



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

## **Standing Committee on Finance**

---

FINA • NUMBER 110 • 1st SESSION • 42nd PARLIAMENT

---

**EVIDENCE**

**Thursday, September 28, 2017**

**Chair**

**The Honourable Wayne Easter**



## Standing Committee on Finance

Thursday, September 28, 2017

• (1535)

[English]

**The Chair (Hon. Wayne Easter (Malpeque, Lib.)):** I offer my apologies to the witnesses for starting a little late. We had a member retiring today in the House, so we stayed for remarks concerning that.

This hearing is held pursuant to Standing Order 83.1 to undertake pre-budget consultations in advance of the 2018 budget. We held hearings this morning on the tax measures. We have to keep track of what we're holding hearings on.

In any event, I want to thank everyone for coming. We thank those who were able to forward their submissions prior to the mid-August deadline on the topics and questions we had outlined for doing so. That information is on members' iPads, You may see members looking at their iPads from time to time to see the briefs.

With that, welcome again. We'll start with the Agricultural Institute of Canada and Mr. Buy, chief executive officer.

**Mr. Serge Buy (Chief Executive Officer, Agricultural Institute of Canada):** Thank you very much, Mr. Chair.

I'll start my remarks by talking about drone-monitored crops, solar-powered irrigation systems, and wireless sensors to collect data. These are all innovations that producers in Canada are using to bring food to our tables.

Canadian researchers are world leaders in areas such as bovine research, plant genomics, and many other items.

The agrifood sector was specifically identified by the federal government's Advisory Council on Economic Growth led by Dominic Barton, as one of the most promising in economic development, employment, and innovation capacity.

Perhaps the best example of Canadian agricultural innovation is canola. Developed by agricultural scientists in the 1970s, canola has grown to be one of the world's most important oilseed crops, and the most profitable commodity for Canadian farmers.

According to Agriculture and Agri-Food Canada, about half of Canadian farms adopted at least one type of innovation that significantly improved product, process, or practice between 2011 and 2013. Our agricultural innovation sector has the potential to be a key engine of economic growth and productivity.

Since 1920 the Agricultural Institute of Canada has been the voice of Canada's agricultural research and innovation sector. Our

members are the innovation takers of the agricultural sector. Whether it's precision agriculture that allows farmers to produce more food at a fraction of the cost or using plant genomics to develop climate change resistant crops, agricultural research is at the forefront.

In tandem with other initiatives, the creation of a national innovation strategy with special attention paid to strategic context in sector-specific initiatives, would help to ensure that Canadian innovative breakthroughs are appreciated across sector lines by both pure and applied researchers.

Some of the key measures we recommended deal with retraining. One of the major obstacles that Canada's agricultural sector has always had to work to overcome is labour shortages. The advent of new technology and innovation brings a new level to this existing problem. As new technology is being utilized by producers, for example, unmanned aerial systems and remotely sensed images to monitored crops, new problems and opportunities are created.

While jobs may be lost to technological advancements, an opportunity exists to retrain those individuals and transition them to have other roles related to the new technology. For example, we can offer retraining to some farmhands or other workers to transition them to operate the drones and then collect and analyze the data. By offering retraining and transition assistance, the government can help encourage farmers to utilize new technologies and ensure that qualified individuals are on hand to operate them. This helps Canada to be more productive in the short and long terms.

We have also made recommendations related to Canadian-made technology. Canada's agricultural sector provides one in eight jobs in Canada and employs over 2.3 million people. With a rapidly growing rural population and favourable global market trends, demand for Canadian agrifood products is expected to rise to at least \$75 billion by 2025.

Agricultural innovation has the potential to be a key engine of economic growth, job creation, and productivity, thus strengthening Canada's competitive position internationally. Unless we capitalize on the strong innovation potential, Canada's agricultural production will be unable to meet the world's market demand. An easy way to do this would be to help bridge the gap between academic research and its application. To move forward, we need to create a climate where researchers, innovators, and producers work together to use agricultural research to better the sector as a whole. Enhanced cross-sector collaboration will allow for the rapid adoption of made-in-Canada technology.

We need to support private sector involvement in long-term research as well. In November of last year, Vineland Research and Innovation Centre hosted a symposium to develop an automation technology strategy for Canada's horticultural sector. This is a great example of a private organization taking steps to promote innovation, and something the government should strive to see more of. Creating incentives for private investment in agricultural innovation will increase the number of companies in Canada willing to capitalize on our research capacity, and in the long term will stimulate Canada's competitiveness and productivity.

In the spring of this year, AIC brought together government officials, industry representatives, and other agricultural research stakeholders to discuss agricultural innovation in a changing environment. We heard from those groups that strong, targeted incentives and lower investment rates for innovative producers and agribusinesses are needed to support the development and usage of green technology.

• (1540)

The government's recent superclusters initiative is a good first step. Creating opportunities and attractive climates for companies to make strategic investments in long-term research will ultimately lead to those technologies being used more broadly by the sector as a whole, increasing our productivity.

In tandem with the superclusters initiative, the government should take steps to incentivize collaboration and research. The first step should be to bring agricultural researchers and other stakeholders together to set medium- and long-term objectives and a key set of priorities.

Take, for example, an agricultural researcher at the Swift Current Research and Development Centre who is working on the carbon sequestration project. He is developing a way to use plant matter, that is, straw or corn stalks, heated to a high temperature in a low-oxygen environment. The result is black carbon-rich material similar to charcoal. It helps to enrich the soil and can be used for long-term carbon sequestration. In a nutshell, this research is minimizing agriculture's impact on the environment and helping us achieve our productivity goal. More of this research needs to be enhanced through various measures, including taxation measures.

As you can see, this research touches on more than just agriculture. In that vein, we support the idea of other government departments, including Innovation, Science and Economic Development Canada, Natural Resources Canada, and Environment and Climate Change Canada, paying closer attention to agricultural research and its interrelationship with other sectors. We hope the

government will recognize the important role that agricultural research plays in more than just traditional farming.

Budgetary expenditures financing the Canadian agricultural innovation system represented 0.046% of Canada's total GDP in 2015, steadily declining over the past three decades. We recognize that the present government has reinvested some money, but more needs to be done.

Recently the Honourable Kirsty Duncan, Minister of Science, noted:

The Government of Canada is committed to investing in fundamental research and engineering that will [improve and] enrich our country's knowledge economy. We believe in encouraging scientists' cutting-edge ideas that will lead Canada to greater social and economic growth.

We agree. The AIC echoes that and believes that the time to make strategic investments to ensure a successful future for Canada's agriculture innovation sector is now. Our brief provides some examples.

Thank you very much, Mr. Chair.

**The Chair:** Thank you very much, Mr. Buy.

I'll turn to the Canadian Association of Fire Chiefs, to Mr. Block, president, and Ms. Saryeddine, executive director. Welcome to you both.

• (1545)

**Mr. Ken Block (President, Canadian Association of Fire Chiefs):** Thank you, and good afternoon.

My name is Ken Block, and it is indeed a privilege to speak to you today in my role as the president of the Canadian Association of Fire Chiefs. I also serve as the fire chief in Edmonton, Alberta, an internationally accredited fire service. I am joined at the table, as you mentioned, by CAFC's executive director, Dr. Tina Saryeddine.

We recognize that you have many groups and priorities to consider, and we thank you and your staff for both the opportunity and the effort you are making to protect Canadians across the country and at home in your ridings and provinces.

The last five years have not been easy ones for the fire service. