there is little to gain and much to lose from plans for national day care.

I have researched child care for 15 years. Today I'd like to comment specifically on federal funding allocations in light of the budget and a paper I recently co-authored, called “Look Before You Leap: The Real Costs and Complexities of National Daycare”.

Our detailed cost assessment phases in spaces for 70% of children under six over five years and includes staff, capital, training and maintenance costs. All of our assumptions are based on the work of advocates for national day care. However, there are several things they would desire that we were not able to include, making our estimates low. Our low-quality and low-cost estimate rings in at $17 billion annually. The more reasonable estimate rings in at $36.3 billion annually.

I'd like to make three points today. One is that the federal funding amounts are not enough to provide high-quality child care at low cost to all parents or even most parents. This program will not deliver what it promises. The second point is that if it funds only one kind of care—licensed, for-profit care—most parents will experience a loss of care options, increased child care costs or both. Finally, I'll talk about the per-family funding amounts that could be provided were money allocated to children instead of to spaces.

First, the funding levels are woefully inadequate for a high-quality universal program. This level of funding guarantees low-quality care, inaccessible care or both.

Our low-cost estimate is only slightly less than the federal budget allocates should cost-sharing with the provinces actually materialize. This low-cost estimate is based on the worst staff-child ratios in the country, which are those currently legally allowable in Quebec. To give context, those ratios allow five infants for one staff member. Do you know any parents of quintuplets who do not get assistance? Neither do I. This helps us to understand why these are poor ratios. Research shows poor ratios directly affect the quality of care for children.

Our high-cost estimate rings in at $36.3 billion. If the federal funding amount of $9.2 billion annually remains the same, the provinces will need to cover the gap. In our report, we itemize what each province would need to pay in the creation of a truly national day care system. In Ontario, this means covering $9.5 billion annually. In Alberta, it's $3.4 billion annually, and in British Columbia, it's $2.6 billion annually, to give three examples.

It's likely that this new child care cost-sharing agreement will land child care in the same kind of ongoing political argument as other federal-provincial cost-sharing agreements. For example, the federal budget 2021 did not provide the provinces with any additional health care funding, despite the ongoing global pandemic and the requests of premiers.

My second point is that budget 2021 is not enough to provide a quality system, but it is enough to destabilize the existing ecosystem of care. Subsidizing one type of care at the expense of all others wipes out the other options. The significant decrease in parent fees in one part of the sector will inflate demand for that type of care. The provinces will struggle to meet the new demand, while other providers will be unable to compete. When Quebec introduced its provincial system, private care crumbled. A tax credit was provided about 10 years later to entice private providers back in, and Quebec is still dealing with some aspects of unequal access.

After budget 2021 came down, private providers—who all happen to be female entrepreneurs—told us that they and their colleagues were working on exit strategies from their work, citing feeling unwanted or alternatively that they didn't want to be part of the government's plan.

● (1450)

What is the cost of re-establishing care options when the existing ecosystem of care collapses? A government-created day care space shortage is indeed the responsibility of government to fix, and it comes with its own price tag.

Third and finally, funding parents avoids the quagmire of low-quality systems that help the few and not the many. The $9.2 billion annually as a per-child amount for children under six would be almost $4,000 dollars annually.

I’ll conclude by returning to the beginning and the idea that a family’s unpaid time with their child or children is not work, not valuable, and offers no return. I think this is a short-sighted, technocratic approach to child care that fails to address Canadian families’ wishes and needs. There are fortunately better, more equitable and more efficient ways to meet those needs and simultaneously respect Canadian diversity.

Thank you.

The Chair: Thank you very much, Andrea.

With the Chemistry Industry Association of Canada, we have Bob Masterson, president and CEO.

I don't see Bob on my screen.

We'll come back to that and go now with Green Economy Canada with Mr. Lloyd, executive director.

The Clerk of the Committee (Mr. Alexandre Roger): Mr. Easter, I think those witnesses are on the second panel.

The Chair: I'm looking at the wrong list. That's my fault, sorry.

We have Little Portugal on Dundas BIA and Ms. Taborda, branch manager.

Go ahead, and please excuse my mistake.

Ms. AnaBela Taborda (Branch Manager, Little Portugal on Dundas BIA): Thank you. That's quite okay.

Good afternoon. My name is AnaBela Taborda. I am branch manager of IC Savings Credit Union and chair of the Little Portugal on Dundas BIA, or business improvement area, in Toronto, in Davenport riding. Thank you for inviting me to take part in this call.

Little Portugal on Dundas BIA represents a collection of approximately 325 small and independent businesses along Dundas Street West in Davenport. We are one of over 80 such organizations in Toronto whose entire focus is on the success and growth of our local economies.

Toronto's BIAs represent a diverse range of organizations with priorities that are defined by local business stakeholders. All funds raised by BIAs are reinvested back into their local communities. Over $1.4 billion have been paid in taxes by BIA members, and together we employ over 551,000 individuals. That’s a massive contribution, and a huge responsibility for individual business owners.

In my role as branch manager of IC Savings, a financial institution in Little Portugal, I witnessed the struggle of many small businesses during this pandemic and how the COVID-19 economic response plan and the initiatives put in place by the federal government provided financial help, without which it would have been virtually impossible for our small and independent businesses to survive. We had very few closures in our BIA, thanks to these programs and the ongoing work of our local MP, Julie Dzerowicz, in tirelessly advocating on our behalf and connecting with our membership to help guide them through the available options. Thank you.

Further, I also want to thank the federal government for increasing Canada’s COVID-19 vaccine supply, which is vital to the recovery of our citizens and small businesses.

We are encouraged by a number of proposed items within budget 2021's support for small business and we look forward to their implementation. We do have some concerns, however, as to the timing, duration and design for some of these initiatives. We are keenly aware that although the future is looking brighter, small business continues to suffer. Indeed, full recovery is still a long way off.

An example would be CEBA. Although it is stated that if a business repays their loans by December 31, 2022, up to a third of the value of their loans—meaning up to $20,000—will be forgiven, we know that even a deadline of December 31, 2022, may still be too soon for our individual business owners to manage.

Another example is the budget 2021 extension of the Canada emergency wage subsidy and the Canada emergency rent subsidy and lockdown support beyond June 2021 to September 25, 2021. We believe this should be extended further, because we must first take our small businesses to a livable state before we even consider setting upon any road to recovery.

Helping small and medium-sized businesses move into the digital age we applaud. The Little Portugal on Dundas BIA has been at the forefront of adoption of Toronto’s Digital Main Street program. We have benefited from having a digital service squad member fluent in Portuguese, since in some cases language was a barrier.

Language challenges aside, however, we cannot force people to adopt a digital program. The design of the Canada digital adoption program must be carefully engineered, understanding that many main street independent businesses are slow and unable to adopt for many legitimate reasons and that some will need support in their native language. The program must be adept at uncovering the barriers up front and addressing them directly before the digital training can take hold and be effective in practice. We know this is the case because of the number of current businesses we have worked with that needed additional hands-on assistance with all government relief programs, subsidies and initiatives, since only online access was available, and for obvious reasons.

But again, we do applaud this initiative.

In regard to new businesses, part of the recovery will be welcoming new businesses into our BIA. We need these new businesses to create new jobs and replace any that may have been lost. We need all levels of government to create ways and means of helping us attract new businesses and helping sustain them in their first years as the country emerges from the pandemic. Proof of revenue loss criteria for government subsidies or relief program applications, for example, must be revisited to be more sensitive to a start-up’s reality.

● (1455)

With regard to accessibility, approximately one in five Canadians, or about 6.2 million people aged 15 and over, report having a disability that limits them in their daily activities. That would include the ability to visit main street businesses.

The Accessible Canada Act was developed following the most inclusive and accessible consultations with the disability community in our country's history. More than 100 accessibility organizations and 6,000 Canadians took part in the consultations. What can be done and how can we prepare, as our population continues to age, to improve the accessibility of Canada's main street businesses?

In closing, I'd like to say that as the government continues to develop COVID-19 recovery programs, we ask that our local MP representatives continue to actively engage us in the development of those programs. Our BIA boards and staff are highly skilled and adept at identifying potential challenges among our memberships and are only too happy to assist in any way we can.

Thank you.

● (1500)

The Chair: Thank you very much.

I have Mr. Falk on the lineup for the first witness on this panel. It will be Mr. Falk, Ms. Koutrakis, Mr. Ste-Marie, and Mr. Julian—or rather, Ms. Dzerowicz is the Liberal one.

Go ahead, Mr. Falk.

Mr. Ted Falk (Provencher, CPC): Thank you, Mr. Chair.

Thank you to all of our witnesses for your testimony. It's been very interesting, and I appreciate the different perspectives that you represent.

Ms. Mrozek, in your presentation you mentioned that you recently co-authored a paper called "Look Before You Leap: The Real Costs and Complexities of National Daycare", and I'm wondering whether you'd be able to submit that to the committee as a resource.

Ms. Andrea Mrozek: Yes, absolutely. I will do so.

Mr. Ted Falk: Okay, good. Thanks.

You also in your presentation talked about how the implementation of a national day care system would disrupt the existing ecosystem of what we currently have now for day care. Could you expand a little more on that, please?

Ms. Andrea Mrozek: I'll turn to the example I cited in Quebec as to what happened. You saw the private providers leaving the industry as they couldn't compete, and then being brought back in with a tax credit later on.

More specific to this moment, there was an article in the The Vancouver Sun, I believe, suggesting that the same thing is happening in British Columbia as they introduce their own provincial day care plan. You saw there, in the words of the child care providers themselves, their concerns around viability of their businesses. One provider suggested that under the British Columbia plan she would be providing child care at a loss, and that it therefore wasn't going to be worthwhile for her to continue. The call was for inclusion of all child care in order to avoid that kind of situation.

Mr. Ted Falk: You also mentioned that you have an interesting work schedule. It begins at home when you spend your morning looking after your children, and then in the afternoon you have hired help who provide child care while you go to work for Cardus.

Would a national day care system help you in your particular situation?

Ms. Andrea Mrozek: The short answer is no.

I'm thinking of the people who live in the townhomes next to us, with shift work involved, with unusual work hours. One father stays home, while grandparents are being used down the street. These are all examples, me included, of people who would be excluded from any benefit under the billions of dollars being allocated to a national child care system.

It's not an equitable way, is what I'm suggesting, of helping families. They address their child care needs in many, many diverse ways.

Mr. Ted Falk: Thank you.

I think everyone on this committee, and I'm sure all Canadians, recognize the importance of child care. The finance minister, when she testified at committee and was asked about child care, indicated that she was privileged to be able to have her grandparents offer child care for her in her growing-up years. That's something a lot of folks across our country have, and in this current program it isn't being recognized or rewarded. There are folks who legitimately need to have day care services outside of family and friends, and they don't have those connections or opportunities. We need to make sure that folks like them have options as well.

Would you agree that how parents decide to provide child care for their children should be a parental decision?

● (1505)

Ms. Andrea Mrozek: Indeed that's the viewpoint that we take.

I would point to statistics from Statistics Canada and other polls and surveys suggesting that cost is not the first issue that parents face. Where cost is a problem, the money that goes to parents would allow us all to make our own decisions and choices. Furthermore, a lot of us are prepared to sacrifice financially in order to spend time with family in these short-lived years when kids are growing up and won't be small forever.

What I see in the policy arena is what is echoed in my private life in taking care of a two-year-old, which is to say that a lot of parents are balancing and juggling in important ways to spend more time with their children.

Mr. Ted Falk: As an alternative to a national day care program, could you provide some options that you might see as being more effective, something like an increase to the existing Canada child benefit? Would it be more equitable to provide funds that all parents would receive, which they then could determine how to spend, whether they wanted to subsidize a parent working at home, provide the family with some assistance for helping them or take advantage of a licensed daycare? What do you think would be an alternative to a national system?

Ms. Andrea Mrozek: Providing the money to parents is definitely a more equitable and efficient way, but first we have to address the supply side issues. To this, I would say that the Statistics Canada data that I have examined suggests that the supply is not as bad as we are told, and whether that's an issue or not is very diverse across the country. Most parents are able to access the kind of care that they desire, and we have very recent polling data that suggests that parents are happy with the care that they find, and even in this stage of COVID, they have returned to their prior care options. This could be a licensed space in a centre. It could be, as I choose, home-based care, family-based care or what have you, but the demand side is where the problems are and where the choices are curtailed. If you don't have money to pay for what is available, then you don't have that choice.

I think the money to parents is a viable option, and if it were means tested, then we would see significant amounts of money going to those who need it most. We suggested that the $9.2 billion, as a per child amount without the means test, is roughly $4,000 per child under six.

If we end up spending upwards of $36 billion annually, which is what I assume will be the case years down the road, then that amount is about $14,000 per child under six. Again, that's not means tested. I would advocate means testing so that people who are truly in need can get the support to help them with their child care choices.

The Chair: This is your last question, Ted.

Mr. Ted Falk: I'd like to ask a question as well of Dr. Collins from the CMA.

As you know, budget 2021 did not include an increase in health transfers to the provinces, and this of course is something that the provinces had been asking for, and they were really emphasizing how important those transfers would be.

Could you discuss the long-term impact that this is going to have on our health care system?

Dr. Ann Collins: Thank you for the question.

In the context of the pandemic, what we don't yet know is what the full impact will be on wait times and on mental health needs going forward, for example. We can safely predict that there will be a great need in increased costs.

Clearly there needs to be a collaborative approach between the federal and provincial governments in working on how best to meet those needs going forward, in a system that was already challenged prior to the beginning of the pandemic.

Mr. Ted Falk: Good. Thank you, Dr. Collins. Thank you, Ms. Mrozek, as well.

The Chair: Thank you to you both.

We will now turn to Ms. Dzerowicz, who will be followed by Mr. Ste-Marie.

Ms. Julie Dzerowicz (Davenport, Lib.): Thank you so much, Mr. Chair.

I want to say a huge thanks to all the presenters for the excellent presentations today.

Because I have limited time, I'm going to start off with some questions to Canada's Building Trades Unions, and then I'll finish off with the Little Portugal on Dundas BIA.

