



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Finance

FINA • NUMBER 004 • 2nd SESSION • 41st PARLIAMENT

EVIDENCE

Wednesday, November 6, 2013

—
Chair

Mr. James Rajotte

Standing Committee on Finance

Wednesday, November 6, 2013

• (1535)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call this meeting to order.

This is meeting number four of the Standing Committee on Finance. I want to welcome our guests here today in continuing our pre-budget consultations of 2013.

Colleagues, we have a very busy afternoon. We have two panels with us. I welcome all of you and will introduce you by speaking order.

First of all, we have Professor Kathleen Lahey from Queen's University. From the Canadian National Institute for the Blind, we have Diane Bergeron and Margaret McGrory. From ParticipAction, we have Kelly Murumets, president and CEO. From PearTree Financial Services, we have Ms. Marilyn Anthony. From Special Olympics Canada, we have Sharon Bollenbach. From Whispering Pines/Clinton Indian Band, we have Chief Michael LeBourdais.

Welcome to the committee. You each have five minutes maximum for an opening statement.

We'll start with Professor Lahey, please.

Prof. Kathleen A. Lahey (Professor, Faculty of Law, Queen's University, As an Individual): Thank you for the invitation to offer my observations on the important priorities that should be addressed in this round of budget policy-making.

I'm here to speak in specific reference to what has happened to women both during the recession and during the period subsequent to that. I have provided a one-page handout which has a couple of exhibits on it that give a bit of content to what I am saying.

My main point here is that if you look at the one-page graph that is with the materials that have been handed out, you will see there have been significant gender differences in the losses and gains experienced both by women and by men during the recession. Basically, since January 2010, as men have managed to regain shares of standard employment—full-time permanent employment—women in the shadows of that have been gradually losing full-time employment. More recently, they have been losing shares of their temporary employment, which they turned to as they were looking for ways to make ends meet during the actual recession.

This is bringing Canada not closer to jobs, growth and prosperity, but to a point of crisis in relation to the overall structure of the labour market.

The core thing that I think the budget should address is how to eliminate the discrimination that has produced this situation, driven mainly by the rapid removal of huge numbers of married women from full-time employment the minute the recession began and continuing with their exclusion. This has been exacerbated by the lack of equality in access to employment insurance resources, because the lion's share of employment insurance benefits during the recession and subsequently have gone to men. Women, because women have lower incomes overall and have less eligibility for employment insurance, do not have access to a survivable employment insurance benefit.

There needs to be greater enforcement of equal employment rights and equal employment insurance rights.

Second, as a budget priority—and this is on the back of the one-page handout—it is time to face the fact that Canada has to stop paying women to not work. Women's employment is a crucial component of labour market stability in Canada and has been the mainstay of labour income employment growth over the last 15 years. With the upcoming introduction of parental income splitting, Canada will soon be spending close to \$9 billion per year to pay women to not work, at a time when their labour is needed not only by the national economy but also by their families.

My final point is that if this money were not spent to pay women to not work, it would be available to support dual-income families, who really cannot reach their full potential on behalf of their children or themselves unless they have access to affordable care resources.

I draw to your particular attention the severe upside-down effects of parental income splitting which, if it is implemented, would give the families with the greatest need \$39 per year as their benefit from parental income splitting, whereas people with the highest incomes in the top 1% of the population stand to receive \$4,780 per year. This is money that will not help women with already low levels of employment gain access to jobs, growth, or prosperity.

Thank you.

• (1540)

The Chair: Thank you very much for your presentation.

We'll now hear from the CNIB, please.

[Translation]

Ms. Diane Bergeron (National Director, Government Relations and Advocacy, Canadian National Institute for the Blind): Thank you very much, Mr. Chair.

I think that everyone has a copy of my presentation in English and in French. We have also provided a copy in Braille today. I read Braille, but I will make my presentation with the help of a computer. My reading of Braille is a bit too slow. I will listen to the presentation on the computer and repeat what is said.

[English]

On behalf of the charity, CNIB, otherwise known as the Canadian National Institute for the Blind, and also on behalf of the chair of our national board, Jane Beaumont, who is here in the audience today, we would like to thank the Minister of Finance, the finance committee, and the Government of Canada for their commitment to supporting the development of a nationwide equitable library service for Canadians living with print disabilities.

In order to reach that goal, CNIB is proposing that the federal government renew its commitment to support the national digital hub, Canada's primary distributor of print materials that is accessible to the three million Canadians unable to read print because of a disability such as blindness.

According to the 2006 participation and activity limitation survey, the employment rate for Canadians with blindness or partial sight is only 35% compared with 56% for all Canadians with disabilities and 82% for Canadians without disabilities.

This low employment rate costs Canada's government \$886 million annually in social transfer payments, forgone taxation revenue, and lost productivity. We believe these employment rates are closely linked to a lack of educational opportunities for people who are blind or partially sighted. In turn, we believe this lack of educational opportunity comes as a result of the long-standing need for print materials for Canadians with print disabilities.

Currently, the national digital hub, which is being incubated within CNIB, distributes the majority of its 80,000 accessible materials to library users on CDs via Canada Post, shipping more than one million CDs, or two million pieces of mail, to people with print disabilities each year. The federal government supports these mailing costs through Canada Post, through its literature for the blind program, with approximately \$11 million in annual investment.

In February 2011 the federal government provided grant funding to CNIB to make progress in support of development of long-term funding and service arrangements with provinces and territories and other stakeholders for ongoing accessible library services past March 31, 2012.

In the March 2013 economic action plan, the federal government provided funding to CNIB to assist in transitioning the responsibility for accessible library services for Canadians with print disabilities from the charity to the public library sector through the development of a national digital hub.

Working in partnership with the Canadian Urban Libraries Council, whose members work collaboratively to strengthen the capacity of Canada's urban libraries, CNIB anticipates that this non-profit national digital hub will be launched in April 2014. The new organization will support the delivery of equitable library services through Canada's public library systems from large urban libraries to small and first nations libraries.

CNIB requests that the federal government build on its commitment to equitable library service for Canadians with print disabilities by providing \$9.63 million in flow-through funding for the next three years for the national digital hub to move out from the CNIB and to provide stability in its formative years, allowing it to focus on improving service delivery and increase the quantity of alternative format materials available to people with print disabilities from 80,000 to 180,000 titles without a corresponding increase in costs.

In addition, CNIB requests that the government partner with us to realize savings in the \$11 million of funding currently spent on mailing costs for the literature for the blind program, resulting from the transition from physical mail delivery to more cost-effective wireless distribution, and invest those savings in accelerating the process.

● (1545)

In summary, these investments would allow the new national digital hub to reach more Canadians who have print disabilities with more accessible content, contributing positively to their education and employment opportunities, and would support the government's desire to "reduce barriers and increase opportunities to ensure the full participation of persons with disabilities in Canadian society".

Investments in the transition to electronic book delivery would ultimately reduce the costs to the government associated with the literature for the blind program and support Canada's digital economy strategy to accelerate the adoption and use of digital technologies.

Thank you for your consideration.

Merci beaucoup à tous.

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

We will hear from ParticipAction next, please.

Ms. Kelly Murumets (President and Chief Executive Officer, ParticipACTION): Good afternoon, my name is Kelly Murumets. I'm the president and CEO for ParticipAction. We are the national voice of physical activity and sport participation in the country. I am absolutely honoured and thrilled to be here. Thanks for the invitation.

For the next five minutes I'd love to tell you a little bit about ParticipAction, why we exist, the results we've achieved over the last six years, and why.

No matter who you are, you will probably remember ParticipAction, and usually with fondness, whether you remember the 60-year-old Swede, the flexed arm hang and the Canada fitness awards, or just Hal and Joanne. Somehow if you remember one of those, you're Canadian. That is our history.

In 2001 we closed our doors because of insufficient funding. I brought the organization back in 2007. The fact that we're back is fantastic, but the reasons why we're back are not so great.

In Canada, 15% of adults meet the physical activity guidelines. Only 5% of our kids meet the daily physical activity guidelines, which means that 95% of our kids do not get an hour of physical activity per day.

We know that sport participation rates have dropped 20 percentage points over the last 20 years. We know that on average kids spend 62% of their waking hours in sedentary behaviours, and that includes, on average, eight hours per day in front of screens, seven days a week.

The last stat I'll cite is that in Ontario alone, if health care costs continue on the same trajectory, health care will consume almost 80% of the provincial budget within the next 10 years. This is not in a generation from now; this is today.

We would suggest that we have a physical inactivity crisis in the country.

ParticipAction's vision is that physical activity will become a vital part of every Canadian's everyday world. Over the last six years, we truly have been doing a great job in terms of improving the way Canadians live. With the continued support of the public and private sectors, we believe that we can build a healthier, more active, and therefore more productive society. It's this vision that we've been working towards for the last six years.

We have an opportunity to change the way we live, but only if we work arm in arm with those in the not-for-profit sector, with elected and non-elected public sector officials from all levels of government, and also with the private sector. I come from the private sector. I believe strongly that the private sector has a role to play, and they wish to play that role as partners.

This is exactly how ParticipAction has been achieving results over the last six years. By working together, we can lead a healthier, more productive, and more active life.

At ParticipAction our focus has been essentially on children and youth, and children and youth in the most vulnerable populations, including able-bodied, less than able-bodied, urban, rural, and aboriginal kids. Our job is to touch the most vulnerable in the country. That is the work we've been doing.

In the next couple of minutes, I'd like to highlight a couple of our success stories.

Our most recent campaign is called "Bring Back Play". It's a social marketing campaign targeting moms of school-age kids. It's our fourth campaign. It's truly a 360-degree campaign. We offer inspiration, information, and tips and tools to moms to help them inspire their kids and their families and get them more physically active.

Our message is that physical activity is the magic elixir. It helps your kids be healthier, yes, but it also helps them to be happier. They score better academically. They have better self-confidence and better self-esteem. They do better socially. It truly is the magic elixir.

The second example is the ParticipAction teen challenge, with teens inspiring teens to be more physically active. It's a \$10-million, 10-year commitment from Coca-Cola Canada. Over the first five years, we deployed \$3.5 million back out to community grassroots organizations. We touched 3,600 community-based organizations. We got a quarter of a million teens more physically active. We worked in every province and every territory, and we worked with the most vulnerable in those populations.

On November 25, we're going to be announcing a very big private sector partner that is going to help us improve physical literacy in the country.

Last year's report card on physical activity for children and youth took us from a failure from the year before to a D-minus. While a D-minus is not good enough, we'd say that it's significant in terms of the trajectory. We're moving in the right direction.

We would ask the committee to recommend annual funding of \$5 million for ParticipAction in budget 2014. For the last two years, we've been able to leverage the moneys you have given us over the last two years, leveraging almost \$4.5 million a year into \$26 million of private sector funding, both in kind and in real dollars.

• (1550)

We truly believe we are uniquely and ideally positioned to maximize Canada's investment in the promotion of active, healthy living. We have a trusted brand and partnerships. We will work unbelievably diligently to make sure that the Government of Canada and the people of Canada receive a huge return on their investment. That's what we've been doing, and we'd like to continue doing that, because our mandate is to go change the world.

Thanks.

The Chair: Thank you very much, Ms. Murumets. Did you bring a bar so that we could do the flexed arm hang today?

Voices: Oh, oh!

Ms. Kelly Murumets: We could.

The Chair: Thank you very much for your presentation.

We'll now hear from Ms. Anthony, please, for five minutes.

Ms. Marilyn Anthony (New Business Development, PearTree Financial Services): Good afternoon, Mr. Rajotte, and members of the committee. Thank you for allowing me to present to you today.

I'm appearing in my capacity as head of business development and director of philanthropic services at PearTree Financial.

Prior to my joining PearTree over three years ago, I enjoyed an almost 20-year career as a major gift fundraiser. I worked with grassroots organizations, such as the Community Arts Council of Greater Victoria, with leading research funders, such as the Heart and Stroke Foundation of Ontario, and with social service umbrella organizations, such as the United Way of Greater Toronto.

