



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

EVIDENCE

NUMBER 095

Monday, December 11, 2023

Chair: Mr. Robert Morrissey



Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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• (1100)

[*English*]

The Chair (Mr. Robert Morrissey (Egmont, Lib.)): I call the meeting to order.

Welcome to meeting number 95 of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

Pursuant to the motion adopted on November 27, 2023, the committee is beginning its study of the subject matter of supplementary estimates (B), 2023-24.

Today's meeting is taking place in a hybrid format, meaning that people are participating in person in the room and virtually. You have the option of speaking in the official language of your choice. Interpretation services are available in the room using your headset. Those appearing virtually can click on the icon at the bottom of their screen and choose the language of their choice. If there is an interruption in interpretation, please get my attention and we will suspend while it is being corrected.

I also want to advise committee members to be conscious not to have their mic near their headset or their cellphone. As I found out at the last meeting, that can cause harm to the interpreters. Please keep your headsets and cellphones away from the mics.

I remind you to please direct your questions and comments through the chair.

Appearing this morning, in the first hour, is the Honourable Randy Boissonnault, Minister of Employment, Workforce Development and Official Languages. Welcome, Minister. It's always good to have you here.

We also have the Honourable Kamal Khera, Minister of Diversity, Inclusion and Persons with Disabilities.

As well, from the Department of Employment and Social Development, we have the deputy minister, the chief financial officer and senior assistant deputy minister, and the senior associate deputy minister.

I understand the ministers may choose to give opening comments.

We'll begin with Minister Boissonnault, for five minutes, please.

Hon. Randy Boissonnault (Minister of Employment, Workforce Development and Official Languages): Thanks very much, Mr. Chair.

Good morning, committee members. Let me acknowledge that we are gathered on the traditional unceded territory of the Algonquin Anishinabe people.

[*Translation*]

Thank you for inviting me to discuss Supplementary Estimates (B) for Employment and Social Development Canada.

[*English*]

It's a real pleasure to be able to make my first appearance here at HUMA. I want to start by sincerely thanking all committee members for the work that you do every week. I'm also honoured to be here with my friend and colleague, Minister Khera.

I was reflecting on the very mandate of this committee, which is to help build a more inclusive, more equitable and better society. The studies that HUMA conducts, the issues of the day that you dive into, and the recommendations that you offer are of great value to Canadians and the ministers whose mandates you cover.

In this work, the Department of Employment and Social Development is taking important steps. You can see that work reflected in the funding requests that we made under the supplementary estimates. Of some \$93.5 billion in authorized spending already, today we are talking about \$409 million in supplementary estimates (B) spending.

[*Translation*]

As you know, under the bilateral Workforce Development Agreements (WDAs) with provinces and territories, the Government of Canada provides funding for the design and delivery of programs tailored to local labour market conditions.

In Budget 2023, we announced \$200 million in new funding for the agreements, as part of an additional \$625 million for labour market agreements in 2023-24. This amount is for a one-year extension.

• (1105)

[English]

In previous years, approximately \$3 billion was provided annually to employers and individuals through labour market agreements that we negotiate with the provinces. Of this total, the Government of Canada has invested \$922 million annually through the workforce development agreements. This funding enables provinces and territories to provide skills training and employment programming, with a focus on labour market development and those wishing to upskill.

In short, we're getting workers across the country the resources they need to succeed. Of particular note, this particular funding can be used to support members of under-represented groups, such as indigenous peoples, youth, older workers, persons with disabilities and newcomers to Canada.

Another significant issue for me, Mr. Chair and colleagues, is the safety of all workers. One particular priority for my team and me is the safety of those who come to Canada under the temporary foreign worker program. To that end, in supplementary estimates (B), we're asking for \$12.1 million of supplementary funding for the temporary foreign worker program compliance regime. This added funding will allow the department to improve the employer compliance regime under the program, including more inspectors and the maintenance of the worker protection tip line.

The workers operating under this program play a vital role in many sectors of our economy, particularly in agriculture, hospitality, construction, homebuilding, caregiving and the seafood industry. These workers sacrifice time away from their families and friends to support our food supply and security and our economy. They're entitled to our thanks and, even more, to the same respect, protection and rights of any worker. Any mistreatment or abuse of temporary foreign workers, or any worker, is always unacceptable and can never be tolerated.

[Translation]

We are also requesting \$10.6 million for the Recognized Employer Pilot to address labour shortages and streamline processes for repeat employers who meet the highest standards for wages, working and living conditions and worker protection.

I'll stop there, Mr. Chair.

I'm happy to answer any questions you may have, colleagues.

The Chair: Thank you, Mr. Boissonnault.

Ms. Khera, you have the floor for five minutes.

[English]

Hon. Kamal Khera (Minister of Diversity, Inclusion and Persons with Disabilities): Thank you, Mr. Chair and committee members.

Thank you again for giving me this opportunity to be before this committee. It's always a pleasure to be here with my colleagues, and of course my good friend, Minister Boissonnault.

I'm also very pleased, as my colleague mentioned, to be joined here by our incredible officials—Paul Thompson, Karen Robertson, and Kristina Namiesniowski.

I want to take this opportunity, first and foremost, to update you on the important items that we have delivered for Canadians this year. Before we begin, I think it's important to give the chair and committee members some context on diversity, inclusion and disability in Canada.

The newly released 2022 Canadian survey on disability finds that 27% of Canadians over the age of 15 self-identify as having a disability. That's eight million Canadians, who are limited in their day-to-day activities.

At the same time, across the country we have also seen an alarming rise in hate and division. This fall, local police agencies have reported a significant rise in hate crimes in cities and communities right across the country.

It is clear that the work we're doing right now is more important than ever. My goal as a minister is to create a more accessible and inclusive Canada, one where everyone, regardless of their ability or identity, is included.

When it comes to creating a more accessible Canada, our government has made a lot of progress. I want to take a moment to thank this committee for the work they've done and for getting some of these extremely important pieces forward.

When we first created the Accessible Canada Act, this led us to Canada's first-ever disability inclusion action plan, which truly is a road map to building a more inclusive and barrier-free Canada. We recently convened the disability inclusion business council to champion and advance inclusion in Canadian workplaces.

In 2022-23, we provided over \$47 million in funding to 75 businesses through the opportunities fund. This funding is helping give persons with disabilities the skills and the tools they need to succeed in the labour force, while also creating more accessible businesses. Moreover, in order to build more accessible communities, this past year we provided \$82 million in funding to over a thousand organizations through our enabling accessibility fund.

Of course, in June, with the support of this committee and all members in this Parliament, our government made history when we passed legislation to create the Canada disability benefit and got that to royal assent. Now we're building the benefit in the true spirit of "nothing without us". This fall, Mr. Chair, we have been doing extensive consultations with the disability community. In fact, right now, fully accessible public online consultation portals are open, so that all Canadians, but in particular Canadians with disabilities, are able to give their feedback. Once implemented, it will be yet another historic step in our government's work to reduce poverty, as it will increase the financial security of working-age persons with disability. I look forward to updating this committee, the House, and all Canadians as we continue to push forward on this extremely important initiative.

Mr. Chair, I want to briefly talk about the work we're doing when it comes to creating a more diverse and inclusive Canada. I firmly believe that, as a country, our greatest strength is our diversity. I always say that in Canada diversity is a fact, but inclusion is a choice. It is a choice that our government has been very deliberately making from the very beginning.

Since 2015, our government has been working with community partners to combat racism and hatred in all its forms. As you know, in 2018, the Government of Canada officially recognized the UN decade for people of African descent, and we have been taking this recognition very seriously. To that end, we have launched the Black entrepreneurship program, the Black-led philanthropic endowment fund, and of course the supporting Black Canadian communities initiative.

Moreover, Mr. Chair, we launched Canada's first-ever anti-racism strategy to combat all forms of racism in Canada. To continue to build on the work of the strategy, we appointed Canada's first-ever anti-racism secretariat. Additionally, we are hard at work at developing Canada's first-ever action plan on combatting hate.

Also, the work that we are doing by hosting the national summits has led us to appoint two special envoys on combatting Islamophobia and combatting anti-Semitism in this country. As you know, Mr. Chair, their work has never been more important than it is right now.

• (1110)

Our diversity is what truly sets us apart from the rest of the world. It is at the core of who we are as Canadians, and I look forward to continuing to work with this committee and all Canadians to continue to build a more accessible and inclusive Canada for everyone.

Thank you, Mr. Chair.

The Chair: Thank you, Minister.

Before we begin, I want to recognize that my member of the legislature is joining us today in the public gallery. He's the leader of the opposition for Prince Edward Island. He's in Ottawa participating. He's the person I go to to complain when I can't complain to myself.

Voices: Oh, oh!

The Chair: Welcome, Mr. Perry.

We'll begin, for six minutes, with Mrs. Falk.

Mrs. Rosemarie Falk (Battlefords—Lloydminster, CPC): Thank you very much, Chair.

Thank you, Ministers, for being here.

Minister Boissonnault, my questions will be directed towards you.

We know that the carbon tax is driving up the cost of food, home heating and fuel, and that far too many have to decide between heating and eating. Some Atlantic Canadians are getting some temporary relief on the cost of their home heating because their MPs advocated for them. Saskatchewanians and Albertans are left out in the cold.

Given that you are one of two Liberal representatives in Alberta and I've seen you at Saskatchewan events, I imagine that you are the de facto Saskatchewan representative. Are we to understand that you did not advocate for carbon tax relief for families in western Canada?

Hon. Randy Boissonnault: Mr. Chair, I will call that question's relevance, but I'll still answer it, because I think it's important that we have an adult conversation about what our government did when it comes to home heating across the country.

What we did to suspend pricing on pollution as it relates to home heating for three years is to allow the most vulnerable in our society to actually go from home heating oil to heat pumps. That includes Albertans. It includes Saskatchewanians. It includes people in northern Ontario, northern Quebec—

Mrs. Rosemarie Falk: Minister, I'm sorry. My time is really limited. I'm not hearing an answer there.

How much do Canadian families have to suffer before your Liberal government will relent with its carbon tax?

Hon. Randy Boissonnault: Well, I think the answer directly is that we built a pipeline, Mrs. Falk, and we built a pipeline that did nothing for my colleagues in downtown Toronto or Montreal or Burnaby. Why did we do that? It was so that families in Saskatchewan and Alberta—

Mrs. Rosemarie Falk: Are you referring to the pipeline that your government purchased?

• (1115)

Hon. Randy Boissonnault: —can actually benefit and so that construction jobs across this country can benefit.

It's one of the largest infrastructure projects we're building, and when it is finished, the coffers of Alberta and Canada will be better, and we will be exporting triple the amount of oil to the world. That's good for the energy sector, and it's good for western Canadians.

Mrs. Rosemarie Falk: Okay, great. Thanks, Minister.