Mr. Kucheran and Mr. Strickland, I want to say thank you so much for your important testimony today and for your leadership right across our country.

First, there is a significant amount of money in budget 2021 invested in skills and training, including quite a bit of money around apprenticeship. Can you speak to how important this is in helping with job creation and economic growth?

● (1510)

Mr. Robert Kucheran: Sure.

Mr. Sean Strickland: Go ahead, Robert.

Mr. Robert Kucheran: Thank you, Ms. Dzerowicz. I have a couple of points before I hand the question to Mr. Strickland.

The items listed in the budget do a couple of things. One is that it has put money into areas that are needed to stimulate the economy. That's one benefit.

Second, in a lot of these initiatives, the intention is to engage citizens who don't already participate in the construction industry. I'm talking about aboriginal people, women, racialized communities and under-represented communities. That is very important. You know that our industry is going to lose through attrition many construction workers over the next 10 years, as reported by BuildForce Canada. We need to backfill those members. Besides creating opportunities for under-represented groups in Canada with not just jobs but good-paying careers, that will go a long way to backfill our workforce, and not only that, build the economy. It's going to help in a number of areas.

I'll defer to Mr. Strickland, please.

Ms. Julie Dzerowicz: Thank you.

Mr. Sean Strickland: To add to Robert's comments, we're pleased to see the significant amount of dollars going towards training initiatives and apprenticeship for multiple sectors, not just construction, contained in budget 2021.

For construction, we need to attract more young people into the industry. We're an aging industry. We also need to attract more diverse groups into the industry.

The average age of the apprentice in construction right now is 27 years of age, whereas 20 years ago it was 18 or 19 years of age. Therefore, construction is often not the first choice of young people. We need to make it more of a first choice for young people and provide them with those long-term, sustainable careers in construction through apprenticeship.

Ms. Julie Dzerowicz: Thank you so much. I have just one quick question.

We know that there have been a lot of shortages within the trades, and within construction in particular. How can we reduce some of the barriers in terms of mobility for labour, maybe moving from one part of the country to another, or from different parts, just to maybe fill some of those demands?

Please take only 30 seconds, because I have to go to the next witness.

Mr. Sean Strickland: Regarding the skilled trades workforce mobility tax reduction, right now construction workers aren't eligible under the Income Tax Act to deduct expenses for work-related travel, whereas salespeople are, professionals are. You can have a sales professional go to a construction project and deduct their travel expenses, but the person who's installing the product that the salesperson is selling is not able to deduct the same expenses if they have to travel the same amount of distance.

It is a very important issue for us, and we've been advocating long and hard on this issue. We think this inequity needs to be addressed to improve mobility for workers across Canada.

Ms. Julie Dzerowicz: Thank you so much.

I want to turn now to Ms. Taborda.

Ms. Taborda, thanks for being here. You have a very unique role. You wear two hats. One is that not only are you a branch manager and you've been actually helping with emergency supports for businesses within the last year and a half, but you are also the chair of the local BIA, so you're actually trying to help support our local businesses. Thanks for your important testimony and contribution today.

You've talked about how the business supports, particularly the rent subsidy and the wage subsidy, have been lifelines, but you also talked about feeling that it needs to be extended beyond what we're proposing in budget 2021. How long do you think we need to extend it?

Ms. AnaBela Taborda: First of all, thank you for the question. It is a pleasure being here.

At this point, as you know, we're waiting to find out if we're going to come out of the lockdown. This lockdown has created major issues, because a lot of businesses have not been able to operate at all. For example, there is no such thing as curbside pickup for a hair salon.

Even when they start, when these people are finally able to operate, they have back rent that they have to pay. They have their staff that they have to pay. They have all sorts of bills already accumulated. We originally had considered that we would be out of the woods maybe in March, but it has now continued to drag on. We should be prepared to look at this for at least until the end of the year in order to give them time to be able to pay their debts without getting into further obligations.

● (1515)

Ms. Julie Dzerowicz: Thank you. I have a last question for you.

You talked a bit about the Canada digital adoption program and said that this is very positive in helping local businesses digitize, modernize and be able to be competitive moving forward. However, you indicated that you would advise us on a number of criteria for us to be thoughtful about, including certain criteria as we move forward to implement the program.

Could you reiterate what those criteria might be?

Ms. AnaBela Taborda: The main thing, as I indicated, is the language barriers. We have to be very sensitive to people who do not speak English or don't have English—like me—as their first language. Every once in a while, I slip into Portuguese, but I think I can get around pretty well.

I do have a lot of our membership who have issues, not just Portuguese but others as well, and if we are not prepared to sit down with them and explain it in their own language, it's going to be very difficult. Keep in mind that all of these people have Facebook, meaning they all understand technology; they just don't know it. When you are able to bridge that gap and spin that little bit more extra time, we are going to win and get them there.

Ms. Julie Dzerowicz: Thank you so much.

Ms. AnaBela Taborda: Thank you.

The Chair: Thank you, all.

We're going to Mr. Ste-Marie, who will be followed by Mr. Julian.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Thank you, Mr. Chair.

First, I have a comment about the child care system. I want to make clear that Quebec has not just early childhood centres, known as CPEs, but also home day cares and private day cares. Of course, the grandparents can also watch the kids. It's just that child care is more widely available in Quebec.

Generally, what we are seeing is that parents seem to prefer CPEs given the requirement for a large number of educators, who must have completed a three-year college program in order to work there. What's more, the programs are designed around optimal child development and well-being, and values such as respect.

It is true that much work remains; it's always possible to do better. That said, Quebec has more than just CPEs; it has a full range of child care services. Private day care centres and home day care centres qualify for subsidies and can therefore provide reduced-contribution places.

As a result, we are seeing more women enter the workforce, and ultimately, the taxes they pay are helping to fund the system. Obviously, as Quebeckers, we take great pride in our child care system.

Now I will move on to my questions, which are about a different issue entirely.

My question is for Ms. Collins, and perhaps Mr. Villeneuve or Ms. Hamza can answer afterwards.

Ms. Collins, do you think the federal government provides enough funding for health care? If not, how much should it provide?

[*English*]

Dr. Ann Collins: We are very pleased with what we saw with the introduction of Bill C-25 and the $4 billion one-time CHT top-up to address the backlog created by the first and second waves of the pandemic, but we know there are going to be higher costs. As I stated earlier, it is yet unknown what the true cost of the backlog will be from the first, second and third waves. We know that public health has been stretched by the pandemic and will need further support. As has been alluded to already, Canadians will have increased needs for mental health care as a result of the pandemic, and beyond that, whatever the needs are of COVID patients going forward.

Added to that is what we've mentioned, that there is no plan in budget 2021 to address the implementation and ramping up, if you will, of primary care access, which really is so critical to meeting all of those needs. That's a common thread throughout those issues. There will be increased costs going forward, and we very much look forward to being at those tables—and here I speak on behalf of the CMA—with the federal, provincial and all levels of government in discussing how those needs can be met going forward.

● (1520)

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

Ms. Hamza or Mr. Villeneuve, would you care to comment?

[*English*]

Mr. Michael Villeneuve: I'll quickly add something different to what Dr. Collins said. We are just shy of 20% of our population being over the age of 65, and the Conference Board of Canada report, which I believe was commissioned by CMA, told us that there's going to be a 20% rise in costs due to aging alone over the coming decade. That's $93 billion.

While we certainly need funding to help stabilize systems coming out of the pandemic, we have a larger issue of what we're going to do with all of those older folks. There were somewhere around 200,000 long-term care beds in the system in 2017-18. There was a shortage then of 63,000 spaces, with people waiting, and the Conference Board estimates that we need another 200,000 beds. Unless we start to fund home care and primary care, as Dr. Collins said, and palliative end-of-life care and other services, we're going to be in trouble, and those people are old now. The baby boomers are there now, so we're concerned that we must act. It's not a theory; it's real right now.

The Chair: It's time, Gabriel.

[*Translation*]

Mr. Gabriel Ste-Marie: Very good. Thank you, Mr. Chair.

As you just said, Mr. Villeneuve, health care funding must take the aging population into account. It may be necessary to apply a more suitable formula, as opposed to just per capita funding.

The Prime Minister said he wanted to discuss health care funding with his provincial counterparts, but not until after the pandemic. I find that odd. We are in the midst of a public health emergency, so what better time than now?

My next question is also for Ms. Collins, and Mr. Villeneuve or Ms. Hamza.

When do you think the first ministers' conference to discuss health care funding should take place?

[*English*]

Dr. Ann Collins: Between Monsieur Villeneuve and me, we have outlined the many needs of Canadians that will be required to be met as a result of the pandemic and aging and the state of pre-existing health care systems prior to the pandemic. Again, we implore the federal and provincial governments to come together in a co-operative and collaborative fashion to discuss those needs and what we'll need to meet those needs moving forward. We look to do whatever we can to engage and to support that collaboration.

The Chair: Thank you, all.

We will have to go to Mr. Julian, followed by Mr. Kelly.

Mr. Peter Julian (New Westminster—Burnaby, NDP): Thanks so much, Mr. Chair.

Thanks to our witnesses for coming with such compelling testimony today, and we hope that you and your families continue to stay safe and healthy during this pandemic.

I'd like to address my first questions to Dr. Collins, Mr. Villeneuve and Madam Hamza, and give our deepest condolences for the doctors and nurses who have died during this pandemic and express our gratitude for the incredible bravery and dedication of Canada's nurses and doctors during this unparalleled health crisis. It is something that all Canadians profoundly appreciate, and we know that many have given their lives. Our condolences go to each and every one of those members of your organizations and their families.

We had compelling testimony in the previous panel that over $50 billion every year goes to the ultra-rich and big corporations because of tax cuts, loopholes, and a tax system that is simply broken down.

All three of you have offered compelling reasons why we really need to prioritize health care funding for primary care, for long-term care and the debacle we've seen there, and for mental health care.

Is it not fundamental that we prioritize health care funding and that we put in place a tax system so that everyone pays their fair share and we actually have the wherewithal to put in place the funding for the needs that you have so clearly identified are absolutely essential to meet in the coming years?

● (1525)

Dr. Ann Collins: Thank you, Mr. Julian, for your well wishes. They are very gratefully accepted on behalf of the CMA.

I'm not an economist. I'm not a tax expert, but I am a family physician and I think that there is no question that the pandemic has fully laid bare the many deficiencies that exist in our health care system. Again, 5 million Canadians are without a family physician. In my province of New Brunswick and in neighbouring Nova Scotia, 100,000 people are on a no-doctor list.

I don't think Canadians are going to let this rest. The importance of health care is so critical. Good health care is critical to a strong and robust economy, and so again we applaud the government for the measures taken in budget 2021 and we look forward to honouring the commitment to primary health care teams and family physicians, who are so critical to the life of a good health care system.

Mr. Peter Julian: Mr. Villeneuve.

Mr. Michael Villeneuve: Thank you very much, Chair.

I'll just add quickly that, again, I'm not an expert on what the tax system should be, but of course we would support a fair, equitable tax system.

What we would put on the table is a reminder that we want to provide the best possible care for the best value, and many of the things that we do costs more than they need to. If you think about those 63,000 people who didn't have a long-term care bed because there were only 200,000 beds and there were 63,000 more people, it's not like they don't get care. They go to emergency. They go to the hospital.

Dr. Collins was talking about people who don't have a doctor. They go to expensive places to get that care and they're often sicker and it takes longer, so we believe that a different sort of look at funding health care systems could ensure that we, in a sense, keep people steps back from moving to the more expensive places and use the tax dollars more wisely.

I hope that is helpful.

Mr. Peter Julian: Yes, it is.

Now I would like to come back to the issue of public universal pharmacare. That was a commitment the government made in the last election. It has abandoned that in this budget and his budget bill, as you well know. The proposed Canada pharmacare act was killed in the House of Commons a few weeks ago by the votes of government MPs.

I know that Canada's nurses were front and centre in supporting the drive for public universal pharmacare and that there are 10 million Canadians who have no access to drug plans, and so I ask how important is it to put in place public universal pharmacare so that Canadians can actually get the medications their doctors prescribe and stay in better health and away from emergency rooms?

Mr. Michael Villeneuve: For the Canadian Nurses Association, it's absolutely essential. We've been talking about it for decades. The concern is that it's even things like people's metering out their diabetic medicines, for example; because they're so expensive, they can't use them all effectively each day. We are particularly concerned that we've had a long focus historically on covering catastrophic drug expenses, AIDS drugs and so on. However, if you don't have $50, $50 is catastrophic for you if you're in that space. It's really important, we believe, for people across Canada to tackle this and get pharmacare done.

The Chair: Ask a very quick question with a very quick answer this time, Peter.

Mr. Peter Julian: I'll ask the same question of Dr. Collins. Many doctors, of course, also have been extraordinarily supportive of public universal pharmacare. The bill was killed. The government has dropped the commitment. Do Canada's doctors believe it's important and essential to expand our health care system to include public universal pharmacare?

Dr. Ann Collins: The CMA supports federally funded essential medications as a start to be scaled up. There is no question that doctors and patients every day struggle to find the right medication at the right cost, and unfortunately, in some instances, the right cost is never achieved. Again, with the loss of jobs during this pandemic, it's not just our seniors who are affected by this. We're now seeing many younger Canadians having to make difficult choices about whether they buy their medications or buy groceries.

● (1530)

The Chair: Thank you, all.

We are going to Mr. Kelly in a five-minute round, and he'll be followed by Mr. Fragiskatos.

Pat.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Great. Thank you.

I'll begin with Dr. Collins.

I'd like you to have an opportunity to expand on something you said in response to one of Mr. Ste-Marie's questions. You talked about the funding to deal with the backlog of surgeries and health care caused by the first and second waves. However, we are in a third wave that actually produced.... Thankfully, many more people are surviving in the third wave, but they are spending a great deal of time in hospitals. Do you have better numbers or any kind of data on the backlogs that exist because of this third wave?

Dr. Ann Collins: I do not have numbers for you. We did do our own study that said it would cost $1.3 billion to deal with the backlog of six procedures from the first wave alone. You can project and know that the cost of the second and third waves is going to be incredible. Doctors did scramble to get surgeries taken care of when there were fewer lockdowns, but it goes beyond surgery. We have seen patients delay their presentation to their physician if they have a family physician. We know that COVID patients who have—

Mr. Pat Kelly: I really appreciate that. Thank you.

If there was some information, I was hoping to get it, but we, obviously, still just don't know what this third wave is going to cost in that area.

I'm going to go to Ms. Mrozek.

We've heard at this committee leaders from a variety of different groups. We've heard from business, labour and academics, and there are plenty of pundits that support the principle of a national day care system. However, you're really interested in the focus that you have done on researching what parents think of this type of system. I wonder if you could elaborate on some of the questions that you put to parents because it seems to me that there are so many different concerns that parents have, and they're different in different areas. No doubt, parents are very concerned about the cost of raising a family, which works itself out in a variety of ways from housing to the cost and availability of child care. What have parents told you about the kind of child care that they want?

Ms. Andrea Mrozek: We did do a recent poll with the Angus Reid Institute asking about child care needs among parents and Canadians at large.

What we found was a diversity of responses. When presented with any array of policy options, parents accepted each option by a high percentage. For example, a refundable tax credit, yes, they're interested in that; money to parents, yes, they're interested in that; a national system, yes, they're interested in that.

My point, however, is that we didn't juxtapose the question of what a national system actually means on the ground—not in theory, but in practice—with actual dollar figures as to how much that would be for each child under a particular age.

We do attempt to ask what parents desire, and we faithfully represent what we find from our polling. There is a huge diversity in responses.

I still believe that given the money now, versus a pie in the sky type of system later on, parents would be more interested in the money now, especially, if I could refer to the point I mentioned before, given the supply side side issue of this not being as big a problem as we've been led to believe by activists for a national day care system.

Mr. Pat Kelly: Right, and we see that the needs of parents are extremely diverse, and you touched on that in your opening statements and how no family, it seems, has the same approach or idea of how they would like to balance their family life to ensure both that their children are raised safely and comfortably and they have the economic opportunity to participate in the workforce.

I am just about out of time, but are there any further comments on the diversity of needs that are out there?

● (1535)

Ms. Andrea Mrozek: We believe that parents are the best bet for their children, and that they are capable and competent of choosing the right kind of child care that works for them. That could be a space in a centre, it could be a home-based day care provider, it could be a parent in the home, or juggling schedules as our family has chosen to do.

Again, to try to account for all of this diversity and then steamroll over it in a national system that inevitably is not going to uniquely address those needs strikes me as striking a real blow against what we call the “ecosystem of care” that does exist and is diverse and very unique in allowing for families to work and care in the way that works for them.

Mr. Pat Kelly: Thank you.

The Chair: Thank you, all.

We will turn to Mr. Fragiskatos, and then it will be Mr. Ste-Marie who is up.

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

Thank you to all the witnesses.

Mr. Villeneuve and Ms. Hamza, it's very nice to see you both, again.

Mr. Villeneuve, in your testimony you spoke favourably about the budget and its focus on mental health.

I do remember your testimony many months ago, back in the fall, when you also spoke about the burnout that nurses were facing at that time as a result of COVID-19. You've mentioned it here again today.

In light of both of those things, I think it's especially positive that the budget does have this special focus on mental health and supports that would improve mental health services in Canada.

I do want to ask you a question about nursing, in general, as a profession right now. How worried are you about the problem of burnout as a result of COVID-19?

I am assuming, from your testimony, that it's only become worse in the past few months. Where do you see this going?

Mr. Michael Villeneuve: Mr. Chair, is the member comfortable if I let Aden answer that question?

Mr. Peter Fragiskatos: Yes, of course. Sorry, it was meant for either witness.

Mr. Michael Villeneuve: Okay, thank you.

The Chair: Whoever wants to answer.

Go ahead, Aden, you're on.

Mrs. Aden Hamza (Policy Lead, Canadian Nurses Association): Thank you, Mr. Chair.

Thank you for the question.

We were, and continue to be, extremely concerned about the mental health of nurses. Throughout this third wave of the pandemic, we've seen a significant amount of stress due to the increased workload, the concern for personal and family safety, and the moral distress that nurses are experiencing. We're seeing a rising number of nursing vacancies across the country and we've been hearing a number of reports of nurses who may also plan to leave the profession due to burnout.

I think it's also worth mentioning that as we talk about recovery and the backlog that was mentioned earlier, we will need a healthy workforce to help relieve us of that treatment backlog. We are pleased to see the investments made to support nurses' and health care workers' mental health because, from what we're hearing, nurses right now are at a breaking point across the country.

Mr. Peter Fragiskatos: Thank you for that.

I asked the question especially because London, Ontario, where I am, is a health care community. We have two major hospitals serving not just the city but the broader southwestern Ontario region.

Thank you for your advocacy on this. It's clearly a very good step in the right direction, and when I say step in the right direction, I'm obviously talking about the budget. It's a step that builds upon previous investments that the government made earlier in its mandate, but there's certainly more to do, I think, in partnership with the provincial governments.

I want to go to Mr. Kucheran.

Sir, it's great to see you and Mr. Strickland again. I certainly remember our meeting a few months ago. I hope you're keeping well.

Mr. Kucheran, in your testimony you outlined your view on national child care and how national child care will help your members. I wonder if you could expand on that. It's not automatic for most folks to think that a national program like this, if it were to be implemented, could help so many in a variety of professions, including those in the trades.

I wonder if you could expand on that, and also look at whether or not this allows for greater participation in the trades. When there are these options in place, one would assume that the attraction and retention challenges that are faced in the sector you're representing could be addressed. I'm not saying it's panacea, but it is a measure that I think could help. I would love your thoughts on that.

Mr. Robert Kucheran: Thank you very much for the question.

You're absolutely right. The child care benefit program would allow more women to enter the trades, to backfill the spaces that we're losing members from through attrition. Women in the trades right now make up about 6% or 7%, and it varies for regions across Canada. The percentage right now of women who are participating is very robust. We have programs to support that. Like everything else, they need support in terms of apprenticeship and skills training and skills upgrading.

That means so much in terms of getting more people into the trades and into the trades that have careers. Day care is very expensive. When I was a young construction worker in downtown Toronto, my wife and I both worked, and one of our paycheques went to day care. That was 25 years ago, and that didn't include diapers. That was a big hurdle to overcome. This program will help the construction industry and it will help Canadians in general.

I'll defer to Sean Strickland, please.

● (1540)

The Chair: I'm sorry, Peter; we're going to have to move on.

I think we can get six more questioners in. We'll have Mr. Ste-Marie and Mr. Julian for two minutes, Ms. Jansen and Ms. Koutrakis for four minutes, and Mr. Fast and Mr. Fraser for three minutes each.

Go ahead, Mr. Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

My question is for Mr. Kucheran or Mr. Strickland. It's about employment insurance and the measures in division 36 of part 4 of Bill C-30.

Earlier today, we heard from Pierre Céré, a representative of the Conseil national des chômeurs et chômeuses. He was worried about the EI amendments, specifically, those that would apply for a one-year period beginning in September in relation to the number of benefit weeks and benefit amount. He called the measures a return to the status quo, referring to them as gaps that could hurt seasonal workers.

I believe some of the occupations you represent involve seasonal work, so I'm interested in hearing your thoughts on the EI amendments, especially in response to what Mr. Céré said.

[*English*]

Mr. Robert Kucheran: Thank you very much for the question. There are a couple of points I want to make.

Easing restrictions to get EI is so important. There's a long lag time between when you're laid off and when you actually get your first paycheque. That waiting period is a real challenge for construction workers. We applaud the government for that initiative, and we support the government for that. Anything to reduce the barriers to entering EI is very important.

Let me also touch on the EI sick benefits. We work with members who have substance abuse problems, mental health problems, and we don't have sick days. When we have problems like that, we don't get a chance to get help, or it's very difficult for us to get help. We often take painkillers or substances that help keep us on the job, and that can lead to big problems within the industry.

For the government to extend the period of sick days is very important, but again, make it easier to get sick days. I think that would go a long way to helping not only with our mental health but also with substance abuse.

The Chair: Thank you very much for that. That is a really important point, Robert.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Next is Mr. Julian, followed by Ms. Jansen.

Mr. Peter Julian: Thanks, Mr. Chair. My question will go to Mr. Kucheran or Mr. Strickland.

Here's a shout-out to building trades members across the country, including my niece Hannah. She has just started her apprenticeship training and is excited to become part of the building trades across the country.

We know that we have the pandemic, but we also have the looming crisis in the background that is the climate crisis. The building trades issued a remarkable landmark report through the Columbia Institute back in 2017, “Jobs for Tomorrow”, about building trades and net zero. You called upon the government to make the investments required to create over a million jobs in that transition to clean energy. To date, we haven't seen the government step up in any meaningful way. This budget was a lost opportunity.

How important is it for the government to work with the building trades in the substantial investments that allow us to create the hundreds of thousands of new jobs that come with transitioning to a clean energy economy?

Mr. Robert Kucheran: Let me start by saying that our members, particularly in Alberta, are very concerned about transitioning from the energy sector to other sectors, so the transition is very important to us. Second, we are working with the government to identify areas in the new economy, in the green economy, to support, develop and invest in that will give us good jobs into the future, well-paying jobs into the future, and then transition existing members into those new industries.

Go ahead, Mr. Strickland, please.

● (1545)

Mr. Sean Strickland: Just quickly, we're calling on the government to form a task force on the future of energy sector jobs. We're going to do whatever we can to protect the existing jobs in the energy sector. There's a recent TD report that said we could lose up to 300,000 jobs between now and 2030 in the energy sector. We want to protect the jobs we have, but also position our industry for the future jobs in energy—small modular reactors, carbon sequestering, hydrogen.

We need to have a multisectoral approach to this, with the support of the federal government, so that we don't leave these workers behind.

The Chair: Thank you very much to you all.

Ms. Jansen, you have four minutes, followed by Ms. Koutrakis.

You are muted, Tamara. Hit it. Kick that computer.

Okay. There you go.

Mrs. Tamara Jansen (Cloverdale—Langley City, CPC): I'm having a lot of trouble with it today. I don't know what's going on.

Ms. Mrozek, I thought you hit the nail on the head with regard to the $10-a-day day care when you said that, number one, they will not be able to deliver on the promise, and number two, that we're going to get a loss of options. It's been very clear already. They did a pilot project here in B.C. and they definitely did not deliver on their promise. We ended up having the same number of spaces; some people are just paying less. Unfortunately, they tend to be those who are more upwardly mobile as compared with those who really need it.

I wonder if you could talk to that fact.

Ms. Andrea Mrozek: The research in Quebec has suggested that this is already happening. People of greater means are accessing the system on the backs of those who would most need it financially. I think there are various reasons for that. Ultimately, any kind of system that fails to identify those who are truly in need and creates a benefit for people who are the least in need of it strikes me as an inequitable way to provide child care.

We work with a definition of child care that says that anyone who cares for a child is doing child care. When you broaden out to look at the ecosystem of care, we don't have child care deserts across the country. We have parents, family, ethnic communities and all kinds of different care options available. They just aren't recognized by those who are strong proponents of a national day care system. I have very grave concerns about one homogeneous, universal style of system coming in and squashing the existing ecosystem of care.

Mrs. Tamara Jansen: Absolutely. The term “homogeneous” has been used quite a few times with regard to a number of the programs the Liberals have put together. When I saw this one, I thought, “My goodness, it must have been some elite male politician who put it together.” I know that women's schedules are so diverse, and when you look at this, it's like....

I was speaking to a day care person here, who talked about how some day cares are open from eight to four and others from seven to six, and yet they were all pushed into the same square hole. Could you speak a little bit more to the fact that there are so many differences across Canada, and now suddenly we're going to try to squish everybody into the same box?

Ms. Andrea Mrozek: Yes, that's definitely a concern that I have, and I have commentary from female leaders in the construction industry who have noted that this schedule of construction makes a universal program unfeasible for women and that what they need is something more agile and flexible.

Whenever you work in a sector that is not nine to five, what we see in child care centre provision as one specific form of child care is that they generally cater to a nine-to-five work environment, which is at least part of the reason that it's inequitable and ends up funding people who earn higher wages, because these tend to be office jobs.

If you're in the retail sector or you have to do shift work or work after hours, this kind of care is not that accessible in centres right now, according to what I can see in the literature from across the country. People doing work outside of the standard work hours are going to have a hard time, I think, accessing this low-cost child care.

● (1550)

Mrs. Tamara Jansen: What is the better way to tackle it, then?

Ms. Andrea Mrozek: I truly believe that we can work with a realm of policy options, such as refundable tax credits for those using child care centres or something that could be tweaked in the provinces and be delivered more than just annually, which would provide financial relief to those most in need.

I think that money, a per child amount, allows for families to make decisions that work for them and recognizes that.... I personally don't believe that labour force participation ought to fall on the backs of the mothers of young children. I think it should be a choice that mothers make. We have data to suggest that the majority of mothers prefer to work part time or not at all and a minority of mothers who prefer to work full time. When you look at that data, a coercive measure to push mothers of young children into the labour force isn't super-helpful. It would be better to give money to families so that they could choose whichever—

The Chair: I'm sorry; we're going to have to move on from there.

Ms. Koutrakis will be followed by Mr. Fast.

Ms. Koutrakis, you have four minutes.

Ms. Annie Koutrakis (Vimy, Lib.): Thank you, Mr. Chair.

Thank you to all the witnesses for being here this afternoon.

As an MP coming from Quebec, I am fascinated with some of the testimony that I'm listening to this afternoon on national child care.

If you want to talk about data and statistics, Quebec has probably the largest participation of women in the workforce, and a lot of that is because of our child care. Not only that, there are so many other jurisdictions that are looking to the Quebec model because it does work so well. If we want women to participate in the workforce, then we have to make absolutely certain that there is safe, affordable day care, and the Quebec model certainly demonstrates that it could be done. In fact, the U.S. is looking at the Quebec model to see how they can implement a similar program in their jurisdiction.

All you have to do is ask one of my friends. She and her husband were transferred from Montreal to Toronto, and instead of paying $10 a day, they're now paying $60 a day. It would be interesting to speak to families who have been directly affected just by simply moving from Montreal to Toronto, which I think is a great segue into my next question.

Sean Strickland, it's nice to see you again. I'm happy to see you here. I am wondering if you or Mr. Kucheran could speak on your support of the child care program and how a program like this will assist your members.

Mr. Sean Strickland: Thank you very much, MP Koutrakis. It's nice to see you again.

If I could just maybe pick up on Robert's comments from earlier, when you think of the national child care program, you don't naturally make a connection to construction. Certainly it will help with our efforts to get more women into the workforce. I think you're right to point out that Quebec has the largest participation rate for women across Canada, and it's because of the child care program. We support that and we see it as something that will help attract more women into construction.

I think the concerns raised around flexibility can be easily addressed by having child care centres that are open really early in the morning and late at night to accommodate for shift workers and so on.

The other thing, just picking up on what I said earlier, is that we have a challenge in attracting young people into the trades. Having access to good-quality child care will help us attract them, because they're often concerned about how they are going to manage child care when both parents are working. How are they going to manage child care when someone is working on a construction project? For example, in the big cities, construction shifts usually start at six in the morning and end at two so that the workers can get home ahead of traffic. How are you going to handle child care in that system?

I think the market will respond, based on these concerns, and provide more opportunities for women and more opportunities for shift workers and construction workers to get into the trades, for example, because they'll have assurances that safe, affordable, accessible child care is there.

The Chair: Annie, you have a minute for both a question and an answer.

Ms. Annie Koutrakis: Thank you for your response, Sean.

My next question is for the Canadian Nurses Association, or it could be for Dr. Collins as well.

In response to the budget, I know that the Canadian Nurses Association has recognized the steps taken to implement a disaggregated data action plan to address inequalities in our society. Can you expand on the systemic inequalities in care and health outcomes faced by racialized Canadians? Can you also comment briefly on how the disaggregated data action plan will take steps to address these inequalities?

● (1555)

The Chair: It will have to be brief. Go ahead, Mr. Villeneuve.

Mr. Michael Villeneuve: I'll let Aden answer.

The Chair: Okay. Go ahead, Aden.

Mrs. Aden Hamza: Thank you, Mr. Chair.

You're absolutely right. The need for disaggregated data is long overdue. As you know, we cannot make any changes in policy or in health care without the data to support it, and we've known that these inequities have existed in health for Blacks, indigenous people and people of colour across Canada. Having the disaggregated data to then identify how we can reallocate resources is crucial, so we're very glad to see that moving forward, and we look forward to continuing to participate in those discussions.

The Chair: Thank you very much.

I'm sorry to push people to be fast, but we're down to two and a half minutes for you, Mr. Fast, and two and a half minutes for Mr. Fraser.

Ed, you're on.

Hon. Ed Fast (Abbotsford, CPC): Thank you.

My question is for Ms. Mrozek.

Ms. Koutrakis just attacked your testimony indirectly without leaving you with an opportunity to respond, but I do want to clarify something. I believe it's your position that a national child care program should be means-tested. Is that correct?

Ms. Andrea Mrozek: Any benefits should go to all families and all parents and be means-tested, so yes.

Hon. Ed Fast: All right.

Could you comment on timelines for getting a national day care system implemented? We're talking about federal-provincial negotiations that will take some time. We've had promises of national day care going back to 1993 and beyond, actually. This could take some years.

In the meantime, are you proposing something as an interim measure that could cover the need that many families feel, the need to provide them with some child care support so that moms and dads can integrate into the labour force?

Ms. Andrea Mrozek: A paper we wrote is called "Look Before You Leap: The Real Costs and Complexities of National Daycare” for a reason. It's not just a budgeting attempt of what national day care costs; it leads you to discuss and consider all of the very significant complexities. There will be nothing easy and nothing fast about putting this in place, and there is no way that it will be available as a COVID economic recovery plan.

The CCB, the Canada child benefit, is already in place. It exists and helps all parents already, and that's something that could be a useful tool in getting support to parents in need.

Hon. Ed Fast: Do you want to have an opportunity to respond to Ms. Koutrakis' critique of your testimony?

Ms. Andrea Mrozek: I'll only say that there's plenty of peer-reviewed research that the U.S. is also considering, research by Canadian scholars of some repute—Baker, Gruber and Milligan, and Steven Lehrer at Queen's University—that shows poor outcomes for children. Child care is not about getting women into the workforce; child care is about the care of our youngest, and I think it matters whether they fare well in the type of care that they receive.

The Chair: Okay. We are going to have to move on to the last questioner. That will be Mr. Fraser for two and a half minutes.

Mr. Sean Fraser (Central Nova, Lib.): Thank you, Mr. Chair.

That probably leaves me enough time for one question with a preamble, so here I go.

The number one issue that's been coming into my constituency office is a provincial issue, and it revolves around access to primary care, so my question is for our guests who have given testimony to that effect.

I think, Mr. Villeneuve, you hit the nail on the head. These people don't completely go without care; they end up having delayed access to care. They go to walk-in clinics. They go to ERs. They end up getting care much after they need it, when their condition has worsened, and it's been oftentimes delivered at a much greater expense to the taxpayer.

I'm wondering if you or Ann Collins could give suggestions on what the federal government can do to help expand access to family doctors and primary care providers. If you had one shot at this in the next minute and a half that you have remaining, solve this problem for us, and I'll be forever grateful for your advice.

Mr. Michael Villeneuve: Over to you, Ann.

Dr. Ann Collins: Thanks, Mike.

Thank you for the question. The answer is a $1.2-billion transition fund over four years, whereby provinces and the federal government as well would look to expand primary care teams and to look to see what measures communities need and to implement them.

Our young doctors want to work in a team-based care model that includes nurse practitioners, nurses, social workers and home care experts. Our seniors need family physicians for good primary care in order to stay in place at home. This is the way forward.

If you have a family doctor, you're lucky. Imagine what it would be like not to have a family doctor or a primary care provider team. This is a model that has been shown to be effective. The Prime Ministerhas said that primary care teams have the answer, and we want to work collaboratively to implement that model.

● (1600)

Mr. Sean Fraser: In five seconds, I can say thank you, and I would invite a further conversation if you'd make yourself available offline.

Dr. Ann Collins: Any time.

Mr. Sean Fraser: Thank you.

The Chair: That's a good point to end on.

To you people in the health care field, my wife is a retired nurse, and I get my ears burned every day. Thank you for your points.

Ann, we heard your thoughts on Bill C-25 and we will put those forward as well, not before our committee but before another one.

In any event, thank you to all the witnesses. This was a wide-ranging discussion during this panel, as many of them are. There were good questions and good responses, and that's what we like to hear. There's not always agreement in this committee, as you can see, but a good debate makes for better policy. Thank you very much.

For the committee, we will go to our fourth panel of the day right now.

Thank you to all the witnesses again.

The meeting is suspended for one minute.

● (1600)

_____________________(Pause)_____________________

● (1606)

The Chair: We'll call the meeting to order.

Welcome to meeting number 48 of the House of Commons Standing Committee on Finance.

Pursuant to Standing Order 108(2), the committee is meeting on the prestudy of Bill C-30, An Act to implement certain provisions of the budget tabled in Parliament on April 19, 2021 and other measures.

We welcome witnesses here on the fourth panel of the day to hear their views on Bill C-30. We welcome you all.

Just so witnesses know, when you're speaking, the only person who is seen on the screen is the person who is speaking, not the committee and witnesses as a whole.

With that, we will start with the witnesses, and please try to hold your remarks to about five minutes.

We'll start with Bonjour Startup Montréal and Liette Lamonde, president and CEO.

The floor is yours.

[*Translation*]

Ms. Liette Lamonde (President and Chief Executive Officer, Bonjour Startup Montréal): Thank you, Mr. Chair.

Thank you to the members of the House of Commons Standing Committee on Finance for inviting me.

My name is Liette Lamonde, and I am the president and chief executive officer of Bonjour Startup Montréal, a not-for-profit organization whose mission is to better position Montreal's start-up ecosystem for success. We work to accelerate the creation, growth and influence of Montreal's start-ups by mobilizing a wide variety of partners. The ecosystem is made up of accelerators, incubators, investors, universities, large companies and, of course, governments.

Our organization was created in late 2018 by the OSMO and Montréal inc. foundations, with the financial support of the Quebec government, the City of Montreal and the private sector. In the fall, we received support from the Economic Development Agency of Canada for the Regions of Quebec for the first time.

Since our organization was created, we have launched many projects and initiatives to help fill the gaps in our start-up ecosystem, gaps attributable to its relative newness. Montreal's ecosystem is barely 10 years old. Compare that with Silicon Valley, which has been around for more than 40 years.

In that first decade, Montreal built a critical mass of start-ups, more than 1,300.

Montreal's young ecosystem is now entering the globalization phase, where Quebec start-ups move into the next phase of growth and break into international markets. A crucial step, this is when start-ups finally achieve significant economic and social success.

When an ecosystem is able to produce more companies in the league of Lightspeed and Shopify, it builds prosperity and experience.

The race to create thriving start-up ecosystems is not limited to Canada. It is a global race. Every big city is getting in on the investment, in the knowledge that start-ups are incredible drivers of innovation. If Montreal does not establish itself as a true competitor, not only will it stagnate, but it will also lose ground—literally.

April's federal budget provides continued support for small businesses, in the form of much-needed emergency programs to help them cope with the pandemic. The budget also includes significant investments in innovation. We are delighted to see that the government is leveraging innovation to support the economic recovery.

The budget contains measures to support the financing chain for start-ups such as the renewed venture capital catalyst initiative. Among the measures to support start-up innovation is the National Research Council's industrial research assistance program. The budget includes targeted supports for women entrepreneurs and Black entrepreneurs, which some start-ups will be able to take advantage of. Measures that support flagship sectors of Montreal's economy—clean technology, life sciences, aerospace and artificial intelligence—also appear in the budget.

As the voice of Montreal's start-up ecosystem, we applaud the amendments to the Canada Small Business Financing Act, such as extending the loan repayment period to 15 years and expanding loan class eligibility to other types of assets such as patents and trademarks. We believe these changes will help start-ups remain competitive in the context of a sustainable economic recovery.

Nevertheless, I would be remiss if I did not express one of our concerns: the federal government's underfunding of the start-up ecosystem in Quebec, specifically in Montreal. The start-up ecosystem in Montreal is falling behind other ecosystems in Canada. We placed 36th in Startup Genome's global ecosystem rankings, whereas Toronto-Waterloo placed 18th and Vancouver came in at number 25.

With their ever-growing potential, Quebec start-ups are drawing the attention of accelerator programs in Ontario, which are better funded and have their sights set on the cream of the crop in Canada. That means Montreal start-ups are at risk of being uprooted, threatening the very foundations of the area's ecosystem, particularly in the sectors I mentioned, as well as in disruptive technologies.

However, the real competition is not domestic, but international. That is why forward-looking measures are needed immediately to ensure Montreal's start-up ecosystem can continue to compete with comparable ecosystems around the world, ensuring the whole country benefits when Quebec start-ups grow.

This highlights the need for a scale-up platform in Quebec. Ontario has one, and it received $52 million from FedDev Ontario in 2019. Vancouver is looking for $39 million to build a similar platform, not to mention that a new economic development agency for British Columbia was recently created. Neither Montreal nor anywhere else in Quebec has a scale-up program, despite the clear need for one. With appropriate funding, we could fill that void. Funding should be evenly distributed across Canada's start-up ecosystems.

Montreal's start-up ecosystem is hitting its stride, as confirmed last week, when we learned that tech companies in the area had received a total of $1.15 billion in funding in 2020, almost as much as companies in Toronto.

● (1610)

However, there is still much ground to gain. As an ally of Quebec business and entrepreneurship, the federal government, through the Economic Development Agency of Canada for the Regions of Quebec, should support the ecosystem's efforts so that Quebec start-ups can contribute fully to the economy, both in Quebec and in Canada.

Thank you.

[*English*]

The Chair: Thank you very much, Ms. Lamonde.

We turn now to the Canadian Chamber of Commerce, with Patrick Gill, senior director, and Ms. Drigola, director of parliamentary affairs.

Ms. Alla Drigola (Director, Parliamentary Affairs and Small and Medium Enterprises Policy, Canadian Chamber of Commerce): Good afternoon, committee members.

Thank you for inviting the Canadian Chamber here today.

My name is Alla Drigola. I'm the Canadian Chamber's director of parliamentary affairs and SME policy. I'm joined by Patrick Gill, our senior director of tax and financial policy.

The budget contained several good-news items for businesses, including the extension of CEWS and CERS, the enhancement of the Canada small business financing program and the introduction of the new recovery hiring program. These are all critical to helping keep businesses afloat during this ongoing third wave, though we are still missing an important piece of the recovery story, and that is a proactive, clear and positive reopening plan.

Today I want to focus on two key recommendations for short-term needs.

The first is in relation to the missing reopening plan.

Earlier this week the Canadian Chamber and 60 of our fellow business industry associations, including a few of my fellow panellists here, co-signed a letter to the Prime Minister calling for the federal government to work closely with the premiers to develop a clear and consistent pan-Canadian reopening plan, and for the government to work with officials in other countries to set benchmarks that would enable the easing of border restrictions and travel quarantines.

A clear, forward-looking and specific reopening plan is critical to Canada's successful recovery, and must be an immediate priority for governments at all levels.

Our second recommendation is in relation to the CEWS and CERS programs.

Despite the good news in the budget that these programs have been extended, there is significant concern about the gradual phase-out of these programs starting in July. With this change, businesses with more than 70% revenue losses will receive a maximum of only 20% subsidy for both their wages and their rent by September. Businesses in the hardest-hit sectors, including tourism, travel, food services and accommodations, will make up the majority of that group and will need a longer runway for recovery.