I've experienced first-hand the frustration of fundraisers with no new incentives to encourage major gift owners to give more on an annual basis, not after their death but now, when a charity needs its funding and a donor can experience the satisfaction of immediate funding that is meeting immediate need.

I've also experienced the frustration of donors feeling that the charitable sector has not developed innovative gifting formats that provide rational financial incentive for increased giving.

Flow-through share donations have become a proven philanthropic tool, widely used by Canadian charitable organizations. It's a Canadian innovation. The format provides benefit to the charitable sector and to the junior resource sector by combining two well-established tax incentives: flow-through shares and charitable donation credits.

Within the format, a donor who is in pledge to their charity of choice subscribes to a flow-through share issue, and in so doing accesses the tax benefits of these shares. Flow-through shares are issued by a junior exploration mining company that gives up the deductions incurred because they are conducting high-risk surface exploration activities.

Our donor clients tend not to have a history of purchasing flow-through shares. They do so within our format to donate them to their charity, which means we have created a new source of capital funding for the Canadian junior mining sector. The donor immediately donates their flow-through shares to their charity, and under our guidance, the charity immediately sells the shares to an institutional investor. The charity receives a gift equal to the donor's pledged amount, and issues a tax receipt equal to the cash that has been received by the arm's-length institutional investor at no net cost to the charity.

Our recommendation number one respectfully requests that the mineral exploration tax credit, known as METC, be made permanent in the income tax system. Currently, it's reviewed on an annual basis in each federal budget cycle. Mining is a strategic industry for Canada, and exploration, the research and development phase of mining, is its driving force. Flow-through shares and the METC significantly improve returns on high-risk investments, and therefore make it more likely for investors to back Canadian projects than to back comparable international ones. Without METC there would be a critical investment gap in the mining industry.

METC is also a very important element to the efficiency of flow-through share donations. Without the METC, the efficiency of the gifting format would be materially reduced.

The mining industry in Canada is currently facing a confidence issue, which makes it extremely challenging for juniors to raise money, an activity that's crucial to the industry's existence. Making the mineral exploration tax credit permanent would provide the industry with more confidence. In particular, it would enable them to move more effectively to plan financing for multi-year exploration programs.

Though it may be obvious that mining occurs in remote and rural areas of Canada, if the industry has a great sense of predictability for investors, it can provide a sense of stability in these remote communities. Ancillary companies, suppliers, and service providers

surrounding the mining companies would benefit and provide peace of mind for the rural and northern-based Canadians who depend on mining exploration for growth, employment opportunities, and local trade. Mining spinoff boosts the Canadian economy as a whole, but it makes a significant difference in the day-to-day lives of people living in rural and northern regions.

Within our brief we've provided supportive letters from a mining company, a charity, and a major gift donor. One donor in particular has allowed us to bring forward to you knowledge that they have tripled, even quadrupled, their donation. It's the Taggart family of Ottawa. In fact, they're going to be recognized on Thursday night as outstanding corporate philanthropists by the Association of Fundraising Professionals.

As competition for charitable dollars increases and major gift donors are faced with donor fatigue and their own financial limitations, innovative gifting formats are in high demand. Transforming high-risk resource funding into philanthropic dollars meets and fulfills two government objectives.

• (1555)

In our second recommendation, we suggest that the government take on an exploration of the benefits and the no cost to the fiscal authority of the METC. Based on the findings of this evaluation, policy can be formulated that entrenches the METC as a net tax addition to expand economic activity at little cost to the fiscal authority.

Thank you.

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

We'll hear from Ms. Bollenbach, please.

Ms. Sharon Bollenbach (Senior Vice-President, Sport and Strategic Initiatives, Special Olympics Canada): Good afternoon, my name is Sharon Bollenbach. I am the senior vice-president of sport and strategic initiatives for Special Olympics Canada. Joining me today in the observer seating are Special Olympics athlete Jacob Mathews and Special Olympics coach Rachel Mathews, who also happens to be Jacob's mom.

We wish to thank you for inviting us here. We're all so thrilled to be here and to present to you our recommendation for the budget consultations. We've provided a written submission, which is a full description of our recommendation.

As noted, Special Olympics is requesting that the federal government provide graduated incremental funding over a four-year period to support the growth and ongoing delivery of high-impact, cost-effective, community-based programs for athletes with an intellectual disability.

Special Olympics Canada is dedicated to enriching the lives of Canadians with an intellectual disability through active participation in sport. As a national sport organization, we provide year-round community sport training and competitive opportunities for over 35,000 athletes with an intellectual disability, of all ages and ability levels. We are supported by more than 16,000 volunteers, including more than 12,000 trained coaches.

Special Olympics programs reach athletes where they live. Each day of the week from coast to coast to coast in large and small communities, Special Olympics programs provide athletes with an intellectual disability the opportunity to experience the transformative power and joy of sport.

Through Sport Canada, the Government of Canada supports our shared vision of sport for all through its generous and ongoing financial contribution; however, there is still so much more that can and should be done. At present, Special Olympics Canada is reaching only 5% of the potential population of individuals eligible for its programs.

Stories of life-changing experiences for Special Olympics athletes and their families are numerous, like that of Jacob, who is here today. At 25 years of age, Jacob has been involved in Special Olympics since he was nine years old. He trains and competes in four sports. He's been to four Special Olympics national games.

This past winter, he competed in snowshoeing at the 2013 World Winter Games in South Korea. Jacob came home with one gold medal and one silver medal, contributing to Team Canada's total of 109 medals. I know he has them with him today, so if you're interested in seeing a world medal, he has a couple of them.

Success in sport has not always been the case for Jacob. As a little boy he loved being active and part of a team, but by the time he was seven years old, his disabilities were interfering with his participation in regular sport. Although there was no doubt that Jacob was a good athlete, he could no longer keep up on the soccer field. Everyone else could think and respond faster, and Jacob needed more time to learn the skills.

At the age of nine, he enrolled in Special Olympics, and the rest is history. Now, not only is he an accomplished athlete, but he is tremendously confident, has two jobs, and excels in all aspects of his life, both on and off the field of play.

As Special Olympics strives to achieve its five-year strategic growth targets, additional funds are required in the following critical areas.

The first is athlete growth. We've identified six initiatives that will increase the participation of athletes in our programs. One, increased funding is required to reach more athletes in all 12 provincial and territorial chapters. Two, increased funding is required to reach more young athletes ages two to twenty-one. Three, increased funding is required to assess current demographics and develop a diversity strategy that identifies and reduces barriers to participation in sport. Four, increased funding is required to conduct community outreach and get into new communities and cover grassroots program growth. Five, increased funding is required to support the planning and execution of larger national games. Six, increased funding is required to implement Special Olympics healthy athletes programs.

The second critical area of growth is volunteer growth. As we look to have more athletes in our programs, it goes without saying that we need to place equal emphasis on recruiting volunteers.

The third and final area for critical growth is around sustainable capabilities, making us a stronger, smarter, and more efficient organization. We'd like to undertake research to provide quantitative and qualitative facts and figures to confirm our impact. We'd like to make sure that more Canadians are aware of our programs and the role we play, and we'd like to amplify and strengthen our organizational capacity.

● (1600)

There is no doubt that the impact and benefits of sport are multi-dimensional. For athletes with an intellectual disability, the impact is even more far-reaching.

Special Olympics develops healthier athletes with lifelong physical fitness habits, and instills confidence, self-esteem, and other life skills. In order for these benefits to be sustained and extended, additional support is required to ensure both the quality and the growth of sport programs that contribute to personal development and result in building stronger, more inclusive Canadian communities.

We thank you for your time. Both Jacob and I are available to answer questions, should you have any.

Thank you.

The Chair: Thank you very much, Ms. Bollenbach, for your presentation.

Welcome to Jacob and Rachel.

Jacob, on behalf of the entire committee, I extend our congratulations on your success.

Some hon. members: Hear, hear!

The Chair: Our final presentation on this panel will be Chief LeBourdais, please, for five minutes.

Chief Michael LeBourdais (Chief, Whispering Pines Clinton Indian Band): Thank you, James.

You brought an Olympian, that's good; I'll remember that the next time I come.

Ms. Sharon Bollenbach: They tell our story best.

Chief Michael LeBourdais: Mr. Chair, it's a privilege to have an opportunity to appear before the Standing Committee on Finance. We both have a difficult challenge, you and I. We're both elected to make Canadians' lives better: you for Canada and me for my community back home.

I'm the chief of the Whispering Pines/Clinton Indian Band. It's a small community located just outside of Kamloops. We were moved there in 1972 to make way for a B.C. Hydro transmission lines project.

We currently are a small community of 150 band members. I'm one of the old guys; we have 150 people, and my band number is 38, so there are 112 guys younger than I am on my reserve. We have only one person on SA, social assistance, and that's because we pour a substantial amount of money into education. We take the education funding that we receive from INAC and we use it. We do partnerships with pipeline companies, logging companies, and so forth, so we have a well-educated young population.

My community has the same dreams that other Canadians do: to receive primary and secondary education at the same standard as other Canadians; to have post-secondary education opportunities; to acquire skills, education, and meaningful employment; to live in a healthy community; to raise our families; and to own our homes. That's what I am asking for here: to own our own homes.

Like you, I was elected to realize the dreams and goals of our youth, and I was elected to honour our elders and provide health care for them. That's why I'm here. However, in my community we can't do that. Our elders can't retire with security and our youth can't get ahead.

First nations people do not and cannot own their own land on reserve. My house is owned by the Minister of Indian Affairs. It says that in subsection 2(1) of the Indian Act. I bought it; I paid for it; I paint it; I fix it; I insure it; but he owns it.

Under the Indian Act, we are prohibited by legislation from holding legal title. In Canada, only children, mentally incompetent persons, and first nations people living on a reserve cannot own land.

Why should our young families not be able to own homes on our land? Why should our elders not be able to retire using the equity they've acquired in those homes? On what grounds does Canada continue to justify first nations not having the same human rights as other Canadians?

A recent event has given me a profound appreciation of why property rights are a fundamental human right. Hernando de Soto, the distinguished Peruvian economist, visited us last year at Thompson Rivers University.

In his work throughout the world, Mr. de Soto has found that the distinction between prosperity and poverty is the laws. Quite simply, it's how you hold title to the land and how you hold title to your house. As Mr. de Soto put it when he visited us, to not provide these rights is to condemn a people to poverty. Why should we as first nations be condemned to poverty through the Indian Act?

Mr. de Soto has learned this lesson in his own country. In 1992, Peru was impoverished and beset by the Maoist group, the Shining Path. Peru had informal property rights that were not codified into law so they could not be enforced and traded. Mr. de Soto led Peru through a program to create legal title to the land for Peru's people, with very impressive results. Over the last 20 years, Peru has been the fastest growing economy in South America and North America; the Shining Path has been eliminated; and the violent crime rate is

among the lowest in the Americas. This approach has become a model for the rest of the world.

Hernando de Soto visited us a month or so ago because that is precisely what we want to do in Canada with first nations reserves. Our community is one of the proponents of the first nations property ownership act legislation. If passed by Parliament, this legislation would return our home and native land to us. It would be our land, under our jurisdiction. It would allow our members—our youth, our elders—to access mortgages, business loans, lifelong education opportunities, retirement savings, and other things like that, which Canadians take for granted.

All I'm asking the Standing Committee on Finance to do is to urge the government to act on the economic action plan 2012 commitment to introduce and pass the property ownership legislation. It was the Standing Committee on Finance which wisely recommended that the government include the commitment in the 2012 budget.

My community members support property ownership. There is no good reason for Parliament to continue to overlook this human rights violation. Parliament must act now to introduce this optional first nations legislation.

We are not asking for special rights. We are simply asking for the right to own our own house and to own our own land, just like every other Canadian.

• (1605)

We are not asking for sympathy or pity. We are not asking for handouts. We are simply asking for what is right.

Thank you.

The Chair: Thank you very much for your presentation.