The recently announced emissions cap is the latest attack on Canadian energy workers and Canadian energy. It's effectively a cap on production—we know that—and, yet again, another case of federal overreach. As a Saskatchewan MP, I know how devastating your Liberal government's activist-driven agenda has been on economic growth, on the province and on the livelihood of energy workers.

Minister, as an Alberta MP, you have also seen first-hand this devastation. I know that. Do you support an emissions cap that will kill jobs for hard-working Canadians in the energy industry?

Hon. Randy Boissonnault: What I support is making sure that the greenest barrel of oil is found in western Canada, and what we have in place is—

Mrs. Rosemarie Falk: Do you support the emissions cap?

Hon. Randy Boissonnault: I support a cap on emissions, not a cap on production. What we have in place is an emissions cap, not a production cap.

Mrs. Falk, I could not go outside on the Monday of the long weekends in May or September this year because the air quality index was 11.5. I'm sure that your children and children across this country want to make sure that MPs right now are doing everything they can to make sure that we're fighting climate change. In the middle of COVID, in Edmonton Centre people were asking me to make sure that our government fought climate change.

We're doing so in such a way that in 2024 we're going to have an increase in the number of drilling rigs in Alberta. We are able to decouple growth—

Mrs. Rosemarie Falk: Minister, you're admitting, then, that oil and gas is not going anywhere in the foreseeable future. Okay, so—

Hon. Randy Boissonnault: I have always said that the industry will continue to grow, and guess what—

Mrs. Rosemarie Falk: —you are telling Canadians that—

Hon. Randy Boissonnault: We're going to have production increases in our emissions caps—

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): On a point of order, Mr. Chair, I think the witness should be given an opportunity to answer questions.

The Chair: Thank you, Mr. Van Bynen. The time is Mrs. Falk's.

Mrs. Falk.

Mrs. Rosemarie Falk: Thank you, Chair.

We know that oil and gas is not going anywhere. You just admitted that.

You're telling Canadians that you'd rather send dollars to dictators than ensure that Canadians have good, stable, well-paying jobs. You're telling Canadians that you would rather see oil and gas pro-

duced in countries with fewer environmental regulations and fewer human rights regulations and standards when it comes to labour than here in Canada. Do you agree that this policy will only cause Canada to become more reliant on dirty dictator oil?

Hon. Randy Boissonnault: Let's agree that if you don't try to put words in my mouth, I won't put words in yours.

There is Dow Chemical, with \$11 billion in the heartland; Air Products, with a \$1.6-billion net-zero plant; Heidelberg Materials, with the first net-zero cement plant in the world. These investments come because our government is putting in investments to attract green industries and, guess what, we are the third country right now for foreign direct investment. If you do a per capita analysis, we beat the United States, we beat China and we beat Brazil. It's about good-paying jobs in the energy sector as we decouple emissions from growth.

Mrs. Rosemarie Falk: We do know that billions of dollars have left this country, though, due to your government's ineffective policies.

We know that if your government was actually interested—

Hon. Randy Boissonnault: Actually, it's due to Premier Smith putting a moratorium on renewables.

Mrs. Rosemarie Falk: It's my time, Minister. Thank you.

If your government was actually interested in good public policy, it would work with provinces and respect their jurisdiction. We all know that recently the Supreme Court ruled that the “no more pipelines” bill, Bill C-69, was unconstitutional. It affirmed the provinces' jurisdiction over their natural resources.

Do you accept the Supreme Court's ruling?

Hon. Randy Boissonnault: If we're going to be specific, it was an opinion, and the opinion of the Supreme Court—

Mrs. Rosemarie Falk: Do you accept it?

Hon. Randy Boissonnault: We always accept the opinions of the Supreme Court, and we are going to make sure that we make adjustments to our policies. I think you will see in the emissions—

Mrs. Rosemarie Falk: How are you going to justify supporting a policy that once again tramples over provincial jurisdiction, which was Bill C-69?

What is the government going to change if they take these opinions seriously?

Hon. Randy Boissonnault: I think the proof is in the pudding that TMX is getting built and will be fully operational in 2024.

Mrs. Rosemarie Falk: We know that the PBO has confirmed that Bill C-234 would have saved farmers a billion dollars between now and 2030. To be clear, it's \$1 billion that your Liberal government is intent on collecting on the backs of our farmers.

Why did your government direct Liberal-appointed senators to delay and gut this bill, which would have thrown a lifeline to our farmers?

Hon. Randy Boissonnault: Unlike your party, Mrs. Falk, there are no senators who come to our caucus meeting every week. There was no direction given to them.

Mrs. Rosemarie Falk: They're appointed by the Prime Minister. Most of them.... I mean, Rodger Cuzner is a former Liberal member of Parliament.

The Chair: Your time is up. Thank you.

I just want to remind committee members that when one talks over the other, it causes problems for the interpreters. They just asked me to raise that. Please respect that part.

The ministers are here at the request of the committee to address issues topical to their ministries.

With that, I will go to Mr. Van Bynen for six minutes.

Mr. Tony Van Bynen: Thank you, Mr. Chair.

I appreciate the opportunity to meet with the ministers and hear back from them. Contrary to what we've seen so far, I'll give them an opportunity to respond.

My first question will be for Minister Boissonnault.

Minister, I think lots of us have been very disappointed in recent weeks by attacks from the Conservatives on the transformational investments that we're making in EV battery production, specifically, most recently, with respect to the plant in Windsor. Can you talk about how important this work is and how important the role of foreign workers is to get battery production started, so that we can go forward and create long-term, permanent jobs in Windsor?

• (1120)

Hon. Randy Boissonnault: Mr. Chair, I thank MP Van Bynen for the question.

I think what you're seeing is a tectonic plate shift in terms of our decision in Canada to be a country that makes things, not one that just exports things. For a lot of our life, we've been drawers of water and hewers of wood. We send it off to other countries to actually get the value-added jobs.

Now we are changing that approach. We're going to make sure that our children and our children's children are actually part of a supply chain that is going to not just provide batteries, but extract and refine the critical minerals to get to those batteries. We're going to see that across the country, whether it's Stellantis or Northvolt, or what we're seeing in Newfoundland and Labrador, in Atlantic Canada and in Edmonton in some of the examples that I've already mentioned. The Stellantis plant is just one example of 2,500 good-

paying, long-term union jobs once the plant is up, and at least 1,600 construction jobs for Canadians.

I think we have to have an adult conversation about what it means to have technical experts from another country come to our country to help do the technology transfer.

There's a technology company in Calgary called Eavor. It does deep-hole, geothermal drilling to provide heat and electricity. We've exported this technology to Germany right now and, guess what, there aren't any technicians who understand how to do this deep, geothermal drilling. Can you guess which technical experts are going to Germany to set up shop and do tech transfer? It's Canadian engineers, Canadian geophysicists and Canadian drillers.

Are we saying that South Koreans shouldn't be able to send over their technicians to actually help Canadians understand how we do a battery plant? We've never built batteries in this country before, and we actually need the expertise of our friends from Korea—our trading partners under a free trade deal signed by the Conservatives—to come and set up shop.

What's really dangerous, Mr. Chair, to Mr. Van Bynen and other colleagues, is if the Conservatives turn up the rhetoric too hot. Dave Cassidy, the Local 444 union president, said this. There's another \$3-billion ancillary plant that could go to us or to Mexico. If the Conservatives are talking about doom and gloom and the sky falling with some workers coming to help us do a tech transfer, that \$3-billion plant is at risk.

I don't want to see foreign direct investments scared away because of misinformation.

Mr. Tony Van Bynen: Thank you.

My next question is for Minister Kherra.

Minister, we put in an awful lot of work in this committee to see the success we've had with the Canada disability benefit. Can you provide a timeline for when Canadians with disabilities can expect to see money in their bank accounts?

Hon. Kamal Kherra: Thank you for that very important question.

Let me say thank you, first and foremost, to this incredible committee, which I know did relentless work to make the Canada disability benefit legislation a reality. It is also because of the tireless advocacy of the disability community, which has been working extremely hard for many decades to make this a reality for so many Canadians.

Let me also be very clear: Getting the Canada disability benefit right, and getting it out as quickly as possible, is a top priority of mine in this mandate.

Mr. Van Bynen, as you know, since the Canada disability benefit received royal assent in June 2022, we have been doing extensive consultations with the disability community, particularly on the design and regulations of this benefit. I, myself, met with many persons with disabilities. As you can imagine, there is a lot of diversity in the group. It's about making sure we're looking at it with that intersectionality, particularly when we talk to women with disabilities, youth with disabilities and seniors with disabilities. It's very important that we get a diverse perspective and ensure we get this benefit right, in the true spirit of "nothing without us".

As we speak, right now.... I want to say November 21 was the date when we launched the public online consultations, which are fully accessible. They are open right now. I hope all Canadians, particularly those with disabilities, will participate in this very important work. We need to make sure we can hear as many perspectives as possible, in order to get this benefit out right.

Tony, we remain absolutely committed to the original timelines. This act, as you know, must come into force by June 2024, and regulations must be in place by June 2025. I'm absolutely committed to getting this right, as quickly as possible.

• (1125)

Mr. Tony Van Bynen: Thank you.

In addition to making sure people with disabilities aren't below the poverty line, it's important to make sure workers have an opportunity to contribute fully to society.

Can you give us an overview or an update on the ongoing work under the disability inclusion action plan?

Hon. Kamal Khara: Absolutely. This is a very important question.

As you will recall, when we got elected back in 2015, one of the very first things we did as a government was work alongside parties and pass the Canada accessibility act. This led us to having a disability inclusion action plan, which truly is a road map to creating a barrier-free Canada by 2040. In fact, I hope we can do it sooner than that.

It has four very important pillars. The first one is around financial security. As I mentioned, the Canada disability benefit is a big component of making that happen. The second point is employment. It's about ensuring we are working with persons with disabilities and making sure they have the skills they need to fully participate in the labour force. In fact, we are doing a lot of work very closely with my colleague Mr. Boissonnault and his shop, in order to have an employment strategy for persons with disabilities.

A year ago, we launched the Canada disability inclusion business council, which is bringing together the private sector to see.... We can't do this work alone. We need to ensure businesses are part of this.

Just last week, we launched—

The Chair: Thank you, Minister.

You can conclude that in another question.

[*Translation*]

Ms. Chabot, you have the floor for six minutes.

Ms. Louise Chabot (Thérèse-De Blainville, BQ): Thank you, Mr. Chair.

I also thank both honourable ministers for being with us today.

My question is for Minister Boissonnault.

I would have liked to find in the appropriations and expenditures some sums of money dedicated to the comprehensive reform of employment insurance. However, we didn't find anything about that.

You know, Minister, that this has been a firm commitment of your government since 2015, reiterated in 2019, reiterated in 2021. The Prime Minister had given your predecessor, in particular, the mandate to put in place a better employment insurance system, a more inclusive system.

This was to be done by the summer of 2022. We're at the end of 2023.

Minister Boissonnault, is a comprehensive reform of employment insurance, to correct the inequities in the system, still a priority for your government?

Hon. Randy Boissonnault: Mr. Chair, I thank the member for her excellent question.

Let me reiterate that the Employment Insurance program is Canada's most important income support program. It is an essential element of employment. Every year, it supports around two million Canadians, for example when they find themselves out of work, starting a family, taking time out to care for children or a loved one, or when they need to improve their skills.

To answer Ms. Chabot's question more directly, the Government of Canada will continue to strengthen Canada's social safety net, including ensuring a resilient Employment Insurance program. Given current and short-term inflationary pressures, we will take a cautious approach and gradually increase the premiums that are in place.

The pandemic has highlighted the shortcomings of the system, which, it must be said, had been present for a long time. In my opinion, it's important for the employment insurance system to help families make ends meet.

As for what we've already done...

Ms. Louise Chabot: Excuse me for interrupting you, Minister, but I wasn't talking about what you've already done. My question was very clear. I heard you mention a more robust system. Is that still a priority for your government?

You just talked about the social safety net. However, we're talking about a federal program with a hole in it, if I can put it that way. After the pandemic, we said we took too long to fix it. There's also a problem of accessibility. This plan is financed by contributions from workers and employers. Currently, six out of ten workers who contribute to it don't have access because of outdated eligibility criteria, inequity in the system and discrimination. All this has been demonstrated.

Your predecessor conducted consultations for two years, and workers were seriously engaged in the process. We know the problems and we also know the solutions.

What's stopping the government from acting now, Minister?

• (1130)

Hon. Randy Boissonnault: Mr. Chair, we have extended sickness benefits to 26 weeks. In Quebec, we've addressed the EI black hole by offering up to four additional weeks. This helps people in the following regions in particular: Gaspésie-Îles-de-la-Madeleine, Bas-Saint-Laurent-Côte-Nord, Centre-du-Québec, Chicoutimi-Jonquière and Nord-Ouest du Québec.

We have also introduced benefits for adoptive parents. However, it's not up to the demands of unions and workers. I met with representatives of the Centrale des syndicats du Québec, where you used to work, Ms. Chabot, as well as those of other bodies, such as the Fédération des travailleurs et travailleuses du Québec. They were surprised that we were able to offer four extra weeks, but they're asking us to do more. However, I have to exercise fiscal prudence.

Ms. Louise Chabot: Mr. Minister, you're talking about the extra four weeks, but we should be talking about real things. We're talking about pilot projects for seasonal industry workers. It's not just about Quebec, Mr. Minister. An interprovincial alliance even includes the unemployed in the Maritime provinces. It's not the workers who are seasonal, but rather the industry in these regions. The workers have even invited you to meet with them.

This pilot project has been running since 2018. Year after year, you extend it by offering up to five additional weeks. Yet the government had committed to two things: making this offer permanent and improving it. Four extra weeks is not going to fix the situation.

They've asked you to meet with them so you can get to know the reality of workers in the regions. Will you commit to meeting with them?

Hon. Randy Boissonnault: Mr. Chair, I met with representatives of several groups, including the Confédération des syndicats nationaux, the Centrale des syndicats du Québec and the Centrale des syndicats démocratiques. I want you to know that this is an issue that concerns me. I want to make sure that the employment insurance system works for today's workers. I will also continue to be fiscally prudent.

That said, Madam MP, I understand very clearly what you're telling me on this issue.

The Chair: Thank you, Minister.

Ms. Louise Chabot: Thank you, Mr. Chair.

The Chair: Thank you, Ms. Chabot.

[English]

Ms. Zarrillo, you have six minutes.

Ms. Bonita Zarrillo (Port Moody—Coquitlam, NDP): Thank you, Mr. Chair.

At this time last year, the disability community and the government asked this committee to fast-track the Canada disability benefit legislation, and we did that. Yet it has been a year, and here we are, with no money in people's pockets. Many persons with disabilities are living on less than \$10,000 a year. The government's delay cannot continue, and it's breaking the trust that was extended to them from this committee and the community.

Mr. Chair, I have a motion today, and I ask all of my colleagues to support it.

The motion is:

That, given that:

- (a) Twenty-two per cent of Canadians live with a disability but make up 41 per cent of those who live in poverty;
- (b) The rising cost of housing, food, and medication is causing a cycle of poverty for persons living with a disability;
- (c) The Canada Disability Benefit has not yet been delivered to Canadians, and the government has declined to implement a disability emergency relief benefit;

The Committee report to the House that it asks the federal government to commit that the Canada Disability Benefit be implemented, and immediately delivered to persons with disabilities in the first quarter of 2024.

Thank you, Mr. Chair.

The Chair: Ms. Zarrillo, is that a question for Minister Khara?

Ms. Bonita Zarrillo: No, it is a motion to the committee.

The Chair: I'm sorry, but you did not move it; you just read it.

Ms. Bonita Zarrillo: Then I'd like to move a motion to the committee, Mr. Chair.

Would you like me to read it again?

• (1135)

The Chair: Yes, you could read it.

Ms. Bonita Zarrillo: Mr. Chair, I'd like to move a motion to the committee, and I'm hoping that all will support it.

That, given that:

- (a) Twenty-two per cent of Canadians live with a disability but make up 41 per cent of those who live in poverty;

(b) The rising cost of housing, food, and medication is causing a cycle of poverty for persons living with a disability;

(c) The Canada Disability Benefit has not yet been delivered to Canadians, and the government has declined to implement a disability emergency relief benefit;

The Committee report to the House that it asks the federal government to commit that the Canada Disability Benefit be implemented, and immediately delivered to persons with disabilities in the first quarter of 2024.

Thank you, Mr. Chair.

The Chair: Thank you, Ms. Zarrillo.

Your motion is in order and is on the floor for debate.

Mr. Fragiskatos, you had your hand up.

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

I offer this comment in good faith to MP Zarrillo.

I wonder if we can defer debate on the motion, because I know members do have questions for the ministers who are here. This is not to say that the motion is not important and that we can't engage in it. As I said, I'm just asking for it to be deferred so that members around the table can ask questions of ministers.

The Chair: We have Madame Chabot and Mr. Aitchison on the motion currently before committee by Ms. Zarrillo.

Go ahead, Madame Chabot.

[*Translation*]

Ms. Louise Chabot: Thank you, Mr. Chair.

I will be supporting my colleague Ms. Zarrillo's motion. The work that was done by this committee to create the Canadian disability benefit was major. We've heard a lot of testimony.

We are well aware that the process to implement this benefit is ongoing. However, this proposal is intended to speed up the process so that, in the first quarter of 2024, this benefit can see the light of day and help the people who need it most.

I'm ready to vote, Mr. Chair.

[*English*]

The Chair: Thank you, Madame Chabot.

Mr. Aitchison, go ahead on the motion.

Mr. Scott Aitchison (Parry Sound—Muskoka, CPC): Thanks, Mr. Chair.

I think the motion makes complete sense, and I agree with everything that's been said. I don't know if we need to spend too much time debating it. I would just call for a vote right away.

The Chair: Go ahead, Mr. Coteau.

Mr. Michael Coteau (Don Valley East, Lib.): On a point of order, that's the question I was going to ask. I think every member has the right to speak on the issue. Am I correct?

The Chair: Mr. Coteau, you have the floor.

Mr. Michael Coteau: With regard to process.... Obviously, I think that every single person on this committee is supportive of the benefit and of making sure that the people who need the most help are getting the help they need. We sat in this committee room and

listened to many different witnesses talk about the challenges they face and how the benefit would really contribute to strengthening them and their families.

One of the concerns I have is in regard to the implementation of such an ambitious plan. Putting forward a motion like this that's very descriptive to government is actually intervening in the process that I'm assuming is taking place within the department. My one caution would be that if we're very specific with regard to timelines, that may be problematic for the department to implement properly. That would be one of the concerns I would bring up. I think maybe it could be worded in a way that expressed our interest as a committee.

There's no question that a committee should not be prescribing specific actions to the department. That's left, of course, to government and the House of Commons to do with regard to the will of the majority. That's the only caution I'd like to bring up. Maybe we can rephrase a few of the words to better express that.

Thank you, Mr. Chair.

The Chair: Thank you.

Before I go to Mr. Fragiskatos, I'm going to ask the clerk to explain why I'm proceeding with the procedure.

Madam Clerk, go ahead.

• (1140)

The Clerk of the Committee (Ms. Ariane Calvert): This motion is debatable. The chair recognized Mr. Coteau and gave him the floor.

There are some motions that are non-debatable, and on those we would go straight to a vote.

The Chair: Mr. Fragiskatos, go ahead on the motion.

Mr. Peter Fragiskatos: Chair, could we take a three- or four-minute pause?

The Chair: Okay. We'll suspend for three minutes.

• (1140)

_____ (Pause) _____

• (1140)

The Chair: Committee members, the committee is back in session.

Currently on the floor we have a motion by Ms. Zarrillo.

Ms. Zarrillo has her hand up.

Ms. Zarrillo, you have the floor.

Ms. Bonita Zarrillo: Thank you so much, Mr. Chair.

I would like to just call the vote.

Thank you.

The Chair: Thank you, Ms. Zarrillo.

Ms. Zarrillo has called for a vote on the motion that is currently on the floor. The motion was not amended.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Chair.

The Chair: There's been a vote called.

Ms. Zarrillo, the clerk has advised me that Mr. Long has the right to speak on the motion.

Mr. Wayne Long: Thank you, Chair.

I just want to state that obviously we understand MP Zarrillo's motion. We understand the passion behind it. Also, just for the record, these benefits do take time. There's a lot of consultation with provinces, which has not happened yet. It's a major undertaking.

I would say there's nobody who doesn't want to see this benefit rolled out. I think there's also legitimate concern that it be rolled out correctly and that we not leave people behind. The concern is just that pegging it to the first quarter, I think, risks our not doing it completely right.

I can certainly speak to my province of New Brunswick. These conversations and negotiations are very challenging, Chair. I respectfully ask MP Zarrillo to consider that.

Thank you.

• (1145)

The Chair: Mr. Coteau, go ahead.

Mr. Michael Coteau: I have a quick question for the clerk, just for clarity.

Even if a motion like this is passed, it doesn't compel government to do anything. I'm assuming that's right. I mean, a committee can't compel government to do things.

It's a legitimate question. If this passes, what happens?

The Chair: The motion gets delivered to the floor of the House of Commons.

Mr. Michael Coteau: That's it.

An hon. member: I think we're ready for a vote.

The Chair: Okay, thank you.

I'm going to go to a recorded vote, as requested, on the motion from Ms. Zarrillo. Is everybody clear?

[Translation]

This appears to be the case.

[English]

(Motion agreed to: yeas 11; nays 0)

The Chair: The motion of Ms. Zarrillo is approved unanimously.

Your time has expired.

We'll now go to Mrs. Gray, for five minutes to the ministers.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Mr. Chair, and thank you to the ministers for being here today.

My questions are for Minister Boissonnault.

Looking forward to 2024, is it estimated that Canada's unemployment will be going up or down?

Hon. Randy Boissonnault: That is information that we actually look at in the rear-view mirror. However, as we can take a look at the most recent numbers—to answer your question directly—since September, we have numbers that have gone down from 780,200, to the most recent numbers in November of 632,000. We're waiting for the Q3 numbers, which will give us a sense of labour force development.

I'm not going to speculate on employment going up or down, but the labour force is strong, which is showing that unemployment is trending downward.

Mrs. Tracy Gray: Minister, the fall economic statement projects that unemployment is expected to rise to 6.5% by next spring. That is right in the fall economic statement.

Based on that, do you have a plan to deal with the projected unemployment increase that was in your fall economic statement?

Hon. Randy Boissonnault: The unemployment system is there to catch people when they need supports, whether it's through being laid off from work or whether it's for benefits for training. The system is robust and it's ready to handle any downturn in the economy.

The current data we are seeing, though, is trending in the opposite way.

Mrs. Tracy Gray: My question, Minister, is whether you have a plan on how to deal with this unemployment that is projected from your fall economic statement. Do you believe that food bank usage will be increasing, based on the fact that unemployment is expected to increase next year based on your own fall economic statement?

Hon. Randy Boissonnault: I'm not going to speculate on food bank use. I do understand that food bank use is on the rise. That is certainly a question I would have you direct to my colleague, Minister Sudds.

When it comes to having a plan, absolutely, the employment system is there to support so many people—

Mrs. Tracy Gray: So you have a plan, Minister. Would you be able to table that plan for this committee?

Hon. Randy Boissonnault: The plan is included in negotiations that we have with labour market training agreements with 13 provinces and territories. Those conversations will happen in the new year.

• (1150)

Mrs. Tracy Gray: Great. Minister, you just said that you have a plan to deal with unemployment, so could you table that plan for this committee?

Hon. Randy Boissonnault: I'm happy to table what we are working on with the provinces when that passes through governmental channels.

Mrs. Tracy Gray: Thank you, Minister.

After the large projected spike in unemployment next year, how long will it take for unemployment to get back to current levels—as projected?

Hon. Randy Boissonnault: Paul, do we have any information on—

Mrs. Tracy Gray: Minister, we can bring the officials back at another time. I'm addressing you.

Hon. Randy Boissonnault: It's my right to turn to officials, Mrs. Gray, and I'm turning to an official.

Mrs. Tracy Gray: Okay, fair enough. I'll just move on, then, Minister. Thank you.

The fall economic statement actually states that it will take five years for unemployment to come back to current levels. That's right in your fall economic statement, going to 2028.

Looking at EI premiums right now, will workers see an increase in premiums, or would they see the EI premiums being the same going into 2024 as they are right now?

Hon. Randy Boissonnault: We have raised the premiums to \$1.66, up from \$1.63. We get advice from the chief actuary every year to that effect. Currently, EI premiums are 22¢ below where they were when the current Leader of the Opposition was EI minister.

Mrs. Tracy Gray: Minister, in budget 2023, did your government commit to keeping the EI premiums the same?

Hon. Randy Boissonnault: We committed to keeping EI premiums at \$1.66 until we get advice from the chief actuary.

Mrs. Tracy Gray: Under the Employment Insurance Act, do you have the power to cancel these increases, yes or no?

Hon. Randy Boissonnault: I take the advice of the chief actuary. The reason I take the advice is so we can make sure, in the case of the EI fund, that it is whole by 2030. I take the advice of the chief actuary seriously.

Mrs. Tracy Gray: This was a promise that was made by your government in budget 2023.

Is this a promise you decided to break once you became a minister in this role, or was it always the intention to break that promise to workers?

Hon. Randy Boissonnault: There's never an intention to break promises to workers. We want to make sure that the EI system is robust.

To your earlier question, should unemployment go up to 6.5%, we want to make sure that the EI fund is well capitalized to help those people who might be facing unemployment.

Mrs. Tracy Gray: Minister, your government's proposed benefits delivery modernization program is years behind schedule, and running billions over cost.

Can you confirm that the benefits delivery modernization program will now cost taxpayers \$8 billion, as has been reported?

Hon. Randy Boissonnault: What I can confirm for you, Mrs. Gray, is that the benefits delivery modernization program will allow us to get 1.5 trillion dollars' worth of benefits out to people over its life cycle.

Mrs. Tracy Gray: Minister, have you requested a briefing on the benefits delivery modernization program?

Hon. Randy Boissonnault: This is a program that is in the bailiwick of Minister Beech, who I understand will be appearing at this committee.

Mrs. Tracy Gray: Minister, this includes systems such as EI, OAS and CPP, which are under your purview.

Hon. Randy Boissonnault: We're just getting through the OAS phase now. Next, we'll be into the EI phase, and then we'll be into the CPP. This is not a one-phase program. This is a program that takes place over years and—

Mrs. Tracy Gray: It is within your purview.

Hon. Randy Boissonnault: —is billions of dollars, so that we get it right.

The Chair: We'll now move to Mr. Coteau, for five minutes.

Mr. Michael Coteau: Thank you, Mr. Chair.

Thank you to both ministers and officials for being here. There's no question that both of your portfolios are very important for the success of this country.

I want to speak specifically about anti-racism and people with disabilities.

Minister Khera, I think your file is probably one of the most important files in government, because it talks about our future. It talks about our opportunity and where we're going as a country when it comes to opening up opportunity. We can build opportunity through investing in industry. We can build opportunity by bringing skilled workers to Canada. We can also bring opportunity to this country by opening up opportunity for people and leveraging our workforce that's here to better participate and build this country.

I know that people living with disabilities... Anti-racism is a moral imperative, but it's also an economic imperative. We know that if people reach their full potential, it contributes to our economy. It contributes to our well-being as a country. I know anti-racism work has been one of this government's key pillars, looking for ways to create more inclusion, diversity and opportunity for all people. I know this was the first federal government that put in place an anti-racism strategy.

Could you take a few minutes to talk about the anti-racism strategy, where we're coming from, where we're going, and how this is going to benefit Canadians overall? Even though it may specifically speak to a person who may face discrimination, it actually speaks to the benefit of all Canadians. When that person who faces discrimination has a barrier removed, it contributes to the well-being of every person in this country. If you could talk a bit about that, I would appreciate it.

● (1155)

Hon. Kamal Khera: Thank you for that very important question and also for your leadership in this space. You and I have had many conversations around the work that needs to be done.

I always say that diversity is a fact in Canada—which we know—but inclusion is a choice. It is a choice that our government, since 2015, has been very deliberate in making, ensuring that we're bringing those perspectives to the table at every front.

You're absolutely right. We have to be very deliberate in bringing the voices of some of the most vulnerable in our communities and looking at individuals who haven't had those opportunities in the past.

Yes, you're absolutely right. It is our government that put forward Canada's first-ever anti-racism strategy, which has led us to the work around having, first and foremost, an anti-racism secretariat. The work they're doing is a framework around taking a whole-of-government approach, that intersectional approach, to addressing racial inequities and also ensuring that we are combatting hate when we see it.

With regard to your point around where we have to be very deliberate in making those choices, that has led us to do the work within communities. I'll give you examples of the work that we've done for the UN International Decade for People of African descent, which has led us to put these very important policies and programs in place. The work around the Black entrepreneurship program is around supporting Black individuals and getting them the capital that they need to start businesses. There is the work that we're doing with the supporting Black communities initiative. It is Black-led, Black-serving organizations that are doing this work on the ground to support communities. There is also the work around the Black-led philanthropic endowment fund. These are things that actually matter, because we have to be very deliberate in including people if we want to have a really inclusive Canada.

It's the same model as the work that's happening under the disability inclusion action plan. I was talking earlier about our second pillar of the disability inclusion action plan, which is employment. I remember I was actually in your riding not too long ago with an organization, March of Dimes, that does incredible work. It's around matching the skills of individuals with disabilities with where we actually need people. This is the untapped potential of individuals whom we need to ensure we are including. We are doing this work with our employment strategy within the disability community.

Just last week, MP Coteau, through our disability inclusion business council, we launched a network of businesses like Manulife, IBM and others. You need to get the private sector on board to be able to see those best practices, to see how they can build inclusive

communities, to make sure that individuals with disabilities are coming on board, and to share those best practices with other individuals. As you said, it's not just the right thing to do; it's actually about building an economic argument for Canada. When we include people, Canada wins.

This is the really inclusive work that we're doing, and I'm very proud of the work we're doing, in this committee particularly, to be able to move forward on the agenda of inclusion.

The Chair: Thank you, Minister and Mr. Coteau.

[*Translation*]

Ms. Chabot, you have the floor for two and a half minutes.

Ms. Louise Chabot: Thank you, Mr. Chair.

Minister, I'm very pleased that you were able to meet with Quebec's major labour unions. There's no doubt that EI reform is a priority for us, as it is for the groups representing the unemployed. We are extremely disappointed that we have not yet received a response on this issue. What I gather from your comments is that this is not a priority for your government.

On the other hand, you have acted on another issue, that is, you have reinstated recourse to a tripartite decision-making tribunal. In fact, this was a government commitment. We adopted this measure almost a year ago now, if I'm not mistaken. To my knowledge, nothing has been done to move this issue forward.

Could we have some clarification on this?

Hon. Randy Boissonnault: Of course, Ms. Chabot.

I'd like to point out that 1.2 million Canadians are unemployed. There are 632 positions open right now across the country. If there are fewer positions open, that means the employment rate is up and the unemployment rate is down.

Regarding the creation of this tripartite appeal board, I will say that we are here to ensure that unions exercise their rights in the system. That's why Minister O'Regan and I announced last week the launch of a union-led advisory table that will advise our government. We held our first meeting.

We will continue to make improvements without dropping other aspects. I wouldn't want us to have difficulties with service delivery because of this tripartite decision-making model.

● (1200)

Ms. Louise Chabot: Minister, I want to come back to the first part of your answer.

It's not because the unemployment rate is at its lowest that we shouldn't consider reform. On the contrary, we shouldn't wait for the next crisis to secure the social safety net that is employment insurance. That's why we expect your government and you, as minister, to give us answers fairly quickly on the question of reform.

This is inescapable if you want to give full security, full recognition to workers who often don't qualify for the current system.

Hon. Randy Boissonnault: That is duly noted, Mr. Chair and Ms. Chabot.

The Chair: Thank you, Ms. Chabot and Mr. Minister.