Therefore, CEWS and CERS need to be maintained at their current respective 75% and 65% maximum rates through to the fall, and likely even beyond. The rent subsidy program also needs to be expanded to work better for medium-sized businesses and for those with locations in high-cost-of-living areas.

Beyond the transition from pandemic survival to recovery, a number of structural challenges remain that prevent Canada from reaching its full recovery potential.

I will now pass it over to Patrick to speak to some of the Canadian Chamber's recommendations for Canada's medium- and long-term economic recovery.

● (1615)

Mr. Patrick Gill (Senior Director, Tax and Financial Policy, Canadian Chamber of Commerce): Thank you, Alla.

Good afternoon, committee members.

The budget contained many positives points for businesses seeking to recover from the pandemic. Its focus on growth and jobs is an important step towards economic recovery, yet our country's drivers of growth will need to shift from public to private spending.

Our businesses from main street to the C-suite are seeking a clear and predictable plan to help them lead Canada's economic revival. Businesses are ready to kick-start our shared recovery, but they need the government to do its part in creating an encouraging business environment.

We must collectively become growth-minded when the pandemic ends, avoiding our historic 2% growth trap. While 2% reduces the federal deficit, it allows the federal debt to grow and it constrains opportunity for all.

There are several aspects of the budget that could be improved to spur Canada's economic revival.

First is unlocking business investment for recovery and job creation. For instance, while the budget moves forward with the acceleration of capital cost allowance deductions for Canadian-controlled private corporations on a temporary basis, the measure should be extended to publicly traded firms, as is typical under the CCA system. This, for instance, would help marshal the broadest scope of business investment.

Second, the government should be more ambitious in its approach to fixing Canada's costly and burdensome regulatory environment. Moreover, it should be cautious in how and when it adds new complexity to its regulatory frameworks. For instance, the proposed new regime for interest deductibility is one example of adding new complexity onto existing complexity.

Finally, moving towards a fiscal anchor rather than fiscal guardrails is warranted to guide and control expenditure choices. With significant spending committed in the medium term, a fiscal anchor would help impose discipline over fiscal policy decisions for the long term. Public debt can never be permitted to put public services at risk. Left unmoored, public debt risks being caught up by inflationary and credit pressures.

Again, thank you very much for having us here today.

We look forward to our discussion with you.

The Chair: Thanks to you both. Yes, we've seen your letter to the Prime Minister.

Turning to the Canadian Federation of Independent Business, we have Dan Kelly, president and CEO, who I believe has alsosigned the letter.

Welcome back, Dan.

Yes, get your headphones on or we will be giving you the gears.

Mr. Daniel Kelly (President and Chief Executive Officer, Canadian Federation of Independent Business): My apologies for not being better prepared, Chair.

The Chair: You're on. Go ahead.

Mr. Daniel Kelly: Just moments ago Ontario announced another two weeks of lockdown on top of another two weeks on top of another two weeks, so I was just blasting the Ford government seconds ago.

Let me switch gears to the federal budget. There is a lot in the budget that we commend and endorse and some pretty serious gaps that I want to highlight. I did send, through the clerk in both French and English, a side deck of some data from CFIB, as I have done several times in the past to the finance committee, just to give the latest on where small businesses stand.

Right now, at this late stage, 14 months into the pandemic, only 51% of small and medium-sized firms across Canada are fully open. That's 51%. It's a pretty serious situation. If you look at the normal levels of staffing, fewer than 40% of businesses have attracted back all of their workers at this stage—in most cases because they do not need them as they are locked down. Most worrisome of all, only about a quarter of small firms are actually at normal or better levels of revenue than they were at this point before. I reiterate: Only a quarter of small businesses are at normal levels of revenue.

I want to share with you some of the measures that we did like in the budget. It did do several things. It allowed small business owners the deduction of up to $1.5 million. That's a very positive measure. We're quite pleased to see that the government did include that. It was a surprise, and a positive one for business owners across Canada. There's a reference to further progress on reducing credit card processing fees. That's also something that we're quite pleased with. That is good news.

Beyond that, we were pleased with the extension of the rent and wage subsidies until the fall. I will note though that there is great consternation right now about the planned reductions in the subsidy levels in the summer months. Here I want to remind this committee that the rent and wage subsidies automatically adjust depending on the level of business losses that a business is incurring, so the subsidies aren't there for businesses that are not in serious jeopardy. There are so many businesses, especially given that we've got ongoing lockdowns, renewed lockdowns and fresh lockdowns in Nova Scotia and Manitoba, they are really worried about the intended reduction in both the CEWS and CERS.

We did like the new Canada recovery hiring program. That new hiring incentive, we believe, is a real positive and we compliment the government for listening to the advice of my organization and others that have called for such a measure. We believe that it will be a way to help wean businesses off of the wage subsidy and allow that to be eliminated over time, but our overall advice is that governments really can't start to withdraw these subsidy programs until such time as governments themselves—federal, provincial and local—can tell Canadians that it's time to go back to work, time to return to the office and time to go dining and travelling, including with an open border.

One of the other measures that does worry us.... One thing I just do want to highlight is that for Liberal MPs on this committee, I urge you to get the message to Minister Freeland, the Deputy Prime Minister, and to the Prime Minister that the government needs to make good on the latter's promise to new business owners in May 2020 to deliver support to them. That was something that I know the finance committee has talked about already, but it hasn't happened. It's a year into an emergency program and I believe it's deeply shameful that the government has not moved to allow new business owners to gain access to the wage and rent subsidies. That needs to be fixed.

The rent subsidy, while working well, also sadly excludes thousands of business owners, as it does not include those who have a holding company and an operating company. Even the previous CECRA program had a fix for that, and this one does not.

We've made a series of recommendations.

The other big worry that we have right now is the rising levels of debt on the books of small and medium-sized businesses. They have, on average, $170,000 in COVID-related debt to deal with. We urge the government to consider increasing the amount of the CEBA loan and increasing the percentage that is forgiven to 50%, and adding a forgivable percentage to the HASCAP program. These are some of the ways that we'll be able to lift some of the debt burden that businesses are facing and help them into the recovery.

● (1620)

There's lots more to unpack, but I'm happy to do that in response to the questions.

Thank you very much, Chair.

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

We'll turn to the Chemistry Industry Association of Canada.

I introduced you for the last panel, but you weren't here, Bob. Welcome to Bob Masterson, president and CEO of the Chemistry Industry Association of Canada.

Mr. Bob Masterson (President and Chief Executive Officer, Chemistry Industry Association of Canada): Thank you, Mr. Chair and committee members.

My apologies; this is the time I was assigned.

I am pleased to be with you on behalf of Canada's chemistry and plastics manufacturers. Combined, they represent nearly an $80 billion-a-year industry in Canada. It's the third-largest manufacturing sector. Most importantly, it serves all of your other important economic sectors, be they mining, forestry, automotive, aerospace, agriculture and agri-food, to name just a few.

With respect to Bill C-30, the budget implementation act, we offer three comments for you.

First, our chemistry and plastics sectors have been resilient, and for the most part—albeit it's been a little uneven—companies had already recovered or nearly recovered to pre-COVID levels by the end of 2020. Due to a wide variety of factors that have had the winds at the back of this industry in Canada this year, the sector is showing significant growth through the start of 2021.

Nevertheless, there are many other sectors and that are struggling. We've just heard from Mr. Kelly and others about these sectors and households. Canadian families and businesses have not had the opportunity yet to recover or participate in this recovery, and this budget will play a very important role in providing a supporting floor as the recovery takes hold in these more challenged sectors of the economy.

Second, I think there was a strong message in the budget that the challenge of a circular, net-carbon-zero economy is truly daunting to comprehend. In many areas, this budget does propose substantial early investments, which will send strong signals on the direction businesses and society must go in the coming years and decades.

Third, I do have to point out that those signals alone are not sufficient. Mr. Gill has already talked about this, but achieving a circular and a net-zero economy is going to require a complete recapitalization of the Canadian economy. Government expenditures alone will never be able to get the job done. Though I don't have an exact number for you, if you look at our chemistry sector alone, it will be well in excess of $100 billion, probably over $200 billion, to recapitalize the current industry we have to allow it to transform for a circular and net-zero economy. Only the private sector has the ability to allocate resources at any scale approaching that.

From our perspective, that's where the budget fell short and where we believe more attention is urgently needed. Make no mistake, global supply chains will recapitalize; they will be transformed completely for a net-zero and circular economy. The only question is whether Canada's industrial and economic sectors will be able to participate or will just continue to be a flyover destination for the much-needed global investment.

As for the experience in our sector, I've talked to you folks about this a number of times. As a case in point, south of the border we've seen $300 billion in new investment in the last seven years. By historical measures, we should have seen $30 billion of that in Canada; we've seen just $7 billion. Yes, COVID has certainly delayed some investment activity south of the border and globally, but some of those trends I talked about are pointing to the sector already looking tight.

I think you can expect to see some global announcements of new investments, including in the United States, in the weeks and months to come. At this point, however, I would have to say that another round of investments is probably not on Canada's radar. We don't believe the budget offered anything to improve the chances of attracting that investment in the near future.

Prior to the next budget, we urge the committee to make further recommendations to underline those you've placed before to focus on improving Canada's investment climate. One of them already discussed is the 100% accelerated capital cost allowance that was introduced in the fall economic statement. Previously, you'll recall that it was a temporary measure. The clock is already running. Companies that had to go on hold for two years because of COVID now can't take advantage of the full allowance that you put in place for them. We'd encourage you to, at a minimum, extend that out to 2030, a full capital-cost cycle. If that's not sufficient, we'd certainly encourage you to make that permanent, like it is south of the border.

Second, please, we have to recycle these carbon revenues back into industrial sectors. We can't take hundreds of millions, if not billions, of dollars out of the productive economy, send it elsewhere and then expect the same sectors of the industrial economy to somehow magically come up with these hundreds of billions of dollars to invest in recapitalization. It's not going to happen. We have to find a way to get the revenues back to allow for that investment.

● (1625)

Third, and you've heard me say this before, as much as the federal government and provinces have collaborated to the benefit of all Canadians throughout this COVID pandemic, we need equal, shared and collaborative attention to building a sustainable investment climate that will attract global capital and retain Canadian capital in this country so that we have a chance to succeed in this transition to a circular and net-zero economy.

I thank you once again for this opportunity to be with you today.

Thank you, Mr. Chair.

● (1630)

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

We'll turn to Green Economy Canada. We have Ms. Lloyd, executive director.

Ms. Priyanka Lloyd (Executive Director, Green Economy Canada): Thank you very much, Mr. Chair and members of the committee.

I appreciate the opportunity to appear today, and I'm pleased to be joining you from Waterloo, Ontario, traditional territory of the Neutral, Anishnabe, and Haudenosaunee peoples.

Green Economy Canada is a national non-profit that supports a network of green economy hubs in communities across the country. These hubs are engaging 300 businesses of all sectors and sizes to take action on climate change while increasing their profitability and overall competitiveness. Eighty-five per cent of the businesses engaged in our network are small and medium-sized enterprises, a segment of our economy that, as you know and others have said today, has been really hard hit by the impacts of COVID-19.

There has been a big spotlight on the importance of small businesses and what's needed to help them survive throughout this pandemic. The perspective that I'd like to share with you today is that we need to be thinking more broadly about supports for small business, specifically, how we are helping them to build back in a way that prepares them to thrive in a transition to a net-zero future.

We know that climate change poses significant threats to the business community and that globally there is a $26-trillion economic opportunity in making the shift to net zero. Overall, we're pleased to see that this budget makes significant investments to address climate change, with $17.6 billion allocated towards a green recovery. Investments will help to decarbonize heavy industry, spark green tech manufacturing, support agriculture and help thousands of households reduce their energy consumption. These investments are important and a step in the right direction to put us on a path to meeting our climate commitments, but they're insufficient to get us all the way there.

One notable gap in the budget was investments targeted at small businesses specifically to help them green their operations. SMEs make up more than 99% of businesses in Canada. They employ nine in 10 private sector workers and contribute more than half of our GDP. Yet, despite the vital role that small businesses play in job creation, innovation, and the vibrancy of our communities, they have been chronically overlooked in how they can help Canada achieve its climate action goals and how helping them to green their operations can boost their competitiveness.

The reality is that we can't have a strong economy without a strong small business community, and we won't have a strong and resilient small business community if we're not helping to prepare them for the needs and opportunities of a low-carbon future.

The budget included tax incentives for businesses generally to adopt clean tech and for small businesses that manufacture clean tech. These measures are welcome, but they will do little to benefit the majority of businesses in Canada that fall outside of heavy industry and clean-tech manufacturing to green their operations. Without dedicated investments to support small businesses to reduce their emissions, this critical segment of our economy risks getting left behind and will find it difficult to adapt to important regulations like the $170 per tonne carbon price by 2030.

Moreover, we know that reducing emissions often leads to business benefits like reduced operating costs, increased sales and an increased stability to attract and retain the next generation of employees who want to work for companies that are aligning profits and purpose.

Based on feedback from our network and our own experience with previous climate action programs, we urge the Government of Canada to invest directly in incentives and support programs that can help small businesses to reduce their emissions and build sustainability into their core way of operating. We hear time and time again that many small businesses are concerned about climate change and want to do their fair share, but they need more direct support to overcome the very real time, knowledge, and financial barriers they face to doing so.

The measures that can help include developing a small-business focused retrofit program to provide incentives that reduce the upfront capital costs of undertaking energy efficiency projects. These programs need to be well resourced and designed with small businesses in mind so that the application processes are simpler, the project thresholds are smaller, and the turnaround time to be told if they received funding is quicker.

To reduce the time and knowledge barriers small businesses face, we need to make it easier and more financially affordable for small businesses to access third-party support to help them figure out what short and long-term actions they should be taking. Our green economy hubs offer this kind of support to businesses, so we've seen first-hand what a big difference it can make to helping them undertake this sustainability work.

Lastly, investing in training and skills development for existing staff in small businesses to understand where their emissions come from and how to change their operating models to decouple growth from emissions will also be critical.