Colleagues, we'll begin our five-minute round of members' questions with Ms. Nash, please.

Ms. Peggy Nash (Parkdale—High Park, NDP): Thank you, Mr. Chair.

Welcome to all of the witnesses. What an interesting, varied group. Sadly, I only get five minutes to ask questions.

Let me begin by saying that you make me think of a very wise economist I once spoke to. When I asked him what he would recommend to help grow the economy and to have an innovative and productive economy, his answer was to invest in children.

To start with you, Professor Lahey, one of the proposals you touched on was child care. I wonder if you would describe for us whether you see the provision of child care services as something that's important to a productive economy, and how you see the benefits of that.

Then I want to move on to some of the other witnesses.

Prof. Kathleen A. Lahey: Based on my experience in investigating that specific issue in a number of European countries and other countries, it is very clearly established that early childhood education, when linked with child care services of the highest quality, actually increases the store of knowledge and the acceleration of development of all of the human capacities that are needed for vital economic growth.

Simultaneously, it gives parents the confidence and security they need, knowing that their children are making the very best use of their time possible while the large number of families who have to have more than one income have to go out into paid work. It's a very synergistic combination of resources.

As I outlined in my formal submission, Canada can easily fund, with some of the money that is already being used for various forms of child care and paying for various types of care, a program of that dimension with approximately \$7 billion to \$9 billion per year. It would add a lot.

•(1610)

Ms. Peggy Nash: I do notice that some of the countries that we point to as models, Scandinavian countries, Germany, and some others, in fact have these child care services.

I'd like to ask Ms. Murumets about the economic benefits of ParticipAction. Have you done any studies or work in terms of quantifying how beneficial it is to get kids moving, to get everybody moving, but especially our children?

Ms. Kelly Murumets: We know that physical inactivity costs the country over \$4.5 billion a year. That comes from Conference Board of Canada statistics.

In terms of economics, in the short term, in the very current term, we know that if populations are more physically active, health care costs go down and productivity goes up. There are very direct economic implications relating to physical activity.

When we think about our kids, as I mentioned earlier, if children are more physically active, they are healthier for sure, but they're also happier. They score better academically, have better self-confidence and higher self-esteem, and they do better socially.

If we think about that for this generation, but also for generations to come, there are unbelievably significant economic implications. We know that if we raise a generation of children who are more physically active today, they will be more physically active as adults, and they will create a much healthier economic society.

Ms. Peggy Nash: It helps children's physical health and their mental health as well, I would assume.

Ms. Kelly Murumets: There's no question about it.

Ms. Peggy Nash: Thank you very much.

Ms. Bergeron, thank you for being here today. I'm wondering if you could describe in more detail your proposals around accessibility for people with visual impairment.

I have to say that you have the most amazingly beautiful golden retriever.

Ms. Diane Bergeron: Thank you.

I'm going to ask Margaret McGrory, the vice-president of our library services, to answer. She has more specifics on the programs themselves; I'm more the user.

The Chair: You have about 30 seconds to respond.

Ms. Margaret McGrory (Vice-President, Executive Director, Library, Canadian National Institute for the Blind): Thank you, Mr. Chairman, I'm happy to respond to the question.

The digital national hub that was spoken about today by Diane Bergeron is something which CNIB has been working to accomplish for the past three years. Creating a national solution for library service for people with print disabilities goes back 13 years. It's taken us a long time to get to the point where we are today, which is the establishment of a national hub, in April 2014, to support public libraries in the delivery of library service for people with print disabilities.

The funding being requested is for the first three years of this new organization's life. It would provide it with the financial stability it's going to need to get off the ground and begin the process of building and continuing with the work CNIB has been doing for the past number of years.

Thank you, Mr. Chairman.

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

We'll go to Mr. Saxton.

Mr. Andrew Saxton (North Vancouver, CPC): Thank you, Chair, and my thanks to our witnesses for being here today.

My first questions will be for Sharon Bollenbach of Special Olympics Canada.

Sharon, your organization does a great job of providing important programs to Canadians with intellectual disabilities. In fact, I think you have a chapter in just about every province and territory.

I'm interested to know how well you're doing at leveraging the public funds that you receive with private funds. Of the funds you are receiving, what percentage is private and what percentage is public?

•(1615)

Ms. Sharon Bollenbach: I don't have a specific percentage, but we definitely have corporate sponsorship that contributes to our overall budget and spending. We've had sponsors on board for the 40-plus years that we have existed. We have sponsors at a number of different funding levels, together with in-kind partners. We have a number of communications partners.

I apologize for not having the specific percentage, but well over 50% of our budget is covered by corporate sponsorship.

Mr. Andrew Saxton: Would you say that over time the corporate sponsorship is increasing, decreasing, or staying just about the same?

Ms. Sharon Bollenbach: I would say that it's increasing. We've brought on some new partnerships on the in-kind side, as well as cash sponsorships in the last couple of years. There has been a downturn in the economy, but we've been very proud of the relationships that we've been able to maintain and add to our portfolio of corporate sponsorship.

Mr. Andrew Saxton: Did the recession impact your ability to get corporate sponsorships?

Ms. Sharon Bollenbach: We didn't lose any corporate sponsorship through the recession. What it did do was create more accountability for our corporate sponsors. They were looking at different ways of providing funding and looking for more specific ways that their funding was being used. It wasn't simply a matter of providing funds; they were looking for specific programs and initiatives to put their funding toward. We were able to create some good synergies by aligning objectives with sponsors. We created some unique programs that were interesting to our sponsors and beneficial to us.

Mr. Andrew Saxton: In your submission you highlighted three areas that you wanted to focus on: athlete growth, volunteer growth, and sustainable capabilities. Can you tell me the priority order of those? Also, which ones take up the most funds?

Ms. Sharon Bollenbach: That's a great question.

I think athlete growth is our biggest area. The present Special Olympics is reaching about 5% of individuals who would be eligible for our programs. While we are very proud of the work we do and the number of athletes we have, we realize that we're just scratching the surface. There's so much more we could do. I think that is the number one priority.

This goes hand-in-hand with having more volunteers. All of our coaches in all of our community programs across the country are volunteers. They are not paid. They are the heart and soul of our organization and are very much required in order for us to deliver our quality programs.

The organizational or sustainable capabilities portion of our growth strategy is an important one. If and when we achieve our growth targets, we are going to be a very different organization in size and scope. From a delivery perspective and how we operate as an organization, we have to keep up with that growth in the way we're working, in how efficient we are in the technology we use, in the staffing we have, and in how we're messaging and providing awareness to the public about what it is we do.

Mr. Andrew Saxton: That leads me to my final question. With chapters in every province and territory across the country, how do you coordinate and keep administration costs to a minimum?

The Chair: A brief response, please.

Ms. Sharon Bollenbach: Sure.

We have offices that run independently in each of our 12 provincial and territorial chapters. We have two national councils, a sport council and a leadership council, where we work very collaboratively on all fronts with all chapters and our national office to ensure that the delivery of our programs is consistent and of quality. We are doing consistent delivery and realizing cost savings by collaborating and working together across the country to deliver our programs.

The Chair: Thank you very much.

Thank you, Mr. Saxton.

Mr. Brison, please.

• (1620)

Hon. Scott Brison (Kings—Hants, Lib.): Thanks very much, Mr. Chairman.

I would like to begin by thanking the CNIB. I think a lot of families do not realize exactly what the CNIB does and how important its work is until there is a member of their own family who benefits from it. For our family, it is my 93-year-old Aunt Margaret who continues to live in her own home in Cheverie, Hants County, Nova Scotia, and is able to read her paper using the reader provided through the CNIB. She gets books and materials, and so on. It is really quite remarkable. She has macular degeneration.

With the demographic shift and the aging population, what sort of demand is that going to have on the work of CNIB in the future? Are you seeking to quantify and plan for that and build resource capacity around that demographic shift?

Ms. Diane Bergeron: As a charity, CNIB provides a lot of programs and services that are already provided to people with disabilities in provinces that provide such services through the government sector. Rehabilitation services is one of the areas we provide that we feel should be provided through public dollars, as opposed to through a charity.

As the baby boomers age and we have a higher population of people with vision loss, we expect to have a massive increase in the number of clients coming through our doors. There are many people who could use our services whom we need to reach. There will be a test to our charity dollars as to how we can provide the best services we can as our client base increases.

The Chair: Mr. Brison, I'm sorry to interrupt.

Colleagues, the bells are ringing. I understand they are the 30-minute warning bells for the vote. As your chair, my recommendation is that we continue for as long as possible. There will be a bus outside, so we will continue for 15 to 20 minutes to get in as many questions as possible.

Hon. Scott Brison: Professor Lahey, there has been a number of tax changes in recent years that have rendered our tax system less progressive.

One of those changes has been the new boutique tax credits, the caregiver tax credits, children activity tax credits, firefighters tax credits, all of which certainly provide benefit. I recognize that, but having them as non-refundable tax credits actually means they are not available to low-income families who need them the most.

Have you studied that and would you recommend our making those tax credits refundable, to benefit families that need them?

Prof. Kathleen A. Lahey: Yes. First of all, any non-refundable tax credit will have exactly the same footprint as the outline I have included in my written submissions, showing that the very lowest income people will get either no credit or will get very little credit. As you go up the income scale, the benefits get larger and larger. Right now, 40% of people do not have any income tax liabilities so they cannot get a tax credit unless it is refundable.

Most credits that have a useful and direct positive impact on people's well-being should be turned into refundable credits, but there are a lot of credits that would be much more effectively delivered as direct grants, or perhaps through direct or universal programs of various kinds. It would require going line by line through the boutique tax credits in order to sort them out and ensure that the most useful ones would be kept in place.

Hon. Scott Brison: Ms. Murumets may have an opinion on this.

For instance, when I was a kid playing hockey, it was affordable, but today it's really not affordable for a lot of families. My brothers probably get this tax credit, but their kids would be in hockey regardless. There's a bit of a free rider status, so it's not that efficient. Should we be targeting it to low-income families for whom it may make the difference if the funding is available for them, and not necessarily providing it to everybody?

Ms. Kelly Murumets: There's lots of controversy about the federal tax credit in terms of families and physical activity and sport. Some would argue it's not particularly effective when we're talking about lower income families. I think it's a great tax credit. It's helpful to many in the country, but it's not enough. That is exactly why we've targeted play in our new campaign "Bring Back Play". It is conquering or speaking to those barriers that moms incur in terms of time, money, as you're mentioning, and facilities.

If kids just played and were kids as they normally are and played until the street lights came on, they would get the physical activity they need.

• (1625)

Hon. Scott Brison: On Special Olympics, I think you're a remarkable organization. In Nova Scotia we have one of the most amazing Special Olympics anywhere. The Edwards Family Charitable Foundation has supported that for a long time, so we thank the Edwards family and Special Olympics. It's a tremendous organization.

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

We'll go to Mr. Adler, please.

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

Thank you all for being here this afternoon.

First I have a comment.

Mr. LeBourdais, I really enjoyed your presentation, so thank you very much for being here today.

Yesterday was, I guess it would be the 31st anniversary—it was in 1982—of the kitchen accord on the repatriation of the Constitution. You will remember in the agreement property rights were given up to the provinces in exchange for a charter of rights and freedoms. Initially, we were to have the right to property in the charter. Unfortunately, none of us in Canada has that right, but I do agree that there should be property rights on reserve inasmuch as we Canadians have them. I agree with you on that.

Ms. Anthony, first, the METC credit has been very successful in terms of the use of flow-through shares. Because of its success, expanding the tax credit to other risky sectors like high tech or whatever, how in your opinion would the expansion of a tax credit as

such impact the charitable sector and charitable donations through the use of flow-through shares?

Ms. Marilyn Anthony: I can't answer it from a tax perspective as I'm not a tax professional myself. I can say that the possibility of its being extended to other industries could be beneficial to the charitable sector if it's used from a donation format. I want to stress though that the fact that it's available through mining, which has the double positive effect of helping rural and remote communities, the other industries wouldn't have the same impact as it does within the mining industries.