[English]

This concludes the first hour. We will—

Mr. Tony Van Bynen: Mr. Chair, before we start the next portion, I notice that today is the deadline for briefs to be submitted for the intergenerational volunteerism study, and since our final meeting is being postponed until January, I'd like to extend the option for people to submit briefs until that date.

The Chair: Mr. Van Bynen has requested that we extend the deadline for written briefs on the intergenerational volunteerism study until—

Mr. Tony Van Bynen: —until the week of January 24, which is when we're scheduled for the last meeting.

Mrs. Tracy Gray: On a point of order, Mr. Chair, I'm a little bit confused. I think that Mr. Van Bynen said our next meeting won't be until January. Does that mean our meeting on Wednesday has been cancelled?

The Chair: On intergenerational—

Mr. Tony Van Bynen: It's the next meeting for the witnesses on the intergenerational volunteerism study. I'm sorry. I should have been clearer.

The Chair: Is it the wish of the committee to extend the deadline?

Some hon. members: Agreed.

The Chair: Okay, that's agreed.

Thank you, Ministers Boissonnault and Khara and your staff for coming.

With that, the meeting is suspended for five minutes while we transition to the second hour.

• (1200) _____ (Pause) _____

• (1205)

The Chair: I call the meeting back to order.

Welcome, Minister Sean Fraser, Minister of Housing, Infrastructure and Communities; and Minister Jenna Sudds, Minister of Families, Children and Social Development.

Welcome to the committee.

From the Department of Employment and Social Development, we have the deputy minister, Paul Thompson; Karen Robertson, chief financial officer; and Andrew Brown, associate deputy minister.

We'll begin with opening statements of up to five minutes, and we'll start with Minister Fraser.

Minister Fraser, you have the floor.

Hon. Sean Fraser (Minister of Housing, Infrastructure and Communities): Chair, before I begin, is that five minutes combined or five minutes each?

The Chair: It's five minutes each.

Hon. Sean Fraser: Okay. I expect I'll be shorter than that.

The Chair: That's the max.

Hon. Sean Fraser: That's fine.

[Translation]

Colleagues, it's a pleasure to be here. I wish everyone a Merry Christmas in advance.

[English]

It's good to be here again to discuss the supplementary estimates.

The last time I was here, I spent some time going over some measures we were rolling out with a view to building more homes across Canada and helping to address the supply gap that exists.

As a quick reminder, the pillars of the path forward will involve policies designed to make the math work for home builders. That's where measures like the GST being removed from apartment construction come in. It's where the rental construction financing initiative, which provides low-cost loans to builders, comes in. It's where the changes to the Canada mortgage bonds, which are going to reduce the rate of borrowing for builders, come in.

The second pillar is changing the way cities build homes. We've had significant success, including agreements with municipalities across Canada that are going to fundamentally change the way they permit and zone for more housing to be built near transit, near post-secondary institutions and near opportunities and services that people need.

The third pillar was really directly investing in community housing, housing for low-income families who would not otherwise have a place to live. There are a number of ways we do that, including measures that were recapitalized in the recent fall economic statement through the affordable housing fund. We have a history of doing this through different programs, such as the rapid housing initiative, the co-investment fund and others, over the course of the past number of years.

The next pillar is focusing on growing the productive capacity of the Canadian workforce. You will have seen in the fall economic statement certain measures targeting labour mobility, for example. Going forward, you should expect to see a continued desire to invest in the skilled trades to build more homes, as well as in targeted immigration programs to attract the workers we need and we do not have currently, and importantly, to help industry tool up to build more homes and factories.

We also need to continue to focus on some of society's most vulnerable by investing in local efforts that will be led typically by municipal governments or organizations on the ground to address homelessness across Canada.

Finally, there are new measures we put in place to help people stay in, or get into, the market when it comes to home ownership. I'm thinking, for example, of the first home savings account, which has now seen more than 300,000 people, disproportionately young people, sign up to take advantage of a tax-free opportunity to get into the market, or of the recent inclusion of the Canadian mortgage charter, outlining what consumers ought to be entitled to when they deal with their financial institutions.

One thing to tie this back to the reason we're here is that it takes investment to achieve each of those policy outcomes that I think we would all like to see. The measures we put in place go through a parliamentary process to determine whether we're actually going to back the policy commitments with funding. What transpired last week in the House of Commons was a series of votes on a number of different measures designed to properly fund some of the initiatives included in the housing plan.

For example, direct investments in affordable housing through the co-investment fund and the rapid housing initiative were deliberately separated and voted on. The same is true about our low-cost financing programs that get more homes built. It is also true for shelters and transition housing, which are providing support to some of the most vulnerable, women and children in particular, and it included funding directly for veteran homelessness.

You can imagine, Chair, my disappointment, though perhaps not my surprise, when I saw that the Conservative Party made a point to specifically vote down each of those measures. Thankfully, we garnered support from other parties in the House of Commons, and we're able to move forward with the funds that will allow us to deliver on some of those very specific policy ideas.

In the interest of time, Mr. Chair, I'll leave my comments there, but rest assured, I'll be prepared to take whatever questions committee members may have.

Thank you.

• (1210)

The Chair: Thank you, Minister Fraser.

Minister Sudds, you have five minutes or less.

Hon. Jenna Sudds (Minister of Families, Children and Social Development): Thank you, Mr. Chair and committee members, for inviting me to join you here today.

[*Translation*]

It is a pleasure to be here today to update you on the progress that pertains to my portfolio as Minister of Families, Children and Social Development.

The Government of Canada is focused on delivering policies and programs that make life better and more affordable for families in Canada.

[*English*]

We started in 2016, when we introduced the Canada child benefit. The CCB is tax-free and income-based so that it provides more support to families who need help the most. It's also indexed annually to keep pace with the cost of living. The CCB increased by 6.3% this year, which means that low-income families are receiving

up to \$7,437 per child under six and up to \$6,275 per child aged six to 17, to help pay for everyday living expenses.

[*Translation*]

And then there is the work being done to build a Canada-wide early learning and child care system.

As you know, in 2021, the Government of Canada made a transformative investment of nearly \$30 billion to build a Canada-wide early learning and child care system with provincial, territorial, and indigenous partners.

[*English*]

We signed historic agreements with every province and territory to reduce parent fees for regulated child care to an average of \$10 a day, create 250,000 new regulated child care spaces across the country by March 2026, and better support a well-qualified early childhood education workforce. The families of hundreds of thousands of children are already benefiting from more affordable child care. Six provinces and territories are offering child care for \$10 a day or less and, in every other jurisdiction, fees for regulated child care have been cut on average by 50%, helping to put money back into people's pockets.

In Alberta, for example, families can save up to \$10,300 annually per child, allowing families to move into a larger apartment or make the maximum annual contributions to their RESP. In Ontario, potential annual savings are up to \$8,500 per child, which would cover the costs of annual undergrad tuition at McMaster or Queen's, for example, and allow an older child or parent to enrol in university.

• (1215)

[*Translation*]

But it was never just about reducing fees. It is also about growing the economy.

[*English*]

Studies have shown that for every dollar we've invested in early learning and child care, the broader economy would receive between \$1.50 and \$2.80 in return. Also, increasing access to more affordable and flexible child care helps parents, especially mothers, enter or re-enter the job market.

[*Translation*]

In many parts of Canada, the labour force participation for working-aged women with young children has reached record-high levels of nearly 80%.

[English]

However, getting affordable child care where it's needed most requires increasing the availability of regulated spaces. In response to requests from provinces and territories, the federal government is investing \$625 million over four years in an early learning and child care infrastructure fund, with \$75 million of this amount being requested through supplementary estimates (B). Through this fund, provinces and territories will be able to make key infrastructure investments that will support greater inclusion of underserved communities.

We're also working in collaboration with first nations, Inuit and Métis partners to ensure that affordable and culturally specific early learning and child care is available. To help grow these programs in underserved communities, the government is investing \$441 million over four years to respond to indigenous early learning and child care infrastructure priorities.

[Translation]

In closing, let me say that our investments are about making meaningful improvements for Canadians and our economy.

[English]

I remain committed to working with my colleagues to support hard-working Canadians across the country and provide children with the best possible start in life.

With that, I welcome any questions.

The Chair: Thank you, Minister.

I understand that you're going to be in my home province later this week to make a child care announcement with the Government of Prince Edward Island. Thank you. I'm looking forward to it.

[Translation]

Mr. Aitchison, you have the floor for six minutes.

[English]

Mr. Scott Aitchison: Thanks, Mr. Chair.

I'd like to ask the Minister of Housing a couple of questions.

Minister, I see that in the supplementary estimates you've asked for more money. I want to focus on the housing accelerator fund. Would you say that the housing accelerator fund—this \$4-billion program—is aimed at municipalities to increase homebuilding and to speed up the process? Is that generally what its focus is?

Hon. Sean Fraser: More specifically, it's to secure systemic reforms when it comes to a zoning and permitting process, with a goal of building more homes over time.

Mr. Scott Aitchison: Right, so how many municipalities now have you done deals with?

Hon. Sean Fraser: We have seven signed, but there are more where we have agreements wrapped up, more or less, plus the Province of Quebec.

Mr. Scott Aitchison: This is a \$4-billion fund that was promised in 2021—

Hon. Sean Fraser: It was campaigned on in 2021.

Mr. Scott Aitchison: —but actually it wasn't started until 2022.

Hon. Sean Fraser: It was budgeted for in 2022, and then it started rolling out in September of this year.

Mr. Scott Aitchison: Got it. Okay.

In London, as an example, the deal there, from what we can tell from the media, hinged on the notion of the city permitting four units as-of-right. Was that roughly...?

Hon. Sean Fraser: That was one of the suggested areas where the application could have been strengthened. There were a few others included in the letter that I sent to Mayor Josh Morgan of the City of London, some of which they had already been actioning, but that was one of the elements that we suggested they could do to go further. It would depend on what you mean by “hinged upon”, but it was certainly an area that we were encouraging the city to adopt.

Mr. Scott Aitchison: I'm assuming it was an important element of the agreement.

Hon. Sean Fraser: Oh, I think it was very important. It allowed them to be first out of the gate.

Mr. Scott Aitchison: This program would be an acknowledgement that local red tape is part of the problem, part of the issue in terms of—

Hon. Sean Fraser: Absolutely. Through our conversations, I know that's something we agree upon.

Mr. Scott Aitchison: That's right.

Of course, unfortunately, housing starts are down in London about 32%. This mirrors the national average between 2022 and 2023. Obviously, these agreements were designed to clear up some red tape and delays that cost money in the local markets, but that's not the only issue.

I'm going to use the example, now, of Aryze developments in Victoria. I'm sure we've talked about this before. They would argue that the real drivers of delays in getting more housing started today are interest rates and inflation. In 2020, Luke's company built 27 new apartments. Between land, labour, materials and everything, it cost just over \$5.3 million to get that done. Three years later, those same costs today would be \$8.4 million—about 60% increase. Three years ago, the interest on the money to borrow for the project was about \$247,000. He says that, today, his interest costs on that same project would be \$1.1 million. That is about 345% increase since 2020.