Small businesses don't have the in-house sustainability teams or specialized sustainability staff that larger organizations have and helping employees build their internal knowledge and skills for the green economy will be really important. I would be happy to speak further about any of these recommendations in the Q and A.

● (1635)

In closing, I want to applaud the federal government for its commitment to climate action and for making significant investments that can drive a green recovery. However, to ensure that our economy thrives in the transition to a net-zero future, we cannot forget to invest in small businesses to do their part. The support we provide to small businesses now will determine not just Canada's ability to meet our international commitments, but also, if we are successful, in setting the vast majority of businesses in Canada on a path to a stronger and more resilient future.

Thank you.

The Chair: Thank you very much, Ms. Lloyd.

For committee members, the lineup for the start of questions will be Mr. Fast, Ms. Koutrakis, Mr. Ste-Marie and Mr. Julian.

We'll turn to our last witnesses, Restaurants Canada, with Mr. Bourbeau, vice-president, federal and Quebec; and Mr. Elliott, senior economist.

I'm not sure who is leading off, but the floor is yours.

Mr. Olivier Bourbeau (Vice-President, Federal and Quebec, Restaurants Canada): Thank you very much. I thought you had forgotten about us, but it's a good idea to keep restaurants as a dessert.

I'm Olivier Bourbeau, vice-president, federal and Quebec affairs, Restaurants Canada. I have also brought along Restaurants Canada's chief economist, Chris Elliott. He's going to participate in the Q and A.

Our association represents a $95 billion industry, made up of more than 98,000 establishments from coast to coast to coast who serve about 22 million customers every day and contribute 4% of the country's GDP. At least, this was the case before the COVID-19 pandemic struck. We estimate that at least 10% of our restaurant operations across the country have had to permanently close down due to the ongoing economic and public health crisis. That's about 10,000 establishments that are now gone for good.

Here's a statistic that's even more concerning: According to the April labour force survey from Statistics Canada, more than two-thirds of the 500,000 jobs that were lost during the pandemic and are still missing from the Canadian economy are in the food services sector. The measures contained in the long-awaited budget we're discussing today are not only of vital importance to the survival of the rest of our hardest-hit sector, but are also key to ensuring that restaurants have what they need to continue feeding Canada's economic recovery and bringing Canadians back to work.

Restaurants and the many small and medium-sized businesses that make up the Canadian food services sector are an absolutely critical pillar of our culture, economy and local communities. Something that most Canadians do not realize is that at least 95¢ in every dollar we spend at a restaurant usually goes directly back into our communities. That's because, even during the best of times, a typical Canadian restaurant has a pre-tax profit margin of less than 5%. No other sector keeps so little in profit, and returns so much to our economy. Ninety-five per cent of all restaurant revenue typically goes toward local jobs; purchases from Canadian farmers, food and beverage producers, and other food services industry suppliers; contributions to charity and more. Unfortunately, the COVID-19 pandemic has stretched their resilience to the limits.

Given the exceptional challenges still facing our hardest-hit industry, we are calling for a sector-specific restaurant survival support package. Our key recommendations are, first and foremost, an exemption from the scheduled phase-out of the rent and wage subsidies for the highly affected food services sector and an extension of these vital programs for restaurants until at least April 2022. This extension is needed, as our survey data have consistently revealed that restaurant operators expect they will need a year to return back to profitability.

We are also asking for the option for any restaurant operators eligible for the wage subsidy to be able to apply for added funding through the Canada recovery hiring program so that they can hire new workers in addition to keeping the ones they already have on payroll with the wage subsidy.

Our members also tell us they need partial forgiveness of all government-backed loans and an extension of the application deadlines for existing programs. Currently, loan forgiveness is only available through CEBA. We would like to see this as well for HASCAP and any other loan program the government introduces to help businesses recover from the pandemic. Restaurant operators simply can't afford to take on any more debt to pay for the debt they've already had to incur to pay for previous pandemic debt.

Finally, the business operators in our hardest-hit industry need tax credits to defer the significant costs they've incurred from COVID-19 health and safety expenditures over the course of the pandemic. Our survey data have shown us that eight out of 10 food services businesses have been operating at a loss or barely breaking even throughout the entire pandemic. In fact, nearly half of all restaurant operations have consistently been losing money for more than a year. This was the case even after dining rooms reopened across all jurisdictions last summer, and even once the federal rent and wage subsidies and other forms of government support became available. Essentially, these emergency aid subsidies have been providing our hardest-hit industry with vital needed life support. Even with Canadians now looking forward to hopefully enjoying a one-dose summer, we know that this won't mean restaurants can operate at 100% capacity. We expect that physical distancing requirements will remain in place throughout the summer, at least, and maybe even into the fall and winter, and probably even more in Ontario—we never know.

• (1640)

We appreciate that the government has listened to our industry and is extending the critically necessary rent and wage subsidies beyond June. This was an important first step in this budget. However, if this budget is implemented without any changes, we are essentially pulling out the support ramp right before relaunch and putting half of our restaurants at risk of being left behind.

Losing half of our restaurants would not only be a huge loss for our main streets, but we would also be leaving nearly half a million Canadians without work. Restaurants are key to bringing these jobs back, but we need the government supports to help us get there.

Thank you very much for your time. I look forward to answering any questions you might have.

The Chair: Thank you very much, Mr. Bourbeau; and to all the witnesses, thank you for your presentations.

We will start with a six-minute round, with Mr. Fast, followed by Ms. Koutrakis.

Hon. Ed Fast: I'm going to go directly to Ms. Drigola and Mr. Gill.

I believe I heard Mr. Gill reference the fiscal anchor. Could you just repeat your comments on that?

Mr. Patrick Gill: We're suggesting that moving towards a fiscal anchor rather than a fiscal guardrail is warranted to guide and control expenditure choices over the long term.

We recognize that the pandemic caused governments everywhere to shoulder more debts so that people and businesses didn't have to, but let's all remember.

Thank you.

Hon. Ed Fast: Are you aware that Minister Freeland has actually claimed that her budget did contain a fiscal anchor? It's one that effectively has no targets. It's sort of pinned to a trajectory, but in fact, some have called it a floating anchor.

Would you concur with her assessment or disagree with her that the budget contains a fiscal anchor?

Mr. Patrick Gill: The budget provides fiscal projections in the near term.

Hon. Ed Fast: No, not projections; I'm talking about a fiscal anchor as you've defined it yourself.

Mr. Patrick Gill: No, the budget does not contain a fiscal anchor. It contains what I characterize as fiscal guardrails and projections over the near term.

Hon. Ed Fast: Okay. Thank you for that clarification.

I'm going to go to Mr. Kelly.

Dan, I've never heard so exercised about an issue, namely, with how this government has shamefully treated new businesses. You rarely go out on a limb like that. Therefore, obviously this is something that represents a bit of a betrayal on the part of the government.

Could you just expand a little more on why this is so important to new businesses?

Mr. Daniel Kelly: Yes. I've been telling new business owners who have been contacting me in huge numbers to just stick with it, that the government is serious about this. The Prime Minister himself promised to do something for new business owners back in May of last year.

A full calendar year later, during a worldwide pandemic, the government has not moved on this measure. Meanwhile, most of the provincial support programs, many of them admittedly with tons of problems, from the NDP in British Columbia to the Conservatives in Ontario, have fixed this issue and allowed access to new business owners.

It is more complicated, but it's not impossible. We've laid out several ways that the government can do that: removing the requirements for a business number before March 1, a payroll account number before March 1. If they don't have a comparable month in 2019 because they weren't around in 2019, allow them to at least compare themselves against the industry average, say for a restaurant in Manitoba, and use that as the amount to get the subsidy.

These are businesses not set up with the full understanding of the pandemic behind them. These are business owners that often started in 2019. Some of them have laid out $400,000 or $600,000 to invest in a brand new 100-seat restaurant that was supposed to open in March 2020, but delayed because of pandemic restrictions until June, and opened with a trickle of business income, and have not had a nickel of federal support despite the Prime Minister's personal commitment to do that. That's why I'm so unhappy about this.

• (1645)

Hon. Ed Fast: Thank you for that clarification.

Bob Masterson, from the Chemistry Industry Association, it's good to have you here. It's nice to see you again.

You focused on foreign direct investment and the fact that we're lagging behind. We're not going to be attracting the kind of investment that we should be expecting, and the budget doesn't actually do much to change that environment.

Can you expand a little more on what you would expect to see in a budget to reattract investment from abroad to re-energize your industry here in Canada?

Mr. Bob Masterson: Thank you, sir.

To clarify, it's not just the challenge of attracting foreign capital into Canada as we saw in the earlier Barton report not that many years back; we also have a problem with the outflow of Canadian capital. Canadians aren't investing in Canada, nor are global investors. That is the crux of the problem.

We were very surprised that there wasn't even a message that the capital cost allowance that had been in place would be extended for at least the two years covering this pandemic, because again, if you have a set-up with a seven-year window for one of these large plants that you're about to build and suddenly you've lost two years, you can't count that time in the business case when you're trying to go to your investors and say here's why we should invest in Canada.

As we know, south of the border, accelerated capital cost is a permanent measure. It's not a temporary measure. It doesn't have a finite window. Therefore, it's not a matter of treating Canadians even better than elsewhere. At a minimum, let's at least match the closest competition we have, and that's the United States. It was a very positive message and measure to have put the accelerated capital cost allowance in place through that earlier fall economic statement, but we don't get the benefit of that because of COVID. We had soundly expected that this would get acknowledged and the benefit would be extended. We would encourage that to be done with haste, and even again, to relook at the idea of making this permanent.

As you know, anything that reduces the upfront cost to capital is a winner when it comes to attracting investment, and that's a really important mechanism.

Thank you.

The Chair: Okay, we are going to move on to Ms. Koutrakis, followed by Mr. Ste-Marie.

Annie.

Ms. Annie Koutrakis: Thank you, Mr. Chair; and thank you to all our witnesses this afternoon.

My first question is for Bob Masterson.

Bob, it's really nice to see you again, and thank you for your thoughtful testimony and very thoughtful critique of the government. In order to amend policies, we need to have this exchange, so thank you for your honest testimony.

Your organization has said that this budget sends important signals and provides foundational fiscal supports for the future direction of the Canadian economy as it transitions to net-zero emissions.

Can you expand on this statement and comment on the budget items that work toward a net-zero future?

Mr. Bob Masterson: Ms. Lloyd articulated the total amount. Her number was much higher than the one I had in mind. I think our estimate was close to $9 billion of government expenditures that would send that strong signal that this economy has to transition to a net-zero economy in the coming decades, and that includes, of course, the net-zero accelerator fund and others.

I don't have the full list in front of me. I was looking more at the large amount. It's a big amount of money, bigger than anything we've seen before and it's important, but again, our message is that it sends the signal, but we can't get there through government expenditure alone. It's not going to happen.

Ms. Annie Koutrakis: I know that in your testimony you were kind of hoping to see $30 billion for the strategic innovation fund. We're starting with $7 billion.

If I misquoted you, I apologize.

● (1650)

Mr. Bob Masterson: Yes, that's not correct, but please continue.

Ms. Annie Koutrakis: Okay. This budget includes a significant commitment of $7 billion to the SIF, which has been an effective program in helping businesses grow and innovate.

How do you see the chemical and plastics industry making use of the $5 billion in funding for decarbonization of industry through the net-zero accelerator?

Mr. Bob Masterson: It does provide some opportunities, and certainly we have had three major investments in Canada that have participated in the strategic innovation fund to date, totalling, I believe, a proposed $9 billion. One of those investments was put on hold due to COVID. We'll see if it comes back. Therefore, the industry has experience with that.

The $30 billion number that I mentioned is how much investment, total investment, we should have seen come into our sector. Again, we don't expect the government to fund all the capital investments for our sector, but we expect it to create the conditions where that will come.

What I was providing was a historical example. We should have seen $30 billion. We've only seen $7 billion. It tells you that we're falling behind, so there's an urgent need for measures again.

The money in SIF, especially the net-zero accelerator, is very welcome. We have companies that will definitely take advantage of that—my point being, though, it's a minority of the facilities in Canada. We have to create a business environment where we can recapitalize. Getting to net-zero, we have to recapitalize not only our sector, but the mining sector and every other sector in the economy, and that means attracting domestic and foreign investment.

It's a big job, and SIF expenditures alone will not achieve that, as important as they are and as welcome as they are.

Ms. Annie Koutrakis: Thank you so much for correcting me and correcting the record.

Mr. Kelly, thank you for your testimony. It's always fun to listen to your colourful testimony, I would say. You touched a little bit on the Canada recovery hiring benefit and how you think a lot of companies will find it useful as they transition out of other programs. As the details of this particular program are still being developed, what elements are essential to ensuring its effectiveness? Perhaps you could provide some comments on that.

Mr. Daniel Kelly: It is a very good program, largely designed on some previous programs that have existed in the past to try to get small businesses hiring again. Look, we predict at the CFIB that as the economy eventually reopens—Ontario is not making that easy—businesses will need to start to hire back some of their workers, but they won't have the money to do it. It will be really, really tight for businesses that have been closed for months on end to try to find the money when sales, we imagine, will begin to trickle back, not flood back.

This incentive, we believe, could be quite profound if broadly available. If the government puts too many restrictions on it, I think it will be, unfortunately, like so many government programs, more useful in concept than in reality. The government has said that it will follow essentially the same rules as the wage subsidy so that you'll be able to access it if you've had a sales decline. That makes sense. We're not opposed to that. It shouldn't be there for businesses if their revenue hasn't had any hit. They should not be subsidized by the Government of Canada. That makes sense, but we do worry that if....

This could be a good transition to get businesses off the wage subsidy onto the hiring incentive. I think a lot of the design principles that have been put in place are the right ones. To the government's credit, they've also asked the Canada Revenue Agency to administer the program. I'll issue a rare compliment: The CRA has been, I would say, one of the best agencies in government in ramping up programs to try to get them delivered to Canadians. The subsidy programs that have been administered by other government agencies, most notably BDC, have really, really been quite poor, whereas the CRA has done a good job.

The Chair: You have time for a very, very quick question, Annie, and a quick answer.