Mr. Mark Adler: Yes, okay, that's very good.

Ms. Murumets, when I was young—

An hon. member: A long time ago.

Mr. Mark Adler: It wasn't that long ago.

I remember coming home from school virtually every day and we'd grab our hockey sticks from the garage and we'd go out on the street and play hockey. We'd play late at night until we couldn't see the ball any more.

We don't see that kind of thing any more. What's gone wrong with our kids that...a fitness tax credit wasn't needed to exhort parents to get us kids into physical activity; we just did it on our own. What has gone wrong in our society that now we need government intervention to get our kids fit?

Ms. Kelly Murumets: The world has changed certainly and technology is here to stay. I gave you that statistic earlier about our kids spending almost eight hours a day, seven days a week in front of screens. We're trying to use screens for good as opposed to for evil. That is the fundamental point behind "Bring Back Play": how do we help moms overcome the barrier of screens and the barrier of danger, perceived or real? We're not here to say whether it's perceived or real, but we know that's one of the barriers to kids just playing and being kids. We provide all kinds of inspiration, information, tips and tools, as I mentioned earlier, to talk with moms and then have moms talk with other moms. We go where moms are to provide inspiration and help one another, to let our kids be kids and yell "car" while they're playing ball hockey on the road.

Mr. Mark Adler: Exactly, yes, because this is an absolute train wreck just waiting to happen. Our kids are getting fatter, and that will lead to all kinds of health issues. We either deal with this now or we pay through the nose later.

• (1630)

Ms. Kelly Murumets: It's not much later. I mentioned the economic statistics around Ontario and health care costs. That's in the next 10 years. That's happening now. If you think about hospital wait times, they're....

It's completely unsustainable, economically unsustainable, now.

Mr. Mark Adler: What other jurisdiction can we look to that has done this successfully?

Ms. Kelly Murumets: You know, we're actually doing great work in Canada. ParticipAction has formal agreements with British Columbia, New Brunswick, and Nova Scotia.

I actually flew in on the red-eye last night from Vancouver, where we're doing some really great work. We're taking the federal moneys that the Government of Canada has invested in ParticipAction and leveraging that with British Columbian moneys and then private sector moneys. It's outstanding.

Mr. Mark Adler: This is really an investment in our kids, in the welfare of our kids.

Ms. Kelly Murumets: It's an investment in the country.

Mr. Mark Adler: In the country, absolutely, and our future.

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

Mr. Rankin, please.

Mr. Murray Rankin (Victoria, NDP): Thank you, Chair.

Welcome to all the witnesses. We have a time allocation motion which the government has brought in, and we have to leave shortly. I apologize that there isn't time to ask as many questions as I'd like to ask.

First, Professor Lahey, I've long admired your work. As a former law professor myself, your scholarship on the fiscal impact on women especially is extraordinary.

I would like to ask you to elaborate on two of your recommendations. Your second recommendation talks about eliminating the joint personal income tax system. You mentioned that it would save \$4 billion a year to do so. You indicate that there would be a number of other benefits.

I wonder if you could elaborate a little more on that recommendation.

Prof. Kathleen A. Lahey: The recommendation is to eliminate all tax provisions that essentially reward a couple for making sure that one of the parents spends a significant amount of work time in unpaid work activities, such as supervising children's play.

This puts a lot of pressure specifically on women. They are the ones with the lowest incomes, and it's more cost-effective for the family to make sure that it is the woman's work that is taken out of the labour force. This puts pressure on families, because a woman's energies can only go so far. There are only 24 hours in a day. At the same time, it detracts from the family's total financial capacity.

If you were to take all of the joint tax measures out of the tax system, you would have, if you did a 100% job—I just finished doing this simulation—it would put \$25 billion per year more in the hands of women, and women would have disposable incomes of \$3,128 more per year.

A tremendous skew takes place that basically cheapens women's paid work and treats their unpaid work as a limitless free resource that we all can draw upon.

Mr. Murray Rankin: Right.

Do I have time for a follow-up, Chair?

The Chair: Yes. I'm going to push it as far as I can, Mr. Rankin.

Mr. Murray Rankin: I appreciate that.

There were so many things arising out of your presentation. You mentioned as well the recommendation about eliminating the

transfer of tax credits between spouses. You presented us today with this table that shows what you call the upside-down benefits of parental income splitting. In your remarks, you talked about the great difference between the 39 whole dollars that low-income people are making and the up to \$4,781 for high-income people.

Is your recommendation as simple as eliminating the parental income tax splitting, or are there any other ways, if they wanted to keep going with that, we could mitigate some of that lack of progressivity?

Prof. Kathleen A. Lahey: The most important and sensible thing to do would be to not do this, and to take the additional \$2.6 billion per year that this would cost and put it toward the most important benefit that would assist people trying to lift their children out of poverty going forward.

If it were necessary to do some form of this, then it really should be completely cast as a refundable type of credit. It should absolutely be cut off very close to the phase-out point at which something like the Canadian child tax benefit is phased out, or at the most, the \$112,000 level for the phase-out of the OAS. It should be reversed in effect, because to give \$39 per year to people with the lowest incomes and \$4,700 per year to people with the highest incomes is unethical.

Mr. Murray Rankin: It's ludicrous.

Prof. Kathleen A. Lahey: It's a waste of taxpayers' money and it essentially rewards people who are already in very privileged positions.

Mr. Murray Rankin: Thank you so much for showing us that data. I really appreciate it.

The Chair: Thank you.

Mr. Keddy, you have a short round here, and then we'll finish up.

• (1635)

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): I appreciate that. Mr. Van Kesteren is going to take the first question.

The Chair: Mr. Van Kesteren, go ahead please.

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

Thank you all for being here. It was a great presentation.

Chief, I am going to go to you. I served in foreign affairs and we had quite a session with Dr. de Soto. There was some talk about his having come to see some of the first nations people, so you were obviously one of those groups.

I couldn't agree with you more. You said it, and I'm going to repeat it. Fundamental to any success of any society, for democracy, for just growing their economy, is property rights. As you know, we are working toward...

Could you tell this committee again the importance of having that ability to own a house and what changes that would make in your community?

Chief Michael LeBourdais: In my little community, the best way I illustrate that is by the story of my dad and my mother. They are the first nations Brady Bunch. My dad had three kids and my mom had three kids. They got married. My dad's house was too small, so he built a larger house right beside his first house. We grew up and went to school and college and the whole thing. When my dad passed on into Heaven, he didn't have a credit card. Anybody else who owned two homes in Canada would probably be considered well off, but not my dad.

Before I became a chief, and I'm still wondering if that was a good idea, I was a banker. When we did our risk management systems analysis on our first nations clients, the first thing they taught us was to strike out the assets of their homes on their balance sheet.

Mr. Dave Van Kesteren: Very often we hear of the plight that first nations reservations are hopeless, but what you're telling us is so fundamental, and it's something that can be so easily accomplished.

How is the unemployment rate in your band?

Chief Michael LeBourdais: In my community, it's near zero, if not zero. I have one person on social assistance. That's Old Sue. She's got her grandkids, and we all hunt and fish for her. She's a lot of fun. As for the youth, one of my nephews tried to sneak in to get a welfare cheque. They brought it to us and I said, "No, you go out and literally cut trees down, buck wood, and sell it". We put an ad in the paper, and he sold 40 loads of wood. That's how he got his winter money.

We invest a lot in post-secondary education. We have agreements with Spectra Energy, Kinder Morgan pipelines, West Fraser, and all these other companies. They provide us with education dollars they can get tax credits for. We have a very high graduation rate in post-secondary trade school, nurses, RPFs and that kind of thing. We graduate them and then they go and buy a house off reserve, because the one thing they learned in college is not to buy a house on reserve because it's not going to be worth anything when they're done paying for it.

Mr. Dave Van Kesteren: Again, congratulations. I hope to visit your tribe.

Chief Michael LeBourdais: I hope you do.

Mr. Dave Van Kesteren: I will pledge to. I know on this side we'll pledge to make that a reality. Hopefully, we'll be able to present that to you.

Chief Michael LeBourdais: Thank you.

The Chair: Mr. Keddy, I'm sorry I won't get to you, but I want to thank our witnesses. It was an outstanding panel. Thank you so much for presenting to us.

Colleagues, I will suspend, and then we'll come back immediately after the vote.

• (1635) _____ (Pause) _____

• (1715)

The Chair: I call this meeting back to order. This is meeting number four of the Standing Committee on Finance.

I want to welcome our second panel to the table. I appreciate all of you coming in. I thank you for your patience with respect to the

unanticipated vote. I also am led to believe we will have a vote at about 6:40 p.m. Hopefully, we can go until about 6:30, but we'll try to push it as far as we can.

With us we have the Assembly of First Nations. We have Regional Chief Googoo. Welcome to the committee.

From the Canadian Alliance of Student Associations, we have the board chair, Amanda Nielsen. Welcome.

From the Canadian Medical Association, we have the vice-president, research and policy, Mr. Owen Adams.

From the Canadian Nurses Association, we have the CEO, Rachel Bard.

From the Fédération étudiante universitaire du Québec, we have Monsieur Jonathan Bouchard. *Bienvenue à ce comité.*

From Imagine Canada, we have Ms. Michelle Gauthier, vice-president, public policy and outreach.

Welcome to all of you. You have a maximum of five minutes for your opening statement. We'll begin with the AFN, please.

Chief Morley Googoo (Regional Chief, Assembly of First Nations): It is a pleasure to be here. I would like to welcome everyone.

I thank you for giving me the opportunity to present our first nation priorities. I know we have a short time together, and I will try to keep my remarks brief.

Over the past 10 years, the AFN has consistently outlined critical funding needs for first nation communities; however, there has been very little investment to respond to these needs.

Members of the AFN executive have provided the committee with a number of specific recommendations for investment in 2014. These are investments in community, safety, infrastructure and emergency management, and reconciliation. We trust that these will be given due consideration.

This evening I wish to focus my presentation on first nation education, as I am the lead chairperson for the national file.

Seeking quality education for our children has long been a priority for first nation families, communities and leadership. Since 1972 the first nation leaders have been pursuing control over their own education.

I am sure members are well aware of the federal government's proposal for first nation education. This certainly contains and highlights attention to this critical area.

The current federal system, the status quo, has consistently graduated approximately one in every three first nation students from high school. Since 1996 this has resulted in more than 106,000 first nation youth leaving high school without a high school diploma. This is not a situation we can allow to continue. I believe we all agree that action is needed immediately on first nation education. In the interest of our children and our nations, we must get it right, and we must get it right now.

Results prove that first nation-led solutions far exceed the status quo. Results also demonstrate that all governments must work in true partnership with first nations to achieve these outcomes. Successes are beginning to be achieved in those areas where first nations have control over their education and their own solutions have been implemented.

There is no one-size-fits-all approach. There must be a full respect for regional diversity. I am most familiar, as I am from Nova Scotia, with the Mi'kmaw Kina'matnewey Agreement. Since we have been collecting data, we have seen graduation rates of 87% and higher, which consistently far exceed the provincial rate. Children are leaving the system, from several schools, being fluent in Mi'kmaw reading and writing.

Like Mi'kmaw Kina'matnewey, first nation education systems must foster hope and opportunity, respect first nation rights and be grounded in first nation cultures and languages. This is a vision that first nations have put forward under "First Nations Control of First Nations Education", a vision to support our children and our nation into the future. To achieve this vision, we must have guaranteed stable, predictable and sustainable funding for first nation schools. We know that first nation children attending school in their communities receive less funding than if they were attending a provincial school.

Since 1996 federal funding in first nation education has been capped at 2% per year, despite a steady growth in both inflation and the first nation student population. Over the same period of time, provincial and territorial school systems have invested more than 4% per year, even though most systems have realized a significant decline in student enrolment.

Let's think about it. Why is it that the federal government sends funding capped at 2% growth for schools within its jurisdiction, yet transfers funding with rates of growth of between 4% and 6% to schools within provincial jurisdiction to do the very same thing, educate first nation students? This is unfair and unacceptable. Over time this has contributed to an ever-growing gap, leaving first nation schools and first nation students behind.