I acknowledge that local red tape is an issue. There's no question about that. This fund is supposed to help sort that out, though I'm not sure it has yet.

What about inflation?

• (1220)

Hon. Sean Fraser: The rising cost of building is certainly one of the factors. That's why I led, in my presentation today, with the need to make the math work for builders. Materials and supplies have increased, land has increased and interest has impacted the financial equation.

That's why we're addressing those issues, but not through the housing accelerator fund, which is meant to address a separate problem. That's why we decided to remove the GST on new apartment construction. That's why we have low-cost financing opportunities that pass on the low borrowing cost, in exchange for commitments from builders to offer homes at reasonable prices. That's why we re-securitized the Canada mortgage bond program to reduce risk, which will have the flow-through impact of providing lower rates of borrowing to builders.

Certainly, the cost of building is one piece of the pie. It's an important piece, and we need to advance measures that address this problem, as we are advancing measures that address the separate problem of red tape at a municipal level.

Mr. Scott Aitchison: Do you agree with the Governor of the Bank of Canada and Scotiabank economists, who said that excessive government spending and borrowing are also key driving factors in inflation and, therefore, hikes in interest rates?

Hon. Sean Fraser: They can be. If you look at the breakdown they've indicated, you'll see that the spending they're primarily talking about is by provincial and municipal governments. The federal share represents a certain proportion of it, but they've largely pointed to the pandemic emergency spending that was necessary to float the economy. If you actually look—

Mr. Scott Aitchison: Hold on a second. Just—

Hon. Sean Fraser: —at the counterfactual, I think it's extremely important you understand [*Inaudible—Editor*] if those investments were not made.

Mr. Scott Aitchison: Yes, but wait a second, because \$2.5 billion of the borrowing the federal government did during the pandemic had nothing to do with the pandemic. Obviously, provinces are part of the issue, in terms of how much they borrow, but this government has borrowed dramatically.

Hon. Sean Fraser: In terms of the—

Mr. Scott Aitchison: Debt is now over a trillion dollars.

Hon. Sean Fraser: Let's look specifically at what you're talking about.

If you're trying to separate out CERB or the wage subsidy, for example, and say that's not part of the pandemic response, I would go to the wall to argue the contrary. The reality is that we put spending measures in place that were designed largely to protect against economic scarring. It wasn't only to procure vaccines more quickly than most other countries in the world, or to supplement the ability of provincial health care systems to continue supporting people during an emergency. It was also to float the ability of households and businesses to literally keep food on the table.

Mr. Scott Aitchison: I don't know if we need to relitigate all of that stuff. All I'm saying is that government—

Hon. Sean Fraser: Given the contrary position of the parties, I think—

Mr. Scott Aitchison: —debt and borrowing are clearly part of the issue. The Governor of the Bank of Canada said so, as have Scotiabank economists. This government has definitely borrowed a great deal of money. Our national debt is now over a trillion dollars, and that's adding to the impact. Former Liberal finance minister John Manley even said the exact same thing.

I'm wondering if you'll acknowledge that. Rather, I guess I'm wondering if you're one of the cabinet ministers who sit in cabinet meetings with the PMO and say we have to rein in the spending and borrowing to help.

Hon. Sean Fraser: My view is that we need to spend responsibly. During the pandemic, it was responsible to make sure we were protecting the long-term interests of the economy.

Mr. Scott Aitchison: What about right now?

Hon. Sean Fraser: Right now, we need to demonstrate that we are going to spend within our means. We're going to necessarily show a downward track when it comes to spending, relative to our GDP. When I look at the international comparison, though this isn't what's felt in communities, we are trending very much in the right direction compared with international counterparts.

The Chair: Thank you, Mr. Aitchison.

Thank you, Minister.

We'll have Mr. Long for six minutes.

Mr. Wayne Long: Thank you, Chair.

Good afternoon, colleagues.

Ministers, thank you so much for coming and thank you for the work that you do on behalf of Canadians.

Minister Fraser, as you've said many times before—and rightly so—the challenges we face as a country on housing are severe. They're urgent. But this is also something that's been unfolding over very many years and over very many governments. It's not something that just happened in the last four or five years.

I appreciate very much what our government is doing with respect to stepping up to the plate, whether it's through the co-investment fund, the rapid housing initiative or the housing accelerator. I'm really proud to be on this committee, which was there when we came out with the national housing strategy, the national housing program, because we do have to act as a federal government. It's incumbent upon us to do so.

I digress here, but in the House, in Parliament, there are times when opposition parties can do opposition motions and sometimes those motions are to flush out who voted. Then you see on social media that they voted against this motion or that motion, and it's all over social media.

Obviously, everybody watching and everybody here knows what we just went through over the last weekend with respect to 31 hours of voting. You know, it's what we signed up for. It happens, and we did it. Those votes could have been done in one package and done very quickly, but they weren't.

What that showed was what the Conservative Party voted against—line by line, item by item. Normally, you wouldn't see that because it would be in a package. What we did see over the weekend was the Conservative Party.... I had expected that maybe some members of the Conservative Party would have said, “No, I can't support that” and there would be three or four votes on the other side, but no, it was voted as a bloc. Maybe they were told that, whipped that, what have you, but they all voted together, and we saw them vote against 71,000 new apartments and 15,500 new homes. We saw the Conservative Party vote against funding for housing for the most vulnerable, housing for veterans, when those groups need it the most.

The Conservative Party was the party that wanted to vote on these line by line so it showed. It showed Canadians, line by line, what they didn't support. That's a fact.

I just wanted to start, Minister, by getting your comments on that. Were you surprised and how did you feel about that over the weekend?

Thank you.

• (1225)

Hon. Sean Fraser: Thank you, Chair, for the opportunity to respond.

The exercise that took place last week was not entirely surprising. You and I, both having been elected on the same day in 2015, have been through this exercise a few times. What I do find surprising is that, as an individual member of Parliament, you have the ability to vote with your conscience, vote whichever way you choose. Most often, as members of different parties share the world view of their party, they will align with that party, but not always. You, in fact, have a reputation, Mr. Long, for going your own way on occasion, and I credit those who have the ability to understand when their community's interests demand that they vote in a certain direction.

One of the things that I found curious about the exercise last week was that despite the fact that there might, for procedural reasons, be a desire to break things down line by line and frustrate the proceedings in the House, there's nothing requiring a party or a member to vote a particular way on any of those line items. In fact, it would be entirely reasonable to say, let's break it all down so we can signal what we do support and what we don't support.

However, when I was reviewing the texts of the motions as we were going through the voting exercise, to see that the Conservative Party had decided that they didn't want to invest in affordable housing was a surprise—although, if you actually do a little bit of research, you'll find that their leader has very brazenly said that Canada should get out of the housing business, as reflected by the position they've held while in government not to invest in affordable housing.

To your opening point, I should say that no party is without sin when it comes to a failure to invest in affordable housing. On the Liberal Party of Canada's part, there were years in which we formed government and we, too, didn't invest in affordable housing in the way we ought to have, and we are living with the consequences today.

However, when I see a continued desire to oppose low-cost financing to build more apartments in this country, direct grants to build more affordable housing, supports for emergency shelters for women and children, supports for veterans who are homeless, supports for indigenous housing to help people who are separated from their home communities, and even more innocuous items that shouldn't be partisan in nature around flood protection for residential areas that will allow us to protect housing that exists or potentially build in different areas, that confounds me.

What I expect happened is not attributable to malice but perhaps to partisanship. When there is a desire to say “no” based on who is proposing a measure without an analysis of whether that measure would help people, I would suggest that it signals a downward trend in the discourse and level of engagement that our constituents deserve.

• (1230)

The Chair: Thank you, Mr. Long and Mr. Fraser. That is your time.

[*Translation*]

Ms. Chabot, you have the floor for six minutes.

Ms. Louise Chabot: Thank you, Mr. Chair.

Mr. Minister, Madam Minister, thank you for being with us.

Mr. Fraser, in the 2023 Fall Economic Statement, there's an additional \$1 billion over three years which is earmarked for the affordable housing fund starting in 2025-26. There's also a new \$15 billion earmarked for loan financing starting in 2025-26.

You know very well, Minister, that there will be a federal election between now and the end of 2025. Therefore, if the government is concerned about affordable and social housing and makes it a priority, how can you guarantee that it will get there?

Hon. Sean Fraser: Thank you for the question.

It's important to understand that funds are already available. It is possible to continue to use existing funds to support housing construction. According to the Fall Economic Statement, once these funds have been used, it will be possible to continue making investments with the additional funds that have been announced.

It's also very important to recognize that funds will be available very soon. For example, there will be funds for the development of housing co-operatives in early 2024.

[English]

It's important also to see that the funding being put in place now is going to flow to buildings when expenses are incurred, so we can actually book expenditures very soon for projects that are going through the application process, knowing that the funding will actually flow during the construction period. If you're building an apartment complex that will have 300 units, that's usually a multi-year project, so to the extent that we can say today that there is going to be money in place, we're going to be encouraging more builders who are filing building permits and advancing projects before construction starts, knowing that the money will be able to flow. Despite a later start date, we can actually book those expenditures sooner and continue to use money that's in the pipeline already.

[Translation]

Ms. Louise Chabot: Minister, I'd like to ask you a question that's perhaps more sensitive, or more political, that goes beyond the numbers.

You know very well that there is a major housing crisis, and the federal government can help improve the situation. We know that this falls under provincial and municipal jurisdiction, but the federal government has decided to make a commitment to affordable housing by adopting the National Housing Strategy. You'll tell me if I'm wrong, but there may be about \$40 billion left in the budget linked to the strategy, which means we're halfway to realizing it.

Have you given new directions to this strategy to ensure that programs target affordable housing and social housing, and enable faster and more agile action? If not, we won't succeed. Canada Mortgage and Housing Corporation, or CMHC, says we'll need to build 3.5 million housing units by 2030, and that's without taking immigration into account. The goal is to be nimble and move faster by focusing on social and affordable housing. Strategies are made to be reviewed.

How can we move faster to help people?

Hon. Sean Fraser: Thank you for the question.

This strategy does include a requirement to invest in affordable housing, but there are a lot of programs in the National Housing Strategy.

• (1235)

[English]

There are some policies that are directly tied to investments in affordable housing, and we can move more quickly by making policy changes, as we did during the rapid housing initiative; however, there are other parts of our response, including some that have been advanced more recently, that are targeted at growing supply more broadly. The apartment construction loan program, for example, provides low-cost financing in exchange for not rent-gear-to-income apartments but rent that will be offered at and below market prices.

Eliminating the GST on new apartments is meant to grow supply more broadly, which jurisdictions that have done similar measures demonstrate will free up more housing across the spectrum, including affordable housing. Some programs specifically target affordable housing; others are more broadly based in their application.