Ms. Annie Koutrakis: Okay. Great.

Thank you for that, Mr. Kelly. All of our agents worked really, really hard across all the agencies, but I know that CRA has done a phenomenal job.

I have a question for Restaurants Canada with regard to lower credit card interchange fees.

Can you comment on how these measures are expected to lower the cost of doing business, especially for businesses that are increasingly reliant on e-commerce?

Mr. Olivier Bourbeau: I may ask Chris to provide a little bit more clarity on that.

● (1655)

The Chair: Chris, go ahead.

Mr. Chris Elliott (Senior Economist, Restaurants Canada): Good afternoon.

It's a great question. I know that interchange fees have been such a critical issue for a lot of restaurant operators. The big challenge, of course, is that a lot of times, those interchange fees exceed what the profit would be off of the sale of that receipt. Sometimes those fees can be so extraordinary that operators actually spend more money and go into a loss because of that. It's a situation where, especially at this time, with most operators operating at a loss, it's become a much more critical issue.

The Chair: Okay. We'll end that session there.

We will go to Mr. Ste-Marie, followed by Mr. Julian.

You have six minutes, Gabriel.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

Good afternoon. Once again, we have a fascinating panel.

My questions are for Ms. Lamonde.

Thank you for your presentation. It was very clear and well put together. You explained that the government had taken meaningful steps to support start-ups, but you were also critical of certain things, and that is what I would like to discuss.

What is the federal budget missing in terms of specific measures to help start-ups in the greater Montreal area?

Ms. Liette Lamonde: Thank you for your question, Mr. Ste-Marie.

My main reason for being here today is to make parliamentarians aware that start-ups face a different reality, one that government programs need to take into account. For example, initially, the Canada emergency wage subsidy did not factor in the reality of start-ups. We spoke up quickly, and that changed.

What I'd like to see the government do is adopt a mindset, and consider how each program it introduces to support business is really going to help start-ups and how the program can be improved to do just that.

One of the missing government measures is support for a scale-up platform. That's what we need to move into the second phase, to grow and to benefit economically. It's simple: start-ups need funding, talent and customers. A range of services are available to help start-ups in the development phase, which can last two or three years. After that, though, they are on their own. That is when they need new skills, new funding and new markets in order to succeed.

That is why building a scale-up platform for Quebec is so essential. Without it, Quebec's ecosystem will remain one of small start-ups, and that's not what we want. We have much bigger plans for the future of our start-ups.

I mentioned customers, and the government has the ability to be a tremendous customer for start-ups. For that to happen, however, the government needs to make changes to its tendering process. It needs to listen to start-ups, taking the time to help them improve their technologies and adapt them to government requirements. Imagine what a boon it would be for a start-up to have the government as a customer. Landing a contract with the Government of Canada would give the start-up a reputation that would help it acquire more customers.

Those are two areas where improvement is needed.

Mr. Gabriel Ste-Marie: Thank you. Those are two very interesting recommendations. First, you want a scale-up platform for start-ups in Quebec or Montreal, and second, you want better access to government contracts. That is duly noted. Let's hope the government incorporates your recommendations into its plan soon.

Obviously, the past 14 months have been extremely tough on just about every business, including start-ups.

How would you say the landscape has changed since the pandemic began? Are things better or worse? Do you know what the mood is on the ground?

Ms. Liette Lamonde: That's a great question. Thank you, Mr. Ste-Marie.

At the very beginning of the pandemic, in March, a survey revealed that 60% of start-ups had less than three months' worth of cash. Of course, we feared the worst. By mid-April, though, nearly two-thirds of start-ups had reprioritized and adjusted their business model. That's the beauty and strength of start-ups: they can pivot, adapt and reinvent themselves quickly. Not having a cumbersome structure means they can turn on a dime, as the saying goes.

That ability is the strength from which their innovation flows and has helped them survive the pandemic. Instead of being decimated, many start-ups have seized the opportunities created by the pandemic and are meeting new needs. For instance, MEDTEQ, in Montreal, is involved in a bunch of new projects aimed at solving problems that have emerged during the pandemic. Solutions are also materializing to help restaurants take orders and become takeout operations overnight.

I think start-ups will come through the crisis, but there's no doubt the wage subsidy has a lot to do with it. We are eager to see what comes next. That's when we will be in a position to get a better read on things.

● (1700)

Mr. Gabriel Ste-Marie: Thank you.

Mr. Chair, do I have time for another question, or should I wait until my next turn?

[*English*]

The Chair: You do. You have about a minute and 10 seconds.

[*Translation*]

Mr. Gabriel Ste-Marie: All right.

An owner of a start-up told us it worried him that the NRC's industrial research assistance program, or IRAP, had not been renewed in the budget. He was concerned about what would happen to his company; he had relied on IRAP funding to run and grow his business in the months to come. He said it would be very unfortunate if he had to close his business right before he could carry it over the goal line.

Do you see a lot of start-ups in that boat, or is this an isolated case?

Ms. Liette Lamonde: I'm a bit surprised by the question. It seems to me the government had put additional funding towards IRAP, so I don't think the issue is widespread.

Mr. Gabriel Ste-Marie: In that case, we will follow up with the business owner.

Those are all the questions I have.

Thank you.

[*English*]

The Chair: Thank you, both, very much.

We'll now go to Mr. Julian for six minutes, followed up by Pat Kelly.

Peter.

Mr. Peter Julian: Thanks very much, Mr. Chair.

Thanks to all our witnesses for coming forward with very compelling testimony today. We hope that you and your families continue to be safe and healthy as this third wave hits.

My first question will be for Madame Drigola, Mr. Kelly and Monsieur Bourbeau because we are in the midst of a third wave, as you have all pointed out. Each of you has pointed out the importance of continuing supports.

We have a budget implementation act that basically does a victory lap. Within a very few weeks, we'll see massive slashing of supports. It just doesn't make sense at this critical time, and we've had witness after witness attest to that: that the government seems to be crying victory far too prematurely.

I'd like to know the consequences that you see in each of your organizations for businesses and restaurants if the government doesn't heed the call to amend the budget implementation act and put in place sector specific and more general measures that continue to assist businesses—small businesses, community businesses—as we continue to fight this pandemic.

The Chair: Go ahead first, Mr. Bourbeau.

Mr. Olivier Bourbeau: Ladies first, please.

The Chair: Okay. We'll go to Ms. Drigola.

Ms. Alla Drigola: Thank you.

You bring up an excellent point.

We saw after the first lockdown that the wage subsidy program, for example, helped about 50% of businesses, which are using it hire back about half of their workforces.

What we're seeing on the ground right now is very different from the message that's being presented to Canadians by the government in its being very cautious about rolling back restrictions. Maybe we could have some outdoor activities this summer. For indoor activities, we have to wait until the fall. However, at the same time, we're starting to taper back these programs that are so critical to helping businesses survive.

Without a question, these programs are excellent. The government did a phenomenal job of getting them out quickly, adapting them in response to what has been happening on the ground, getting all parliamentarians voting in favour of them and getting them implemented very quickly.

They work. We know they work. As you mentioned, organization after organization has come before you to say the same thing: that these really need to be maintained at their current rates through to the fall and probably even beyond for the hardest hit sectors that have that longer runway of recovery because they will see restrictions lifted at the very end of the pandemic. Absolutely, these rates need to be maintained. Without that, we'll see thousands more businesses close and millions of jobs lost.

The Chair: Mr. Kelly.

Mr. Daniel Kelly: I certainly agree with that sentiment.

As I said in my presentation, the average small firm has inherited $170,000 in COVID-related debt. We at CFIB are projecting 180,000 permanent business closures as a result of the pandemic, and that data was collected prior to the third wave, so I suspect both are far worse than that.

The only thing that's going to make a meaningful difference is if governments—federal and provincial—can themselves take on some of the debt that small businesses are grappling with.

The recovery is going to start with allowing businesses to reopen their doors—many of them have been shuttered in retail, hospitality, the service sector, and arts and entertainment—but that's only step one.

Step two is ensuring that we can go back to asking Canadians to return to these very businesses. Until stay-at-home orders and the advice to Canadians to stay home and avoid going out end, we cannot start to pull back on these subsidies. It was the Deputy Prime Minister herself who said that it would be monstrous to not provide supports to businesses when, through no fault of their own, they are being asked to close. The government is pulling that back too fast.

● (1705)

The Chair: Next we have Restaurants Canada.

Mr. Olivier Bourbeau: We understand that the government would like to stop the wage and rent subsidies in September because that is the target date for vaccinations to be completed.

That said, since the restaurants will reopen, maybe at the end of summer or gradually, September does not mean that we will be operating at 100% because, with this tenseness, we will operate at 50% or 60% maybe. An average restaurant will not go back to profitability until at least 12 months have passed, which is why we definitely need that support to not only not be phased out but also to be extended until April 2022.

Mr. Peter Julian: You will see 50% of restaurants closing if the supports are not put into place.

Mr. Olivier Bourbeau: That is correct. As we speak, half of the restaurants are at high risk.

[*Translation*]

Mr. Peter Julian: Thank you.

Ms. Lamonde, I'll ask you the same question. Under Bill C-30, the government will be drastically cutting supports for individuals and businesses, including start-ups, in the next few weeks. How is that going to affect start-up ecosystems in Quebec and other parts of Canada?

Ms. Liette Lamonde: Ending those supports clearly puts start-ups and small businesses alike at risk. I'm not sure who, but someone put it well earlier. They said what mattered was the business's drop in revenues, whether it continued or not. That is what the government needs to keep an eye on; that is where help is needed to offset the impact. Obviously, businesses are not going to bring in the same amount of revenue they did pre-pandemic as soon as the supports come to an end.

Yes, there is no doubt that the end of the supports puts businesses at risk. As I said, luckily, many start-ups have managed to find other sources of revenue, but those may not be enough.

[*English*]

The Chair: Thank you, all, on that round.

We'll go to Pat Kelly and a five-minute round, followed by Sean Fraser.

Pat.

Mr. Pat Kelly: Thank you, Mr. Easter. I will address my questioning mostly to the other Mr. Kelly with us today.

I'm really glad that you mentioned the lack of response to new businesses so stridently in your opening statement. This is something that all opposition parties have raised repeatedly at committee and in the House of Commons. Back in February, or March, I think it was, the parliamentary secretary for small business claimed in a response to my question, that they were just on the edge of coming up with a response for new businesses, and then nothing happened. Now they're back to just completely ignoring new businesses that have fallen through the cracks of all the aid measures.

We're going to have questions in a moment from Mr. Fraser. He, as the parliamentary secretary, has been part of this ignoring or pretending that there is something out there.

Do you want to comment further about the way new businesses are not being reached?

Mr. Daniel Kelly: Yes, this has been a giant issue right from the very start of the pandemic.

I will say I do believe that most members of government, most ministers, are quite sympathetic to this. All of them have said to me many times that they're working on it; they're thinking about it; and they need a solution here. However, it does feel like the energy in fixing government support programs for small businesses has ended.

There was good energy in the fall, especially when the Deputy Prime Minister took the reigns at Finance. She did fix many of the gaps in some of the programs she inherited. There was progress being made, but when the new year hit, it felt as though the federal government said, “We're done. Businesses: you have what you have. We'll renew these programs a little bit longer, but—”

● (1710)

Mr. Pat Kelly: Just hang in there.

Mr. Daniel Kelly: There are huge swaths of the business community—not just those new businesses, but others too—that when they hear the Prime Minister and others say, “We've got your back, small business owners,” it really burns them because they are not getting any of the support that they need.

It's not just the federal government. It's the provinces, too. There are lots of holes in all the provincial programs, including those run by Conservative governments. We have to fix them. This is an emergency, for goodness' sake.

Mr. Pat Kelly: We've heard some responses to our questions about businesses that have fallen through the cracks, either because they were brand new enterprises in March 2020 or for other reasons, being directed to programs that they still don't qualify for, for the same reasons that they....

Can you comment on that?

Mr. Daniel Kelly: Yes. I understand than an MP wants to provide a constituent with an avenue that might work for them. They don't qualify for the wage subsidy, so the MP says to apply for the CEBA loan. The business owner then spends a week trying to sort through all the details of the CEBA loan program only to discover that they're also not eligible for that. Then they go to the rent subsidy. Then they go to the HASCAP program.

It's been really painful for these businesses. They've come to us. Last year, we took over 80,000 calls from small-business owners, trying to provide them with some guidance into the support programs that work for them.

There are lots of good support programs, and businesses have received a lot of aid: 70% of our members said they would have collapsed by now had the federal government not created some of the programs it did. We can't just be satisfied with that. We have to fix the programs.

Even now, at this late stage in the pandemic, if we can get some money to these new businesses, they have a greater chance of being able to survive—because that debt has not gone away—allowing them access to some of these programs. We've laid out some detailed possibilities for government to consider. That would be super helpful.

I'm really begging you, as parliamentarians, to put pressure on the ministers to make this happen.

The Chair: You have time for a quick question, Pat.

Mr. Pat Kelly: The chamber has talked about the necessity for a reopening plan. Parliament debated a motion on compelling the government to table a data-driven plan for a safe and permanent reopening of the economy. You support this, I presume. Could you tell us if you agree that this is important, and then talk about why?

Mr. Daniel Kelly: Is that directed at me, Mr. Kelly?

Mr. Pat Kelly: Yes. Go ahead.

Mr. Daniel Kelly: Okay.

Yes, we in fact did sign a letter with the Canadian Chamber of Commerce, the business council, the aboriginal business association of Canada and 60 others.

Bob, I think you're on that letter too.

Most business associations in the country signed a letter urging the federal government and provincial governments to lay out the road map. Quebec has laid out I'd say a decent road map to getting its business community open. Saskatchewan has done the same. Ontario just tabled a terrible one earlier today. We've not heard anything from the feds other than a few broad messages.

Canadians and Canadian business owners needs to hear about the light at the end of the tunnel. What are we going to be able to do? We know that we can't hold government to the letter or to the date to a T, but giving us the broad direction would be immensely helpful for businesses to make decisions.

The Chair: Thank you, both.