It is important to take a minute to describe what first nation means when we say there is a need for stable, predictable, and sustainable funding. Stable funding has long been a major issue of first nations who try to balance their education budgets.

● (1720)

In 2002 to 2012, more than half of the funding transferred to first nation schools was proposal based or discretionary. Receiving core funding through a stable funding schedule would allow first nations to engage in multi-year planning with their communities and education partners.

Predictable funding would be realized through the development of a new statutory first nation education funding formula. This formula would ensure that first nation schools are funded for the education components of new languages, cultures, and customs. It is critical that a new first nation education funding formula be developed jointly with first nations.

Sustainable funding speaks to the importance of annual escalators. A new first nation funding agreement and formula should include

appropriate escalators that account for the change in education cost, inflation, population increase, socio-economic disparities, geographic considerations, and capital needs. These funding indices for education are generally accepted factors for the development of education funding mandated in provincial and other jurisdictions around the world.

The Chair: Could I get you to wrap up, as we're just—

Chief Morley Googoo: Yes, I have one minute left.

● (1725)

The Chair: Okay, perfect.

Chief Morley Googoo: Such a guarantee must provide fair funding that reflects the unique challenges of our school, immediately resolve ongoing discriminatory gaps in funding between our students and others, and ensure that it can sustainably keep pace with the growing needs and modern realities of first nation students. Also critical for the success of our students is to support the development of first nation run education systems.

I'll end my presentation there. More importantly, I think it's a prime time and a critical point in that we've worked hard to advocate both federally and in the communities that education is a priority for first nations and for government. We've made large strides to get there. We just need to make sure that we continue that dialogue.

The Chair: Thank you very much for your presentation.

Ms. Nielsen, please.

Ms. Amanda Nielsen (Board Chair, Canadian Alliance of Student Associations): Good evening, Mr. Chair, committee members, and fellow presenters.

It is my pleasure this evening to present the pre-budget priorities of the Canadian Alliance of Student Associations on behalf of our 24-member associations across Canada. We represent about 300,000 folks from coast to coast.

Canada's students are the nurses, teachers, tradespeople and managers of the future. As Canada's economy continues to grow and change, it is increasingly vital for more individuals to access education and training at Canada's post-secondary institutions. Indeed, as we continue to recover from the global recession, immediate access to knowledge and skills is crucial for people making mid-career transitions and for those who seek to return to the workforce after periods of unemployment. Further, Canada's population is aging and this change will necessitate that every Canadian worker is as productive as possible in the years to come. Taken together, these realities point to the importance of a post-secondary education system that is more accessible and of the highest quality,

On behalf of CASA, I submit the following recommendations for federal action as a means to eliminate barriers to retraining and give Canadians an opportunity to pursue stable and meaningful employment.

In budget 2011, the Canada student loans program was changed by increasing the in-study income exemption from \$50 a week to \$100 a week. This opened financial assistance to more students and increased aid to students to help them work and make ends meet. With the rise in costs of education, working while studying has increasingly become the norm for students. In 2011, 60% of students who graduated reported working an average of 18 hours a week, a pretty significant number of hours.

Under the current policy, an average working student who pursues financial assistance will see nearly \$2,900 removed from their financial assistance package every year. They'll need to guess what their income will be each year, losing financial support if they guess too high and suffering repayment penalties if they guess too low. This could then deprive them of loan support in the following year. In Canada nobody should be punished for earning an income, especially students who need additional income to pay for school and to obtain employment experience to make a successful transition into the workforce.

The federal government should exempt all in-study income from the Canada student loans program's assessment of resources. We estimate that this would cost \$25 million annually and would eliminate the guesswork and red tape for students when they are applying for student loans.

In 2011-12, nearly 43,000 applicants were denied access to a student loan. At the same time, 29% of loan recipients had greater financial assistance than the government would provide. Our research at CASA has shown that as many as 14% of students are relying on additional private loans to fund their education. This is a result, of course, of rising education costs and flat-level loan amounts.

The Canada student loans program hasn't updated its weekly loan limit for students since 2004, so it has been a while. CASA recommends that the federal government increase its CSLP weekly loan limit from \$210 a week to \$245 a week. This reflects increased costs for students with the highest financial need. Making this change would give students \$150 million per year in their pockets, while costing the government a non-recoverable cost of \$44 million per year.

Finally, for people making mid-life career changes and those adapting to new technologies, often there is a need to retrain. According to Canada student loans program figures, individuals over the age of 25, mature learners, account for 34% of post-secondary students today. That being said, they only account for 20% of student loan recipients, so there is a gap. It is evident through this that the Canada student loans program could be better geared toward mature learners who have been shown to have higher levels of financial need, when they do qualify at all.

Asset assessment policies are particularly discouraging for mature learners when deciding whether or not to return to school. The standing Canada student loans program policy requires that

individuals liquidate the majority of their personally held savings and assets. Returning learners who need assistance must use every dollar of their RRSP that exceeds \$2,000 per year to pay for school. That is \$790 less than the average annual RRSP contribution for Canadians. Further, CASA recommends an exemption of \$10,000 in personally held financial assets. This change would remove a crucial barrier to retraining. In Canada nobody should have to choose between their retirement and making a contribution to the workforce.

Thank you very much. I look forward to your questions later.

• (1730)

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

We'll go to Mr. Adams now, please.

Mr. Owen Adams (Vice-President, Research and Policy, Canadian Medical Association): Thank you, Mr. Chair, and committee members, for the opportunity to participate in your pre-budget hearings. I've been asked to appear on the topic of helping the vulnerable.

The CMA believes there are many groups that are vulnerable in Canadian society, but it is particularly timely to focus on health care for seniors. This is because our health care system simply isn't ready for the challenge of an aging population.

I regret to say that preparing for our aging society is becoming a race against the clock. The first wave of baby boomers turned 67 this year. By 2031, seniors will account for one-quarter of the population, nearly double the 14% in 2009, and at that time that 14% already accounted for 45% of provincial and territorial health expenditures.

It's not hard to do the math on what this trend will do to the sustainability of our health care system in less than two decades, and it is not hard to understand why the CMA is strongly urging the federal government to invest in a pan-Canadian strategy for continuing care focused on seniors. We believe Ottawa is best positioned to bring together all levels of government to develop and execute such a pan-Canadian strategy to integrate everything from home care and long-term care to end-of-life and palliative care. This is about spending smarter as much as it is about investment.

Currently there is an unofficial policy of keeping seniors in acute-care hospital beds when they should be either in home care or long-term care. In Canada we call this limbo status alternate level of care, or ALC. That's essentially code for not knowing where to put them, or not having a place. Currently this status accounts for roughly three million ALC bed days a year.

Now, when you think that a hospital bed costs \$842 a day to fill versus \$126 for a long-term care bed, moving ALC patients from hospital beds to long-term care facilities would save at least \$2.3 billion a year.

This is what spending smarter looks like, but we need investment up front to get rid of the shortage of long-term care beds and home care assistance to make savings like that achievable. It's very important for long-term care facilities to qualify for infrastructure funding to address something that is undermining the efficiency of the Canadian health care system. Of course, investment like this would prepare us for what many have called the tsunami of coming demand for seniors care in the future.

The CMA released a public opinion poll in August which found that nine out of ten Canadians believe we need a pan-Canadian strategy for seniors care, and that an equal number believe that a seniors strategy, by providing alternatives to hospital beds, would improve the overall health care system.

We believe there is public acceptance out there for some bold innovations by public policy-makers.

On that note, I look forward to answering your questions on how we can make the health system better.

Thank you very much.

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

We'll go to Ms. Bard, please.

Ms. Rachel Bard (Chief Executive Officer, Canadian Nurses Association): Good evening. *Bonsoir*. On behalf of the more than 150,000 registered nurses for whom the Canadian Nurses Association represents, thank you for inviting me to join you today.

You've convened this panel to address helping vulnerable Canadians. These are people who are marginalized from society because of their income, age, or because they are newcomers to this country. These are people who are living with mental illness or struggling with substance abuse. They are people who deserve respect, dignity, and compassion, not labels. Stripping away the labels will help foster honest and productive conversations to properly examine the issue and advance real solutions.

Our first recommendation is that the federal government ensure Canadians have access to affordable adequate and safe housing by renewing federal funding for the \$2.7 billion in expiring annual operating funds for social housing providers. There are very real consequences when a person's housing situation is unsafe or unstable. Recent outbreaks of tuberculosis in Saskatchewan and Manitoba have been linked to poor ventilation and mould. As nurses who see the consequences first hand, we stress how important it is for government to maintain investment in the construction and operation of affordable housing, a major determining factor in a person's good health. Adequate housing can lead to better health status, both mental and physical, and reduce the effect of poverty on Canadians and Canada's resources.

Our second recommendation is a specific intervention: authorizing nurse practitioners to provide drug samples and to be signatories on federal forms. Take the experience of one of our members in Manitoba as a nurse practitioner working in the community clinic.

She had a patient who needed to complete a disability tax credit form, but since CRA does not recognize NPs as signatories, that patient had to search for a physician to complete the form, even though the nurse practitioner is the patient's primary care provider.

The other recommendation is on the Food and Drugs Act, which prohibits nurse practitioners from distributing samples of drugs, even though provincial, territorial and federal laws allow nurse practitioners to prescribe these drugs. If you're wondering how important samples are, they are very important. A person with diabetes, for example, often must try different medications to find which one works best for them. Those trials become expensive quickly, if they do not have a drug plan. Both of these measures, providing drug samples and signing federal forms, effectively improve a patient's access to care, especially for those Canadians in financial difficulty, seniors and people with disabilities.

Our final recommendation calls for a comprehensive policy development, ongoing commitment, and immediate action. We recommend a consolidation of national efforts by creating an aging and senior care commission of Canada. By establishing this commission, the federal government could promote and safeguard the health, engagement, and productivity of Canadians as they age, which would in turn create savings across the health care system and improve sustainability for generations to come.

This commission would be funded for 10 years and would be responsible for developing and implementing a senior strategy that focuses on the following pillars: promoting the health and well-being of Canadians as they age; bolstering supportive chronic disease prevention and management through caregiver resources and community-based primary health care; and increasing system capacity around issues such as dementia and end of life.

Central to this is the recommendation that the federal government invest in a health innovation fund that could immediately support pan-Canadian aging for the care priorities of seniors. This fund would support infrastructure and drive implementation of the commission's recommendations. While this represents a large investment, it is in line with the scope and magnitude of the demographic shift we are facing. It is what we need to enable Canadians to age with dignity and receive care in familiar surroundings.

Thank you for your time today. I look forward to answering questions.

• (1735)

The Chair: Thank you very much for your presentation.

[*Translation*]

The floor is yours.

Mr. Jonathan Bouchard (Vice-President Sociopolitical Affairs, Fédération étudiante universitaire du Québec): Good afternoon. Thank you very much for this opportunity to speak to you.

I want to begin by apologizing, as we were unable to have the most comprehensive document we wanted to submit to you translated on time. So I will try to be as specific as possible in laying out our recommendations. I could answer your questions in detail afterwards.

I represent the Fédération étudiante universitaire du Québec, which represents 125,000 university students at all levels in Quebec. For 25 years, we have been defending the rights and interests of university students with the government and all education and higher education stakeholders. Today, we will talk about three recommendations pertaining to students, student researchers and new graduates with a view to the country's economic growth.

The first recommendation is part of a very specific demographic and socio-economic context—that of population aging and baby boomers' rapidly approaching retirement. Canada, as a whole, is headed toward a demographic wall that will mainly affect its manufacturing and resource regions. We are already experiencing a negative replacement rate in a number of professions, including managers, health care professionals, public service professionals, and so on.

Canada's economic action plan provides a lot of support to companies, but very little support to workers in unstable regions. Following a number of interviews, we found that this approach was a disincentive for entrepreneurs and investors who wanted to continue investing in those regions.