[Translation]

Ms. Louise Chabot: I think we all have this concern. The government makes announcements, but you know that it takes five, six or seven years before we can see concrete results. So we need to ensure a good match between the needs and the acceleration of the process.

Acting only on rental housing does not guarantee housing affordability.

What is your opinion on this subject?

[English]

The Chair: Please give a short answer.

Hon. Sean Fraser: My view is that we need to remain for the long term in the business of investing directly in social housing, but we also have to create conditions in partnership with other levels of government, the private sector, the non-profit sector and indigenous leadership to build more housing across the market in addition to the social housing focus.

[Translation]

The Chair: Thank you, Ms. Chabot.

[English]

We have Ms. Kwan for six minutes.

Ms. Jenny Kwan (Vancouver East, NDP): Thank you very much, Mr. Chair.

Thank you to the ministers and officials for being at the committee today.

I want to jump right in. The Bank of Canada has said that investing in community housing, social housing and co-op housing is not inflationary spending. There are a multitude of reports. The Scotiabank report and the Bank of Montreal report, among others, have indicated that Canada is way behind the eight ball with respect to our social housing stock. We are at about 3.5%, and it's not even half of what the other G7 countries are at.

To that end, people are calling for the government to invest in social housing to at least bring us to the G7 average, which is 1.3 billion units. Others, including the housing advocate, are suggesting that we should bring our social housing stock up to 20%.

We know that the Conservatives do not believe in social housing, because their leader has already said on the public record that social housing is "a Soviet-style takeover of housing." I believe that the minister does not believe that.

To that end, will the government be investing in social housing to at least the level of doubling it, as community advocates are calling for?

Hon. Sean Fraser: Thanks very much.

I agree, in fact, that investing in social housing could be deflationary, because it could bring the cost of rent down if you balance the supply and demand equation. The one challenge you have is that if you invest more quickly than the sector can build, it could, in theory, have an inflationary impact, but my view is that we are not in that position today.

A short answer to your question is that I want to significantly increase the proportion of non-market homes in this country. We have not formally broadcast an official target as the Government of Canada. As we work towards releasing new measures in the new year, that is an exercise that I wish to undertake and to share publicly the details of, but not having completed the consultation phase of that conversation, I don't want to prejudge the outcome of the conversations I would have.

Striving for the OECD average seems like one reasonable bar to seek to meet, but until I have an opportunity to engage more broadly with the sector to identify what the appropriate goal for Canada should be and on what timeline, I hesitate to broadcast anything in advance of establishing a formal goal.

Ms. Jenny Kwan: I would urge the minister to look at the housing advocate's report, which was just released. The CHRA commissioned Deloitte to do a report. It indicated that productivity gains in the development of social housing would actually yield a return back to Canada's economy to the tune of up to \$136 billion. That's a good investment economically and socially. I look forward to the next budget, where the government will make good on those commitments and not just say empty words as we have so often seen.

Municipalities have called the crisis of gender-based violence an epidemic. Is your government planning to restore the \$150 million in cuts to shelters? We know that the rates of violence have not decreased since the pandemic. They have actually gone up. This cut will cost lives. Are there any plans to ensure greater investment in shelter funding as a cost-saving measure for people fleeing violence?

• (1240)

Hon. Sean Fraser: With respect to money for seeking to address homelessness through the Reaching Home program, we made a decision a while back to increase the funding by about \$2 billion.

I expect what you're referring to is the pandemic-related increases, when you're talking about cuts. They were designed for a period of time and have been exhausted, and we've returned to the pre-pandemic levels of funding. We have made decisions, though, to target specific groups, including women, and transitional housing in particular, through different programs. The rapid housing initiative would be a good example. In fact, one of the line estimates we're considering today is specific to shelters for women and children. It will be a part of every policy that I put forward in the future, some of which have not been released publicly, but we will be looking to share more details as policies are ready to roll out. We will always have a focus on each of these policies around protecting the interests of women and children, particularly those fleeing violence.

Ms. Jenny Kwan: Very specifically, the shelters are full. Too often, people are turned away. I myself have seen situations where families have been turned away. People are fleeing violence, and because they are unable to secure shelter or housing, they are

forced to return to the abuser. That is the reality, and in spite of the lift over the pandemic period, even after the fact we know that violence has actually gone up. If anything, there should be greater investments and not reduced investments. I would absolutely call on the government to look at that, and also to engage with my colleague Leah Gazan, who is very active on this issue. We need the government to take action, because literally people's lives hang in the balance.

I want to ask a question with respect to the federal lands initiative. The government is committing only 30% of that initiative to affordable housing. Why is that? Why isn't 100% of that federal lands initiative being dedicated to community housing for the people? It is, after all, public land that belongs to the people.

Hon. Sean Fraser: Can I ask for a point of clarity on the question?

There are multiple programs that we use to build housing on federal lands. The federal lands initiative is one of them. There was a recent announcement through other programs involving federal lands with Minister Duclos. Are you speaking specifically to the federal lands initiative, or are you including the recent announcement that Minister Duclos would have made?

The Chair: Give a short clarification, please.

Ms. Jenny Kwan: It's the federal lands initiative.

Hon. Sean Fraser: I may pass to officials on some of the technical details.

The federal lands initiative is designed to make federal land available, which we then divest to organizations but put additional measures in place to build housing. My view is that we have to make sure that an individual development can work financially by according subsidies.

I actually think mixed-use neighbourhoods that have a range of different incomes provide for healthy outcomes for the people who live in them. I think we should be doing more to insist that more new developments across Canada include a proportion of affordable housing. I do have some hesitancy about insisting that an entire neighbourhood must exclusively be affordable housing, because I don't like the way that neighbourhoods have come to develop when that approach has been taken.

Ms. Jenny Kwan: It's not going to be a whole neighbourhood. It's one parcel of land.

The Chair: Thank you, Ms. Kwan and Minister Fraser.

Mr. Aitchison, you have five minutes.

Mr. Scott Aitchison: Thanks, Mr. Chair.

Minister, you're on record as saying that housing is in a crisis. At this committee, a few months ago, you agreed that we have a crisis on our hands. Your housing accelerator fund is part of a response to that.

My concern with it is that just trying to spend our way out of the crisis is not really going to work, and it's proving that it's not working because it's making things more expensive. It's more expensive to build.

Ideologically, the Liberals want to spend their way out of the crisis, but there are all kinds of examples, such as the federal lands initiative, where the long, arduous process for a piece of property to be declared surplus by the government doesn't really quite capture the need. It takes too long, for one, and then the concept of something being surplus....

I'll give you an example of a post office in Burnaby. I was standing next to it. It was surrounded by residential towers. It was built in the sixties. The condition of it is listed as "poor". The post office keeps losing money. The city wanted it for a developer to build a new tower there. They would give them space on the main floor for a new post office. The response was, "Well, it's not surplus." Is that the highest and best use?

Are you familiar with the concept of "highest and best use" in planning, Minister?

• (1245)

Hon. Sean Fraser: Yes.

Mr. Scott Aitchison: Obviously, we're not thinking in terms of highest and best use, which I think would be a more appropriate response to a crisis.

Are you familiar with the project at Fisher Avenue and Baseline Road here in Ottawa, next to the experimental farm? It's been delayed by the Minister of Agriculture. I wonder if you have chatted with him about it. There is a 400-hectare farm in the middle of a metropolis of a million people, and the Minister of Agriculture is concerned about a tiny corner of that 400 hectares being affected by shadows, which, most of the time, will be only in December, when things don't really grow at the experimental farm, and yet it's being held up in delays. This is another example of the things that we're....

You're saying you're going to try to push municipalities to get out of the way with your accelerator fund, which is pouring more money. There are all kinds of examples where the federal government could just get out of the way and let the private sector build, but we make it more expensive.

I am wondering if you can help me understand that. In a crisis, it's about literally leaving no stone unturned. I've given you two examples. I can give you another example in the city of Whitehorse. You met with the mayor of Whitehorse last week. I did too. A really aging federal office building is located at 419 Range Road. It's not full. It's surrounded by new schools. The city would like it for housing, and they just keep being told that it's not surplus.

Is it the highest and best use of that land? Is this the response of a government that recognizes we're in a housing crisis? I am struggling here.

Hon. Sean Fraser: Let me do my best to help put the conversation on track.

First of all, I do believe sincerely that it will take federal investment, as well as provincial and municipal investments, to get out of the housing crisis. I don't view this as being a strategy to spend our way out of the housing crisis. It's a recognition that it's going to take investments, particularly when you're dealing with non-market

housing, to actually meet the needs of communities and the families who live within them.

I think we have a 30-year experiment of cuts to affordable housing in Canada that has proven conclusively that you cannot solve a housing crisis by making cuts, but you certainly can create one. I vow not to take that approach.

Despite our disagreement on the role of the federal government making investments versus cuts to escape the housing crisis, you'll perhaps surprisingly find that I have a lot of agreement with you on the use of federal land, particularly on the issue of the process of declaring as surplus certain properties.

I've seen the Canada Post office in Metrotown. I've gone to Burnaby, and I've seen the post office surrounded by towers that are 40 or 50 storeys. It could be providing homes to additional people. Of course, Canada Post operates as a Crown corporation, independent of decisions taken by the government of the day.

One of the policies I intend to review, in collaboration with my colleagues, is how we can better unlock opportunities for properties that have not yet been declared surplus. Let's not look only at Canada Post Corporation and other Crown corporations. There are government departments that conduct business that is not necessarily incompatible with housing. I've had a conversation with a number of my cabinet colleagues to identify some of those opportunities.

With respect to your other questions, you've noted a couple of other examples, in Whitehorse and with the agricultural farm. There may be unique nuances. If you're concerned about the issue that played out with shadows—largely a conversation between Ag Canada and the City of Ottawa—I have put on paper my objection to policies around shadow cover getting in the way of housing. There may be something that needs to be discussed for the operational needs of the agricultural farm, but I'll leave it to my colleague to work that out with the City of Ottawa.

My view is that we need to look at every opportunity to reform our policies, including properties that have not been declared surplus, to identify opportunities to build more housing.

The Chair: Thank you, Mr. Aitchison.

Hon. Sean Fraser: We should chat about this after the meeting as well.

The Chair: Okay, the clock doesn't end after the meeting. Thank you, Minister. You can have lots of time then.

Mr. Collins, go ahead for five minutes.

Mr. Chad Collins (Hamilton East—Stoney Creek, Lib.): Thanks, Mr. Chair, and thank you to the ministers for their attendance here this morning.

Minister Fraser, you've been very clear in terms of emphasizing the importance of working with other levels of government and other partners in this space to get us out of the housing crisis. You've also been very clear that making investments is important in terms of reaching the objectives and goals that we have as they relate to building new housing supply and, more importantly, new affordable housing supply.