I read the letter, and we met with some American senators this week.

Next is Mr. Fraser, followed by Mr. Ste-Marie.

Mr. Sean Fraser: Thank you, Chair.

My first questions are for the Canadian Chamber of Commerce.

Mr. Gill, I'll start with you. In response to Mr. Fast at the outset of the question and answer period of this meeting, you indicated that in your opinion there was no fiscal anchor in the budget. I'd like to read one piece from the introductory section of the budget. It states the following:

> The government is committed to unwinding COVID-related deficits and reducing the federal debt as a share of the economy over the medium-term. This fiscal anchor will continue to protect Canada's low debt advantage so that borrowing costs remain low, and future generations are not burdened with COVID-19-related debt.

Earlier this week, the former Governor of the Bank of Canada, Mr. Poloz, stated this before our committee:

> A credible fiscal plan in which the level of government debt relative to national income stops rising and debt service costs are manageable meets the minimum—or, we should say, perhaps technical—standard of sustainability. I draw your attention to the table on page 328 of the budget, which shows that these criteria are met.

He's talking about that same fiscal anchor and declining debt-to-GDP ratio over time. Is it the view of the chamber that a declining debt-to-GDP ratio is not a fiscal anchor?

● (1715)

Mr. Patrick Gill: The Canadian Chamber acknowledges that the budget sets out a plan to reduce the federal deficits over the medium term, and welcomes that the fiscal projections have been brought forward once again in this upcoming budget. From the chamber's perspective, it's highly desirable to have that fiscal forecast and those guardrails in place. We had just pointed out that it would serve warranting a more concrete fiscal anchor in which to tie debt-to-GDP ratio in the future, as some other provincial governments have done.

Mr. Sean Fraser: Look, I'm not trying to be tricky or to put you on the spot too hard. It's just that the declining debt-to-GDP ratio was the pre-pandemic fiscal anchor. To reiterate the question, as I found your response a little difficult to discern: Is it your view that a downward-trending debt-to-GDP ratio is not a fiscal anchor?

Mr. Patrick Gill: No. As stated before, from the Canadian Chamber's perspective, that is a fiscal projection and a worthy one.

Mr. Sean Fraser: Okay.

I'll stick with the Canadian Chamber. I can't remember if it was you, Mr. Gill, or Ms. Drigola who talked about the need for a reopening plan. I'm looking sincerely for your advice on this point. You described, I believe, the need to work with the provinces and territories to outline a clear plan.

Mr. Kelly, if you have advice on this point as well, I'd be happy to take it.

One of the challenges I have.... I come from Atlantic Canada, and we've benefited from, I might dare say, a better public health response than much of the country. Although my province is currently in lockdown, we're already seeing a very serious downward trend in cases. Knock on wood, I hope it continues. I don't want to find myself in a position where we get caught up in trying to establish uniform criteria that would end up delaying the reopening of businesses that could be opened potentially this summer and have customers rather than subsidies keeping them alive.

Do you have advice on how we can establish safe reopening criteria that protect the advantage of jurisdictions that are able to open because the public health situation is perhaps not as severe here as it may be in other parts of the country?

Ms. Alla Drigola: You bring up a great point, in that there are different realities across Canada. We are a very large geographic country, and there are different scenarios on the ground, depending on where you are.

What we're trying to avoid when we call for a national reopening plan is to have 13 different reopening plans for the country. What we saw during the pandemic with the lockdowns is that there were different lockdown criteria depending on where you were. The same health metrics, the same indicators in one part of the country yielded different lockdown criteria or results than somewhere else. If you are a business and you are operating in different jurisdictions—you have several locations—it makes it very difficult. It also makes it very difficult for Canadians to look forward and plan and to have that hopeful guidance.

There's also that piece with the travel reopening. We really want to make sure we're working with our international counterparts to be able to safely and gradually reopen the border. It's not either a case of it's closed or it's open, because there are steps we can take.

Again, what we want to avoid is having piecemeal or a patchwork of rules, where if you're flying into the country there's one set of rules with the hotel quarantine, versus if you're driving in, there's a different set of rules, there are loopholes that can be used. We're just trying to avoid that kind of piecemeal approach.

At the start of the pandemic, there was a really great team Canada approach. Everybody was working together. That's what we're trying to have happen again right now. We've seen three different reopening plans released in the last week by three different provinces. Each one uses the same health metrics to have different opening criteria. It makes it very challenging for businesses to plan and move forward. That's what we're really trying to avoid.

● (1720)

The Chair: Thank you. We were a little over time there.

We have a hard stop at 5:30 Ottawa time. I will take one question from Mr. Ste-Marie, one from Mr. Julian, and then we'll go to Ms. Jansen and Mr. McLeod.

I would remind people that Ms. Lloyd is sitting there just waiting to answer a question, and not many have gone her way.

Mr. Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

My question is for Ms. Lamonde.

Can you provide a few examples of start-ups that have thrived, that are performing well, that have been successful? Can you talk about how the start-up cluster is affecting the economy and describe how the scale-up platform is enabling start-up development?

Ms. Liette Lamonde: Thank you for your question, Mr. Ste-Marie.

I have a great example for you. The first unicorn in Quebec is Lightspeed, a company that makes us all very proud.

The founder of Lightspeed is from British Columbia. He moved to Quebec and decided to expand his company there. He had a hard time finding the necessary talent in his scale-up phase. He even had to recruit people from abroad to complete his management team. That's where the issue lies. When you don't have a scale-up platform, you don't have the talent at home, and you must go abroad to find it.

Through the scale-up platform, we want to help our start-up founders go abroad to find the missing talent, until we can create that talent at home.

As companies such as Lightspeed are created, this expertise is also created. Suddenly, we have people who can help other start-ups become scale-up companies and perhaps, who knows, unicorns.

This is a perfect example of the trickle-down effect of all the expertise and economic benefits that stem from a success story such as Lightspeed.

There are many other examples, and we're here to create even more.

Mr. Gabriel Ste-Marie: Clearly.

Thank you.

[*English*]

The Chair: Thank you both.

We will have Mr. Julian followed by Ms. Jansen.

Mr. Peter Julian: Thanks, Mr. Chair.

I'd like to say to all of the witnesses that we've certainly heard your calls. The government's move to slash all of these support programs when we're in the middle of the third wave is not an appropriate approach, and I think all members will be reflecting on that when we consider amendments to this bill next week.

I would like to ask my question of Madam Lloyd.

The other crisis, of course, is the climate crisis, as you said so eloquently. You talked about insufficient funding. In my part of the country, the federal government is spending nearly $20 billion to ram through the Trans Mountain pipeline project over the objections of indigenous peoples, the local cities, the province.

Do you not feel, given that insufficient amount of funding for the green economy and to deal with the climate crisis, that $18.5 billion so far would be much better spent in ensuring we have the clean energy jobs of tomorrow and the green economy transition?

Ms. Priyanka Lloyd: Absolutely, I feel that there needs to be more investment in the green economy. The perspective that I'm here to share today is that I think too often the discussion focuses on big business and on technology, and doesn't really address the value of engaging the vast majority of businesses in Canada, which are small businesses.

The conversation that we've had today is incredibly important when we think about the survival of businesses in Canada. If you can't keep your lights on and your doors open, are you really going to be thinking about reducing your carbon emissions? I think what I'm encouraged by in the budget is that we're trying to take both short and longer-term measures, and the reality is that we have a climate crisis that we need to address by 2030 and our emissions are going up. We're on the wrong side of this trajectory.

What are the kinds of initiatives that we're investing in? The purpose of my testimony today is to try to encourage all parliamentarians to think more broadly of the way that we're approaching climate action. This issue is not going to be solved by just a handful of people who are working on this. It's not going to be solved by miracle technologies. They're incredibly important and a critical part of the plan, but the Canadian Institute for Climate Choices, which is a federally funded independent think tank, put out a report that said the solutions already exist for the 66% to 90% emissions reductions that we need to achieve on the pathway to net-zero emissions by 2030. What we need is for people to adopt them. Small businesses are a critical component of making sure that we can do that, and at this critical juncture when they are rebuilding, the important part is that we're not building back to business as usual, but building in a way that's going to make them more competitive and resilient for the future.

Small business on their own right now, even start-ups.... Wouldn't it be wonderful if start-ups, as they're thinking about growth and building the businesses of tomorrow, have inherently built in considerations of how they're going to do that in a way that is a low-emissions strategy. It's not just about building green products and services but about operating everything the way that we do with low emissions. That's what I'm advocating for here.

● (1725)

The Chair: Okay.

We will have about three minutes each for Ms. Jansen and Ms. Dzerowicz, who is going to wrap it up now.

Ms. Jansen.

Mrs. Tamara Jansen: Thank you.

Mr. Kelly, you've begged us as parliamentarians to urge the ministers to consider those who have fallen through the cracks, small businesses, start-ups as you mentioned, and obviously the hospitality sector and restaurants and so forth.

I had that opportunity last week with Minister Freeland. She came and I asked her a question on behalf of a constituent here who's a restaurant owner in lockdown right now. He wanted to know why the programs made no differentiation between those who were seriously impacted and those who were not. He wanted to know why small business owners like him who had shut down completely were treated the same as those who were open. Unfortunately, her response was, as you can already imagine, that compensation has been very focused on where the need is greatest. We just keep hearing this refrain over and over again, that the compensation is covering everybody and nobody's falling through the cracks.

How do I get through that? I tried. I did my best. What else can I do?

Mr. Daniel Kelly: It's the same for me, and that is to just keep saying it over and over again.

Look, everyone's attention is on vaccines and ending some of the restrictions that have started across the country, as it should be, but just as there are horror stories from a health perspective, there are so many horror stories from an economic perspective for small business owners. Every single day I talk to a business owner who is right now in the process of losing their home because it was mortgaged to start the business. Every day I talk to a business owner who has bled their retirement savings to try to keep their business going.

Our initial evidence shows that government support programs, as positive as some of them are, are still covering less than half of the overall losses that most businesses are experiencing, and we're giving them a legacy of debt, removing their wealth.

We've just got to keep pushing to try to fix some of these gaps. There are lots of businesses that are getting help and I'm pleased with that, but so many others have not and the economic consequences are going to be with us for months and really decades to come.

The Chair: One quick question, Tamara.

Mrs. Tamara Jansen: Thank you very much for banging that drum. I will continue to bang that drum. I know that Mr. Bourbeau has spoken to the fact that these restaurants can no longer take on more debt. My constituent was very clear: He cannot afford more debt. Yet, this is where he's at and so I don't know if Mr. Bourbeau has any suggestions.

Again, how can I get the news out that the programs are not helping those who are most impacted?

The Chair: Mr. Bourbeau.

Mr. Olivier Bourbeau: You highlighted an important point when you talked about loans over loans over loans.

We know that the federal government has tried to help. HASCAP is an example where the government wants to provide support, but there is no forgivable part and there's 4% interest, so this program does not apply to the hardest-hit sector and to small and medium-sized businesses.

The Chair: Thank you.

The final three minutes go to Ms. Dzerowicz.

Ms. Julie Dzerowicz: Thank you so much, Mr. Chair.

I thank everyone for their excellent presentations. I wish I had more time, but I'm going to direct my question to Ms. Lloyd, who has been patiently waiting.

Ms. Lloyd, I think I understand and appreciate more than most the amazing work that Green Economy Canada does. In my youth, I co-founded an environmental group called Project Neutral. We were trying to ensure that neighbourhoods, including small businesses, actually moved themselves towards carbon neutrality, so I have a huge appreciation for the work you do and very much appreciate some of the recommendations you made.

In budget 2021, there are a couple of elements that I wouldn't mind reading out to you and I would like to get your response to them.

The first is:

> Budget 2021 proposes to reduce—by 50 per cent—the general corporate and small business income tax rates for businesses that manufacture zero-emission technologies.

I wouldn't mind if you could talk about whether you think that would be helpful as part of your work in trying to engage small business owners to reduce emissions.

The second part is:

> [T]he government will undertake an analysis to ensure that Canada keeps pace with the U.S. and other jurisdictions in providing the appropriate tax structures and incentives to encourage clean economy businesses to invest, grow, and deploy solutions here in Canada.

On that one, I wouldn't mind if you could say whether there is another jurisdiction that you think is doing a fairly good job at this and whether there are specific elements that you would suggest we should consider as part of this analysis.

● (1730)

Ms. Priyanka Lloyd: Thank you for the question. I'll be brief, because I know we're at 5:30.

By the way, Project Neutral is a great partner of ours, so it's neat to see the connection.

As to your first piece about 50% tax break, I think that is a really good element. It will help to keep businesses here. One thing we hear is that the incentive to go abroad and start businesses in Europe, for example, is pretty high, so that's a good measure.

The challenge I see with it is that the vast majority of businesses in Canada are not clean-tech businesses, so while it is an important part of seizing a new economic opportunity that's going to come with the transition to a net-zero future, it just leaves out a whole bunch of businesses that could be reducing their own operating costs and getting many of the business benefits from greening their operations if there were other incentives that were available, should businesses that are not clean tech take on certain measures.

As for your piece about the jurisdiction, I am actually not the best person on my team to answer that, but I can definitely follow that up and get you some information. There are some resources that I can point you to on that for sure.

Ms. Julie Dzerowicz: Anything that would be helpful to us, any advice or elements that you could provide, would be great, because ultimately we want to help small businesses reduce emissions. Thank you.

The Chair: Thank you.

Ms. Lloyd, if you have anything to say in that regard, just send it through to the clerk, and he will get it to committee members. We always run out of time.

This is our fourth panel today. I try to keep track of the comments that I think are good and note down the time they happen, and then I'll go back to the transcript. Thank goodness for transcripts. My note paper fills up about every five minutes all day from having over the four panels.

Look, we've had a great series of witnesses. We've had constructive criticism. We've had some praise. It goes all over the map, with good ideas for the future—and not all on Bill C-30, for sure.

I thank members for their endurance during the day.

I thank all the panellists for their great presentations and for taking the time to answer our questions.

With that, we will see committee members again tomorrow.

Thank you very much.

The meeting is adjourned.