Our first recommendation is to establish a tax credit for new graduates employed in regions with a struggling economy. Similar measures are in place in Quebec and several other provinces, such as Manitoba and Saskatchewan. I think you have detailed information on tax credit as such.

A relevant bill was introduced in 2009. It passed third reading in the House of Commons, and was at the third reading stage in the Senate. However, the election was held, and the government had a new agenda. That measure had strong support, but it never obtained its final approval.

The second recommendation has to do with tax credit for tuition fees and course material. We studied that specific tax credit in one of our research projects. We concluded that it had two major shortcomings.

The first shortcoming was that the tax credit was non-refundable. This meant that the low-income students, who needed that credit the most, benefited from it the least in reality.

The second shortcoming was that this policy was highly dependent on the tuition fee policies of different provinces. Consequently, students from different provinces were treated differently based on where they lived, instead of based on their annual income. So a province's overall funding for students directly depended on the tuition fee policy. It could vary unexpectedly. Therefore, control by the federal government was more difficult.

We suggest that funds for that tax credit be freed up and moved to the Canada Social Transfer, or CST, which includes the post-secondary envelope for provinces. That money could be allocated more specifically for students' real needs to ensure greater accessibility and the quality of higher education.

The third recommendation has to do specifically with indirect research fees, which include administration, libraries and building maintenance. That represents somewhere from 50% to 65% of all direct grants for research. That is funded by the government's Indirect Costs Program, which is currently covering only 21.5% of those indirect research costs, even though it was initially intended to cover 40% of those costs. That directly affects research, innovation and what is produced by student researchers.

• (1740)

Universities have to make up for the fact that they have to maintain their infrastructure instead of investing in research and innovation—including grants for student researchers.

We suggest reinvestment in that area, and we have concrete recommendations to help make that a no-cost measure.

Thank you.

The Chair: Thank you for your presentation.

[English]

Next we will go to Dr. Gauthier, please.

Dr. Michelle Gauthier (Vice-President, Public Policy and Community Engagement, Imagine Canada): Thank you, Mr. Chairman, and thank you to the committee for inviting us to appear today.

Imagine Canada is the national umbrella organization for Canadian charities. We often speak to you about the significant contributions made by charities here at home and around the world. This week a new report commissioned by the Muttart Foundation called "Talking About Charities" confirms that Canadians, too, recognize these contributions: 93% of Canadians consider charities important and 88% believe they improve our quality of life.

The survey also shows that while there is always room for improvement, charity leaders are nonetheless among the most trusted professionals in the country. Charities as a whole are trusted by almost four-fifths of Canadians, just slightly less than small business, which leads me to our first recommendation.

Earned income, the sale of products, goods and services, is for many charities a significant source of revenue and one which is supported by an overwhelming majority of Canadians. "Talking About Charities" found that almost 90% of Canadians agree that running a business is a good way for charities to raise money they aren't able to get through donations and grants, and four-fifths believe charities should be able to run any kind of business they want as long as the proceeds go to their cause. At the same time though, two-thirds are worried about charities losing money through these activities, hence the need to equip charities with the capacity to succeed.

This last point is crucial. Charities face many of the same challenges as small and medium-sized enterprises. They must prepare good business plans, have access to the right capital, exploit the right markets, and recruit and retain the right people to successfully sell their products and grow their revenues. SMEs have a wide range of federal services and supports to address these challenges.

Charities are challenged, however, in accessing many of these same federal services, whether through program design, lack of awareness on the part of charities, or lack of understanding of program administrators. We call on government to remove these barriers where they exist so charities can increase their impact and financial sustainability.

In our brief, we cite the example of Mitacs-Accelerate's internship program which matches highly skilled graduate and postgraduate students with businesses that can benefit from their skills. Mitacs receives its most significant funding from Industry Canada, whose current agreement limits the use of these funds to the private sector.

Mitacs has been able to use some of its other funding to do some work with charities. For example, a partnership with CancerCare Manitoba has resulted in improved techniques and equipment for breast cancer detection. Another partnership with the Vancity Community Foundation led to the design and development of an online purchasing portal for social enterprises.

Removing the restrictions in the Industry Canada agreement would enable Mitacs, which would like to support more initiatives with our sector, to do so. Other federal programs for SMEs should also be reviewed to remove similar restrictions and facilitate access. At a time of fiscal restraint, this measure can be undertaken at little or no cost and yet could have significant impact.

• (1745)

[Translation]

Charities also depend on the generosity of Canadians to carry out their mission. We want to sincerely thank the members of the committee for their in-depth study of tax incentives to promote charitable giving, and for their report emphasizing that issue.

The First-Time Donor's Super Credit announced in the 2013 budget, as well as the commitment to—and I quote—"[...] work with the charitable sector, including Imagine Canada, to encourage more donations by a greater number of Canadians [...]" are important steps in the right direction. Although the temporary super credit encourages new donors, the stretch tax credit for charitable donations, which we have often talked to you about, focuses on a

long-term behaviour change. That objective was highlighted this week by the Governor General at the launch of his campaign, My Giving Moment.

The implementation of the stretch tax credit, which is supported by over 70% of the charities that have appeared before the committee, is the next logical step in the promotion of a sustainable donation culture. That measure will encourage those who gave for the first time thanks to the super credit to give again. In addition, since a much higher number of low and medium-income Canadian families would be eligible for the stretch tax credit, that measure would encourage more of them to give, while providing them with a welcome tax break.

We invite the government to set a firm date for the implementation of the stretch tax credit.

[English]

Too often those working in our sector are seen simply as nice people doing good things. We all need to think differently about the sector's contributions. We do mobilize 13 million volunteers, but we also employ two million Canadians and account for 7% of GDP.

Our sector creates jobs, generates economic growth, and as Canadians themselves have noted, is vital to our quality of life. Equipping charities to succeed is equipping Canada to succeed.

[Translation]

Thank you very much.

[English]

The Chair: Thank you very much for your presentation.

[Translation]

We will begin with Mr. Caron. You have five minutes.

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

As my colleague said earlier, these presentations were really interesting and varied.

I would like to ask all witnesses some questions, but since I have only five minutes, I will focus on health care. So I will address my questions to Mr. Adams and Ms. Bard.

I am happy you talked about health care for seniors because demographic pressures will make that issue increasingly important. Those demographic pressures have made the government unilaterally decide to increase the eligibility age for Old Age Security from 65 to 67. Owing to those demographic pressures, the government also unilaterally decided to reduce by half the growth of transfers to provinces—from 6% to 3% per year. For the provinces, that will result in a loss or revenue of \$38 billion over the next 10 years.

What do you suggest should be done to deal with the crisis in health care that will arise from that transfer reduction and will impose a heavy burden on the administration?

Ms. Rachel Bard: The government should reconsider its position and formalize it by concluding an agreement with the provinces to maintain the growth of those transfers at 6%. In addition, the government should not take into account only the proportion of the population. It should also take into consideration demographics and the specifics of certain provinces, such as the Atlantic provinces and the territories.

Those concerns should be dealt with. If we really want to save money over the long term, we have to invest in health care so as to keep people healthy.

• (1750)

Mr. Guy Caron: Mr. Adams, do you have anything to add on the topic?

[English]

Mr. Owen Adams: Clearly the implications are out there. The Canadian Institute of Actuaries has just done a study which shows that the proportion of provincial-territorial revenues devoted to health care will rise from 44% to 69% in 2037. That cannot happen. These are intended to be self-defeating prophecies. We need to do things differently. That is essentially why we are arguing that you need to be able to shift resources from acute care beds out to long-term care beds and increase home support and home care.

Mr. Guy Caron: I take it the decision to cut the growth of transfers by half is actually backward-looking towards the trends we have seen, but definitely not forward-looking towards the challenges we will be facing.

[Translation]

Is that right? Okay.

Health care administration comes under provincial jurisdiction, but as members or citizens, we can follow what is happening in that area. According to my analysis, the lack of integration of various services is a major problem for all provinces. We have been talking about that for 10 or 15 years, and we are still talking about it today. Very few connections are made between the various health departments and regional administrations, palliative care, long-term care, home care, and so on.

How could the federal government play a leadership role in an area that comes under provincial jurisdiction? It is clear that the federal government will not impose anything—and if it does, it will meet with objections—but it should still make sure that the provinces are coordinating all the activities and using the best practices seen across the country. It is currently not doing that.

How could the federal government play a positive role, and encourage the provinces to exchange information and to adopt the best practices used by stakeholders across the country when it comes to health care administration?

Ms. Rachel Bard: On the one hand, the federal government should participate in the discussions and work with the provinces and territories. On the other hand, it must establish a national vision, as well as objectives and indicators that could have a positive impact.

That way, it could help Canada become one of the top five countries with a good track record in that area. We shouldn't forget that the federal government is the fifth largest health care provider. So it is very important for the government to be a leader in that area.

Mr. Guy Caron: Thank you.

Mr. Adams, what do you think about that?

[English]

Mr. Owen Adams: Again, to go back specifically to the issue of seniors, every province has a seniors strategy. We've looked across all of them and compared them, and there's not really a whole lot of commonality.

I guess the federal government, through the information policy lever, could convene tables or something like that to try to promote a greater sharing.

[Translation]

Mr. Guy Caron: Thank you.

[English]

The Chair: Thank you.

[Translation]

Thank you, Mr. Caron.

[English]

Mr. Keddy, please, for your round.

Mr. Gerald Keddy: Thank you, Mr. Chairman.

Welcome to our witnesses. It's great testimony here today.

We are jammed up for time, so we unfortunately don't have enough time for everyone. My first question will be for Morley Googoo.

Morley, you raised the point earlier that 106,000 aboriginal youth have left high school since 1996, I think you said, without a high school diploma. On the other side of that, I guess, I supported the...I forget what the title of the bill was, but it was a Mi'kmaw education bill for Nova Scotia, New Brunswick, and P.E.I. It was a valuable piece of legislation.

How many graduates have we seen since the instigation of Mi'kmaw on-reserve education controlled by your community, and how many of those graduates have jobs? Have you been able to track that?

• (1755)

Chief Morley Googoo: I can get that information and some more accurate numbers. That was part of the self-government agreement, the Mi'kmaw Kina'matnewey's first sectoral jurisdictional agreement. In place, it has seen national graduation rates for on-reserve populations of around 33% to 35% at this point. For the Mi'kmaw over a 10-year period—sometimes that's a better stage, as you gauge education improvements over 10-year cycles—we're now up to an 80% graduation rate.

Mr. Gerald Keddy: That's excellent. If you could follow up with some of those statistics, it would be important—

Chief Morley Googoo: Yes, absolutely.

Mr. Gerald Keddy: —because it absolutely helps your argument, and I think will sustain it, quite frankly.

My next question is for the Canadian Alliance of Student Associations. You talked about your students who are working and are actually losing money from the Canada student loans program.

In your submission, you recommend an increase as well. You recommend an increase in the RRSP exemption from \$2,000 per year, from an individual's 18th birthday, to \$2,790. Where did you come up with that number?

Ms. Amanda Nielsen: That number is the average amount that Canadians are spending per year on their RRSPs. We just want to update that number to be what Canadians are contributing on average. Our idea is that students shouldn't have to drain their bank accounts and drain their retirement savings in order to go back to school, especially given the need to get more productivity from each Canadian and the need to get the most out of our entire workforce. We're seeing more and more mature students, so it makes sense.

Mr. Gerald Keddy: Okay, so in reality, that number could be a lot higher.

Ms. Amanda Nielsen: It could be.

Mr. Gerald Keddy: Yes, absolutely.

Do I have more time?

The Chair: You have about a minute and a half.

Mr. Gerald Keddy: That's long enough for another question, and long enough for an answer, which is even more important.

Ms. Gauthier, you talked about the Mitacs-Accelerate internship program and your estimation of its impact on the NGOs, the charity sector. I think we're in agreement that we should pair our charities with bright minds and our universities, but in order to do that, you still need to have some criteria in place for that intern to be placed with that charity.