I want to address the issue of the all-of-government approach and focus on the provinces very quickly.

When Ms. Gillis was here a couple of months ago, I had the opportunity to ask about creating the same healthy tension with provinces that we've created with municipalities—the accelerator fund is a great example—and incentivizing them with policies and/or finances to come to the table when they may be reluctant.

I'm in the unenviable position of living in a province that doesn't have an affordable housing policy. It doesn't have a housing policy. Much like the members opposite—their Conservative cousins federally—they have taken the trickle-down approach, where they just hope that these things happen philanthropically through the private development industry. That doesn't happen, as we know. As you pointed out, it didn't happen for 30 years.

Can I get an understanding in terms of what we're doing to create healthy tensions with the provinces, specifically the Province of Ontario? We're providing billions of dollars in infrastructure investments. I'll use transit as an example. How do we ensure that in this case the Province of Ontario is at the table at a minimum on the housing side of things to support the initiatives that we have and that municipalities are bringing to the table as well?

• (1250)

Hon. Sean Fraser: Thank you for the question. I think it's a really important one.

You'll appreciate that, from a technical point of view, other levels of government are listed in the Constitution as having jurisdiction over housing issues. We want to play a leadership role federally, because we see that there is a problem that has reached a national scale, despite the fact that it may not officially fall into section 91 of the Constitution. We have an opportunity to make a difference, and we can leverage the federal spending power to incentivize the kind of change that we want to see.

That was the rationale for the housing accelerator fund, which you alluded to. We've incentivized municipal change by putting federal money on the table. Lo and behold, as the funding rolls out, you see the rapid adoption of new policies at a municipal level.

We can adopt a similar approach in dealing with provinces and territories. They absolutely must play a role, not only in the policies that will help get housing built, but in the policies that are going to help get infrastructure built, so the homes people live in are not storage units for their families at night, but a place where they can live as part of a thriving community where they can fully participate in life in Canada.

We're proposing, going forward, attaching housing conditionalities to certain federal transfers that go to provinces. You've mentioned the public transit funding that we've been investing in over

the last number of years. Going forward, the model will include agreements with metro areas that may leverage provincial funding as well. You can bet your bottom dollar that we're going to see that there will be high density near large transit stations and more density near smaller ones.

You can look at opportunities like the Canada community-building fund, which we will be renewing in advance of the upcoming fiscal year. Primarily, that is a flow-through of federal money through provinces to municipalities. There are some exceptions where we deal directly with a municipality, like the City of Toronto, for example. However, we have an opportunity to attach housing conditionality to some of those transfers.

These are items that we are dealing with in real time. As we launch the next round of negotiations with metro region transit providers or provincial governments, we intend to say that it's not enough for them to put a certain number of dollars on the table. They need to demonstrate that this money is going to enable more housing.

Frankly, we need to do that internally to our own government as well, in working with Crown corporations and with different government departments. Maybe not as a condition of a funding transfer, perhaps for obvious reasons, but we need to constantly ask ourselves questions about what more we can be doing within our departments and within other levels of government to leverage a positive social outcome—in this case, when it comes to building more homes for Canadians.

Mr. Chad Collins: Thanks, Minister.

The Chair: You have 40 seconds.

Mr. Chad Collins: The removal of GST from purpose-built rentals is one of the biggest issues we've raised in the last couple of months. We have a position that's in stark contrast to the Leader of the Opposition.

Can you outline the importance of that and how we differ in that regard?

Hon. Sean Fraser: If we don't build more supply, we will never escape the housing crisis. The decision to eliminate GST from new apartments is designed to build more supply. We have estimates that between 200,000 and 300,000 new apartments will come online as a result of that one policy change. It is a big deal. What gives me comfort that we're going to achieve that is that we saw provincial governments line up afterwards to say that they want to do this, too. In fact, some were out in front of us.

The key difference between what the parties were proposing is whether we're going to have a broad-based program to grow supply or whether we're going to cut it off for apartments above a certain value. That would have the unfortunate consequence of creating an enormous level of bureaucracy. It would slow down the process of building and it would also eliminate the ability of builders to build mixed-use developments, which I described in favourable terms earlier.

My view is that we need to do everything we can to build as many homes as possible, including a blanket waiver of the GST.

• (1255)

The Chair: Thank you, Mr. Collins.

[*Translation*]

Ms. Chabot, you have the floor for two and a half minutes.

Ms. Louise Chabot: Thank you, Mr. Chair.

I'll continue in the same vein. When we talk about supply and demand, we have to understand that this is based on the law of the market. However, the housing crisis is to some extent affecting students and, as we've seen recently, our military. These are low-income, modest-income people.

Is it the right approach to simply rely on supply and demand to guarantee that this supply of housing will grow faster than rental housing?

I'm not demonizing the private sector, but, in my constituency, there's no problem as far as rental housing is concerned. Where there are problems is with social and affordable housing.

Also, unfortunately, the conditions imposed on provinces or municipalities often mean that many projects are delayed. We saw this recently in connection with the Fonds d'acquisition québécois. Quebec decided to invest the same amount, but it took many months for the agreement to be concluded. In the meantime, no new housing is being built. Consequently, I think we need to redirect our way of seeing things and our priorities.

Do you agree with this?

Hon. Sean Fraser: I agree if you take the position that it is essential for the federal government to invest in affordable housing.

In my view, it's also important to create the economic conditions necessary to ensure that the market works well for everyone. As for social housing, I think that after the negotiations surrounding the creation of the Fonds pour accélérer la construction de logements, the Province of Quebec chose to invest only in affordable housing by creating a fund equal to that of the trusts.

Based on the studies I've seen and the conversations I've had with experts, I believe it's important to make investments in affordable housing and to ensure that the market functions properly, because we mustn't forget that, for every new housing project that is built in the community, the people who move into one of these units have had to move out of another.

[*English*]

Just to wrap up in 10 seconds, we see a positive cascading impact. When you build more supply, it creates a new level of afford-

ability in the market, in addition to building social housing for people who cannot afford to participate in the market.

[*Translation*]

The Chair: Thank you, Ms. Chabot.

Ms. Kwan, you have the floor for two and a half minutes.

[*English*]

Ms. Jenny Kwan: Thank you.

First, could I get the minister to provide to the committee a list of the municipalities that have received the accelerator fund and the terms associated with that as well?

Hon. Sean Fraser: I'll provide whatever we have. I will only hesitate in case there is anything that a municipality may have requested remain confidential—a request I would respect—but I have no problem providing whatever would not be subject to ordinary confidentiality provisions.

Ms. Jenny Kwan: On the issue of housing, it is one thing to build stock; it is another thing to actually stop the loss of stock. I've actually not heard the minister talk about that. The NDP has called for a variety of different measures, including a moratorium and including changing the special tax provision for real estate investment trusts, for example an acquisition fund.

Are any of the measures the NDP has called for to hold the stock and ensure that the housing crisis does not get worse being considered by the government?

• (1300)

Hon. Sean Fraser: Yes, thank you. You're absolutely correct to point this out as a problem. We can't just build our way out of this. We need to stop the loss of existing affordable units that may not be owned by a non-profit. I'm looking at different options right now on how to address this problem. I don't have an announcement to make at committee today, but I'm trying to determine the best way that the federal government can use its tools to prevent the loss of affordable housing stock by creating a more level playing field, in particular for non-profit actors.

Ms. Jenny Kwan: Time is of the essence. As we talk and as time passes, more stock is being lost right now.

I want to touch on the question of infrastructure. The minister talked about whole communities. Of course that's important. Increasing density and building more stock also means that infrastructure around the community needs to go with it.

FCM has raised this issue as a major concern. If you talk to municipalities, they've brought it up over and over again. That's on both hard infrastructure as well as soft infrastructure. What resources is the government making available in response to FCM's call and municipalities' calls for infrastructure to support the housing?

Hon. Sean Fraser: There will be a handful of programs that I won't be able to exhaust in the time I have, Mr. Chair, but suffice it to say that this is what motivated our investments, in part, going back to 2017, with the investing in Canada infrastructure program. As that comes to the tail of a significant record-setting series of investments in infrastructure, we now have a series of other programs designed to target different kinds of infrastructure.

We've locked in funding for the permanent public transit fund, which is going to help people move from where they live to where they need to be. We have the disaster mitigation and adaptation fund that is rolling out to make communities more resilient to climate change. We have the Canada community-building fund, which is designed to provide flexibility to municipalities to focus on their priorities, and we'll be looking to develop a next generation of infrastructure programs that will meet needs on a go-forward basis to ensure that communities are building complete communities and not just new buildings.

Ms. Jenny Kwan: Sewer and water—

Hon. Sean Fraser: Yes.

The Chair: Thank you.

Does the committee agree to Mr. Morrice's asking one short question?

Some hon. members: Agreed.

The Chair: Mr. Morrice, you have one question to the minister.

Mr. Mike Morrice (Kitchener Centre, GP): Thank you, colleagues. I appreciate that.

Thank you, Chair.

Minister, I share Ms. Kwan's concern about corporate landlords who are buying multi-unit residential buildings in my community. They are renovating, evicting folks, and raising rents. The federal government, as you know, is incentivizing this behaviour by providing tax exemptions to groups like real estate investment trusts. This is not about new supply; this is about keeping existing units affordable.

We know that removing this exemption would create \$300 million to build more affordable housing. It won't solve the crisis, but it's a litmus test for whether this government is serious about addressing financialization. Nothing was done in the fall economic statement on it.

I was encouraged by your comments earlier. Can you be more specific about the action we can see in terms of addressing financialization?

The Chair: Give a short answer, Minister.

Hon. Sean Fraser: When you say a short answer, how much time is that, Mr. Chair?

The Chair: It's until somebody calls to adjourn.

Hon. Sean Fraser: In one minute, I will not do your question justice, so we will happily offer to follow up, perhaps before we leave Ottawa this week.

There are a number of different aspects that we can look at on financialization, including, for example, short-term rentals, which is a different form of financialization and was, in fact, addressed in the fall economic statement.

The path forward in the short term, for me, is to look at opportunity so we can level the playing field for non-profit actors with those who might be making investments in real estate right now.

I do have some hesitation to look at measures that will upset the ability of people who are in the housing market to remain in the housing market, but there's more to talk about on that piece.

In the meantime, I sense that there's widespread agreement within the sector to create opportunities supported by the federal government to broaden the ability of non-profits to snap up those spaces. The increasing trend that I'm watching among investors is that they're not necessarily taking advantage of that opportunity that you described the same way today as they were even just a few years ago, when interest rates during the pandemic were at basement levels.

I think it creates an opportunity for us to deal with non-profits, which are not motivated by making money but are motivated by protecting that stock in the market. The mechanism through which we look at that is something I'm considering now.

The Chair: Thank you, committee members.

With that, we'll adjourn. I'll see you on Wednesday.

The meeting is adjourned.

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