Do you have some recommendations? I don't think you can throw the charitable sector wide open and totally treat them like small business, but do you have some suggestions of what that criteria would be?

Dr. Michelle Gauthier: It's an excellent question.

Certainly, Mitacs has been working with a number of charities, so they would be well placed to help us define what that should look like. My sense is that we are looking for opportunities where the research can inform growing the revenues for the charity, and in a way that would allow them to move forward in a given project.

For example, if you have a theatre group that's looking to redefine its audiences and its markets and has to shift with the changing demographics and populations, it could perhaps benefit from that; or the Afghan Women's Catering Group in Toronto might say that they've reached a certain point in their growth and they would need, in that strategy, to get to the next level.

It would be business-related issues, but for the charities in question. I think Mitacs would probably be interested in looking at certain verticals to pilot this with, but knowing that it would be open to all those in the charitable sector who could make a legitimate case that there would be value for them.

The Chair: Thank you.

Thank you very much, Mr. Keddy.

Mr. Brison, please.

Hon. Scott Brison: Thank you very much.

I'll start with Chief Googoo. You've laid out a very compelling case of the funding gap between first nations schools and provincial schools.

The government continues to deny there is a funding gap. The minister has recently put forward a proposal as the basis for some discussion around proposed legislation for the first nations education act, but the government has said that the discussion of funding is something that will be dealt with later, that now we should talk about reforming the system.

Do you believe we should be dealing with the funding issues in lockstep with the reform issue, dealing with funding issues as part of this discussion now and not waiting until later?

Chief Morley Googoo: Absolutely, I think it's crucial. I think one of the things in the national panel's report was that it recommended to never lose sight of the child, and that the reform is there to make sure that child succeeds. It also recommended that we co-draft legislation. It's to be done in partnership with reform.

In the apology, a lot of our people have tried to feel that the apology was sincere. The government said, "It is you that should design your own systems", and that is supported by the UN declarations for us. In the success models of MK and "First Nation Control of First Nation Education", it's about empowering them, not just enabling them to make decisions in their best interests. You need to make sure if first nations are going to take over something, they do their due diligence and know what they're taking over, because it's their children, and you have to be responsible because you're going to have to have adequate resources to deliver educational programs properly. If you're going to be continually comparable to provinces, it's just the responsible thing to do.

● (1800)

Hon. Scott Brison: Thank you, Chief.

Ms. Nielsen, last summer we had some of the worst summer job numbers we've seen in over 30 years. The federal government student jobs program created about half the number of student jobs that it created back in 2005.

Do you believe that increasing funding for summer job programs would be a good initiative, given the situation around youth unemployment today?

Ms. Amanda Nielsen: CASA supports investments in students, in general, in the post-secondary system. In terms of our priorities this year, our focus is on in-study income exemption, removing penalties to employment and indexing—

Hon. Scott Brison: But it's a bit of a moot point if you can't find a summer job in the first place.

Ms. Amanda Nielsen: It is, and any investment in post-secondary education we generally see as a positive one.

On this matter, we don't have a policy in particular, but in general we think that investing in students is investing in the future economic well-being of our country.

Hon. Scott Brison: Thank you.

In 2010 our committee chair, in his private member's motion M-574, called upon the government to establish a national Alzheimer's and dementia strategy. We're the only G-8 country without a national Alzheimer's and dementia strategy. Should we be moving forward with that?

I suppose both the CMA and the Nurses Association would perhaps opine on that.

Mr. Owen Adams: Well, absolutely. At the conclusion of the meeting last year, Mr. Rajotte challenged us to come forward on that, so we did collaborate with the Alzheimer Society, and we put together a brief earlier this year, which is reflected in our recommendations.

Again, we are recommending a component of \$25 million a year over five years, and we've collaborated with the Alzheimer Society on that. I think that would be a very worthwhile thing to do, indeed.

Ms. Rachel Bard: For us, as we're recommending an aging and senior care commission, it's presenting a comprehensive approach. Of course, Alzheimer's and dementia is one element of it, but there are also other components as you age, in trying to keep people healthy. I think it does make sense. It fits into a comprehensive approach.

Hon. Scott Brison: I have a sister who's a nurse and a mother with Alzheimer's. My mother has four children, three sons and one daughter, and you can imagine who is carrying the disproportionate burden.

Ms. Rachel Bard: I understand, because I did the same.

Hon. Scott Brison: In closing, the caregiver tax credit is something we support, but we'd like to make it refundable.

Thank you.

The Chair: Thank you, Mr. Brison.

Mr. Hoback, please.

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

Thank you, witnesses, for being here this evening. I apologize about the votes. It's just the nature of being on Parliament Hill at this time of year. We'll do the best to get through what we can.

Mr. Googoo, you talked about the funding differential between on-reserve schools and off-reserve schools. I have just a quick question to help me understand exactly and maybe you could explain why there is a difference.

When a school is built on reserve, who pays for building that school? Who is in charge of the capital cost for that structure?

Chief Morley Googoo: It's a federal program.

Mr. Randy Hoback: It's the federal government that pays for that.

When you get a school off reserve, who pays for that?

Chief Morley Googoo: It's the province.

Mr. Randy Hoback: It's the provincial government.

The offset is actually the capital cost differential between the two. Is that correct?

Chief Morley Googoo: That's one piece.

Mr. Randy Hoback: But it has to be a major piece.

Again, you have the capital structure and operation for an on-reserve school, and the federal government kicks in through that. When they build a school, we kick in for that. Then when you operate the school, you're getting so much per student to operate, but there's also a little above that. On the provincial side, we have no money going into it, so you have to pay for that capital cost. Thus, there's a differential between the cost of on-reserve schools versus off-reserve schools.

It would have to be different, would it not?

Chief Morley Googoo: I'm not clear on the question.

Mr. Randy Hoback: You have to pay for that capital cost somehow. You've already paid for it on reserve, so if you choose to go off reserve, then you have to reimburse the province for part of that capital cost, do you not?

I think that's where the differential is.

•(1805)

Chief Morley Googoo: Clearly, there are two schools that are built, and that's the best way I could answer. In delivering educational services, any school that's going to be able to operate has to have a nominal role and tuition—

Mr. Randy Hoback: You have to have a tuition fee for the school that's built on reserve.

Chief Morley Googoo: Right.

Mr. Randy Hoback: You have to have a tuition fee for the school that you didn't build.

Chief Morley Googoo: Right. Because we're under a federal government funding agreement for the schools that are on reserve, the federal government funds less than they would fund a provincial school—

Mr. Randy Hoback: But we've built the school—

Chief Morley Googoo: If a child went to a provincial school, the federal government would send a higher tuition for that student than if the school were on reserve.

Mr. Randy Hoback: Again, we've built the school on reserve, but we haven't built the school off reserve.

Chief Morley Googoo: The schools that are built are probably outdated and won't pass any inspection. Most of them are trailers in very poor condition.

Mr. Randy Hoback: Well, that's another factor we can talk about, too.

I want to go to the Canadian Medical Association.

You talked about pan-Canadian health care and seniors care. To me it strikes a chord. My dad had a stroke this summer and went through the system. I must say that the care he received in Red Deer was phenomenal. On the cost, however, as you were saying, when we look at the number of days he spent in hospital and then recovery treatment by the team who worked with him, I wondered whether that really needed to be provided at the hospital or whether it could have been provided somewhere else.

You talked about savings. Is that one of the things you were talking about, identifying that by putting a person in a different location we can see results as well as cost savings?

Mr. Owen Adams: Absolutely.

I mean, there are different kinds of rehabilitative facilities. In fact, I think the University Health Network in Toronto bought one. There are all kinds of things that we could be doing. We need to provide cost-effective care in the home, supportive housing. There are lots of opportunities.

Mr. Randy Hoback: When you see opportunities like that—again, health-care providers recognize them every day—how do you present those suggestions to the province? How do you expect the federal government to go to the province to say that they should do this or do that?

How would you advise us on that?

Ms. Rachel Bard: If I could add to that, part of our proposal is to invest in an innovation fund. There are good things happening, but we need to be able to scale it up, put it across, and build on some of those successes.

I think by creating some incentive and really building...because there is good comprehensive community-based home care reaching the elderly and supporting the families who are looking after them.

There are many opportunities, but we have to invest a bit to really see some savings in the long term.

Mr. Randy Hoback: You've identified different savings. I guess my question is, when you identify a savings, how do you get that up to the province? How do you expect the federal government to drive it through to the province?

A lot of times those management decisions are made at the provincial level and not the federal level.

Mr. Owen Adams: Again, I think a lot of it comes down to information. For example, for 10 years we've been running a wait list management conference. It's sharing and getting a community practice going.

The provinces are now discovering that a small proportion of the population use a lot of health care. In Ontario it's the top 1% who use 34%. All the provinces are discovering that. Surely, there has to be a way of sharing some of the strategies for mitigating that.

Mr. Randy Hoback: I'm running out of time. I wish we could talk longer on this because it's very fascinating.

I think there are lots of ideas here for saving a lot of money and providing better care. It's a case of identifying them and putting them into place.

The Chair: Thank you, Mr. Hoback.

[*Translation*]

Mr. Côté, go ahead.

Mr. Raymond Côté (Beauport—Limoilou, NDP): Thank you very much, Mr. Chair.

I want to use this opportunity to criticize the government's total lack of respect toward the witnesses and all Canadians when it comes to the allocation of time. We will still move past this, but I am sorry for you.

I will begin with Ms. Bard.

I really liked your brief. I will focus on the third recommendation, which concerns the renewal of funding for affordable housing. I must begin by saying that you are living dangerously. The measures you are proposing for doing away with tax cuts for companies might result in an avalanche of compliments from my Conservative colleagues.

That being said, I am somewhat surprised—but I do think that you wanted to remain realistic—by the fact that you proposed only a renewal, rather than an increase, of that envelope.

Ms. Rachel Bard: Of course, increasing that envelope would be ideal, but we would at least like to keep what we have. This program has really generated added value and targeted needs related to health determinants. We know that it has been effective. The economic benefits have been very substantial.

● (1810)

Mr. Raymond Côté: This is something I saw during a summit organized by the Société d'habitation du Québec—the Quebec housing corporation. They talked about a worrisome situation. In Montreal—especially in some disadvantaged areas—15% to 20% of housing is downright substandard. That dire situation negatively affects the future of many children. I am sure that the situation is very similar in the Beauport—Limoilou riding.

Thank you very much for your answer.

Mr. Bouchard, you have some very interesting recommendations. I will talk about another issue with you. I am sorry, but once again, in situations involving tax cuts or non-refundable tax credits, we are pretty much talking about out-of-pocket costs and wasted money. I would like to question you somewhat boldly about the tax credit for public transit. I would like to know how little your members benefit from that tax credit, given their very low income.

Mr. Jonathan Bouchard: I couldn't talk to you specifically about the tax credit for public transit. However, regarding all tax measures—especially those for students, but also for higher education stakeholders—we have noted the following in our study. Students with an income or students who get in debt year after year to go to school could very rarely use that tax credit. You are talking about public transit, but those measures in no way help increase accessibility to services—whatever those services may be—when students cannot benefit from them or see their concrete effects over the course of the same year.

Mr. Raymond Côté: Okay.

Ms. Nielsen, did you want to add anything about the tax credit for public transit?

[English]

Ms. Amanda Nielsen: Our members don't have a policy on this, but in general, we think that both tax credits and upfront grants are really important for students.

[Translation]

Mr. Raymond Côté: Very well.

The Chair: Mr. Côté, you have one and a half minute left.

Mr. Raymond Côté: Excellent. I really have plenty of time.

I will come back to you, Ms. Bard. Mr. Adams could perhaps also comment.

I admit that, with regards to health care determinants, I have a summary from the Direction régionale de la santé publique de la Capitale-Nationale. The document talks about the difference in life expectancy between Limoilou and Sainte-Foy. In my riding, the life expectancy is seven years shorter than that in upper town.

Would you like to comment on that reality and on poverty issues related to housing? Perhaps you would like to go further on that topic.

Mr. Adams, did you want to say something?

[English]

The Chair: Could we have a brief response, please.

Mr. Owen Adams: There's no question there is large variability across regions, and I think income is probably the key factor.

People say that the health care system itself contributes about 25% and the majority is from these other determinants. It's a very common finding in major cities and other locales.

[Translation]

Mr. Raymond Côté: Thank you very much, Mr. Chair.

[English]

The Chair: Colleagues, as you see, we have a 30-minute bell. With your consent, I will push it as far as I can. We will have a bus waiting outside in about 15 or 20 minutes. We will continue with our questions, and the chair will take the next round here.

First of all, I want to follow up on Mr. Brison's comment on the Alzheimer's strategy and the motion. I appreciate all the work you've done on that. Mr. Adams, I did appreciate your follow-up from our last year's session on that.

Specifically, I want to ask Ms. Bard and perhaps Mr. Adams about the second recommendation by Ms. Bard.

Mr. Adams, the CNA is recommending authorizing nurse practitioners to provide drug samples under the signatories on the federal forms. Does your organization, or do you, have any comment on that recommendation?

Mr. Owen Adams: Essentially, this was the CNA's recommendation. I think nurse practitioners have been legislated now in every jurisdiction. The federal forms and trying to make these forms easier to fill out and easier to complete, and more understandable to work

with for patients have actually been a big preoccupation with the CNA.

It might be a case of be careful what you ask for, because they can be burdensome.

● (1815)

The Chair: Okay, you're willing to transfer the burden over.

Ms. Rachel Bard: For us, what it means is that we want to increase access for patients in terms of services. We believe that nurse practitioners are a point of entry. We would actually then help physicians address those who need their care, while nurse practitioners would be able to address some of the care.

It's really all about increasing access and removing barriers, federal legislative barriers.

The Chair: Very quickly on the Alzheimer's strategy, Ms. Bard, you're recommending that this be grouped in a more comprehensive aging strategy.

Ms. Rachel Bard: That's correct, an overall comprehensive approach.

The Chair: Again, going back to Mr. Adams, is that your preference, or are you agnostic on whether it's a separate strategy or together? What's your feeling?

Mr. Owen Adams: I think it would make sense to have the comprehensive kind of strategy that we are recommending to be part of that.

The Chair: I appreciate those comments very much.

Dr. Gauthier, in your submission, with respect to red tape reduction, you talked about the independent blue ribbon panel. You talked about the finance committee's report and its recommendations as well. You talked about some departments moving forward on some of those recommendations, and some other departments not moving forward as quickly on some of those recommendations in terms of reducing the red tape burden on charities.

I want to give you an opportunity to address that recommendation in your brief. Perhaps you could provide some examples of any departments you want to encourage us to move more quickly on in adopting those recommendations.

Dr. Michelle Gauthier: Thank you. In fact, I think what we are looking for is an all-of-government approach to this. That was underlying the blue ribbon panel and then the subsequent government action plan on this.

When I think of the work of the former HRSDC, they have a committee that's been struck and has engaged with a number of charities and other organizations to try to move forward more quickly on some of these recommendations. Some of the recommendations, obviously, also depend on the appropriate fiscal framework.

We would like to see full cost recovery. We know from the "Talking about Charities" survey that Canadians are still concerned about administrative costs and the time it's taking for charities to have to deal with red tape. Efforts to be able to ensure full cost recovery on grants, efforts, where feasible, to be able to provide three-year or multi-year funding agreements so that there can be an effort upfront to apply for the grant, and then know for a three-year period that one can move forward and get the work done in communities, become important.

I think HRSDC is one of the departments where there has been more significant work done, and we would welcome a broader strategy across the full government in that regard.

The Chair: I appreciate that. My time is quickly running out.

I just want to quickly get your feedback. You talk about Mitacs as an example of a program in which barriers should be removed. Do you have other examples you want to provide to the committee today?

Dr. Michelle Gauthier: Yes, there are a number of different programs. IRAP, the industrial research assistance program, would be one. BDC, would be another, as would the community futures program. There are a number of programs that are in place.

Our understanding is that it's not necessarily legislative change that may be required. It may be just the way the program has been conceived or explained to the program officials who are delivering it.

We feel we could work constructively with government to both heighten awareness from charities and make sure that when they're coming to the door and asking for that support that any administrative barriers are removed.

The Chair: Because it's simply an eligibility issue.

Dr. Michelle Gauthier: In some instances it is. In some instances, we'll call the program on one day and we'll have a sense there's an opening to charities, and we might call back six months later and there's not. In other instances, as in Mitacs, it's a specific change that would need to be made in the contribution agreement. Even that wouldn't require legislative change, from what I've been told.

The Chair: Thank you. I appreciate that very much. My time is up. I'll cut myself off here.

We'll go to Mr. Rankin for his round, please.

Mr. Murray Rankin: Thank you very much, Mr. Chair.

Welcome to all of the panellists.

I want to first of all ask Regional Chief Googoo a question. It's just a bit of clarification about his recommendations.

In your second recommendation, quite a startling figure appears, and I just want to make sure I've grasped it.

You indicate that the ongoing cost of the status quo in terms of lost productivity and increased support is over \$12 billion a year. Your research, and I want to ask you where this research comes from, indicates that raising graduation levels among first nations to levels comparable to the Canadian population, in general, by 2026 would lead to cumulative economic benefits of more than \$401 billion, in addition to the \$115 billion in avoided government expenditures

over the same period. Those are staggering figures, and it's really quite optimistic if that could be achieved.

What is the source of that research? Is that using Stats Canada information?

• (1820)

Mr. Morley Googoo: It's the Centre for Study on Living Standards.

Mr. Murray Rankin: I see.

Your fundamental recommendation to achieve that is stable, predictable, and fair funding for first nations education. That's where you see it. The world turns around that particular need for stable predictable funding from the federal government.

Is that right?

Chief Morley Googoo: Yes. It's important that we produce those graduation rates. It's important that we have aboriginal children be part of the economy and no longer part of poverty or dependency.

Mr. Murray Rankin: The benefits you talk about are quite staggering for the investment. In fact, you say that to bring first nations children up to the poverty line it would cost \$580 million, or 11% of the budget of the department, which presumably isn't a lot of money when you consider the enormous amount of money that's being spent.

I appreciated the research very much. Thank you for bringing it to us.

My next question is for Mr. Adams.

The seventh recommendation in your work refers to the need that I know has been identified in the past, for a program for pharmaceuticals in Canada. It's a program that, as you say, is in consultation with the provinces and others. It would be a program to establish a comprehensive prescription drug coverage program.

Again, I was struck by your research. You cite from Ipsos Reid, which showed that one in five households doesn't have supplemental insurance coverage for prescription drugs. It's 20% of the population that has to find the money and often can't do so.

Then you said that this means many people are unable to manage treatable conditions and end up in the hospital, and there's an additional cost as a result of that.

Has the CMA done any costing of such a program? Have you envisaged how it might work and how much it might cost for such a program?

Mr. Owen Adams: The model we put forward in our policy position is essentially based on the Kirby recommendation of 2002. The federal government would contribute, say, 90% of the cost above a certain threshold. I mean, most of the people at the time were talking about a figure of around \$1 billion to do something at that level. Of course, you could cap that at a threshold. I don't think you'll ever again have another open-ended cost-sharing program in that area.

That was the way we looked at it. That was essentially the model we put forward at the time, and that could probably still be obtained.

If you look at provinces like Prince Edward Island, they have just put in place a sort of plan, and New Brunswick is contemplating it, but they could still use assistance to do that, in trying to create a more level playing field.

Mr. Murray Rankin: Again, Mr. Adams, one of the things you said today was quite startling. You talked about these so-called ALC beds, alternative level of care beds, which is really that you don't know where to put them. I think you put it very well.

You mentioned that a hospital bed costs \$842 a day to fill versus \$126 for a long-term care bed. It would save Canadians \$2.3 billion if we could move these patients from hospital beds to long-term care facilities, but as you said, there's a shortage of these beds and a shortage of home-care assistance to make that possible.

If you were the federal government, specifically knowing how most health care is administered provincially, how could we do that? How could the feds incent that?

The Chair: A very brief response, please.

Mr. Owen Adams: Make health care infrastructure eligible for part of the Build Canada program is essentially our main view on that.

The Chair: Thank you, Mr. Rankin.

Mr. Saxton, final round, please.

Mr. Andrew Saxton: Thank you, Chair.

Thanks again to our witnesses for coming here today.

My first questions will be for Morley.

In your submission to the finance committee, you asked for additional funding for education and job skills training.

This past summer, I had the opportunity to go to a graduation ceremony for the B.C. Aboriginal Mine Training Association. It was a very positive event. It was the first round of graduates from this program. They are looking at increasing their income prospects from \$13,000 before the program to over \$50,000 after the program.

This is one example of something that has been very successful in British Columbia. Are you aware of this program?

•(1825)

Chief Morley Googoo: Yes, I have heard about it briefly.

Mr. Andrew Saxton: You've asked for more funding. Is that type of opportunity, something you would look for as well in your community?

Chief Morley Googoo: Yes.

I think it's important to make sure the systems and the funding also go toward elementary schools, but that is something that would absolutely be beneficial as well.

Mr. Andrew Saxton: Can you share with us other targeted areas where the federal government could help in training and education?

Chief Morley Googoo: Are you referencing reserve schools and tuition?

Mr. Andrew Saxton: It doesn't necessarily have to be on reserve. For example, the B.C. Aboriginal Mine Training Association has taken first nations youth from different first nations. I don't know if

that particular program is on reserve or not. It's probably not on reserve. This would be post-secondary.

Chief Morley Googoo: I'll give you an example from a community where my head office is. It's Waycobah First Nation. They've gone into partnership with Nova Scotia Community College and they're delivering educational services in carpentry, plumbing, and electrical. They're bringing trades on the reserve. They're teaching adult skills and trades to people who found it difficult for their families to leave. They're coming into communities.

In fact, they've turned over their old school. They just built a brand new school, and they are renovating it. Actual trainees have done the renovations in the old school. Those are successes. Those guys later on will be getting the limited jobs that are available and will be finding employment opportunities off reserve.

Mr. Andrew Saxton: When you ask for increased funding from the federal government, is that the type of program you want to employ these funds to create?

Chief Morley Googoo: Yes.

Mr. Andrew Saxton: Are there other types of programs, other industries?

Chief Morley Googoo: Not that I know of offhand. We can follow up and I can get some more information on that.

Mr. Andrew Saxton: Okay, I'd appreciate that. Thank you.

My next question is for Amanda.

You had three specific asks, and I appreciate that you focused on three. If we were to assist in that regard, how would that affect student involvement in the employment industry? How many more students do you think would be working and studying at the same time?

Ms. Amanda Nielsen: It's an interesting question.

Ultimately, our ask is about something we'd like government to do, and not something that we'd like students to do.

We know that on average students are working 18 hours a week. As costs continue to rise, that will likely continue. Things like co-op programs are really great for students, because it gives them real-world training. Our goal is to make sure that in Canada no one is punished for getting a job and having stable employment.

Right now, the Canada student loans program punishes people for working. We don't think that makes any sense. We'd like to have it changed.

Mr. Andrew Saxton: Last year you also had as one of your asks that an automobile should be ignored when it comes to student loans. I notice that's no longer on your list. Was it that you didn't have enough room for an extra ask, or—

Ms. Amanda Nielsen: We just didn't have enough room. That remains a really important issue. I grew up in Alberta, about an hour away from the U of A where I did my undergrad degree. There's no public transit in the area. It claws back your student loan. It doesn't make sense. It's still one of our asks. If that were to happen and a vehicle were to be exempted, we would be pleased.

Mr. Andrew Saxton: Thank you very much for coming today. Thank you, Chair.

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

On behalf of the committee, I want to thank all of you for coming in today, for presenting and responding to our questions. Thank you so much for participating in the pre-budget consultations.

The meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>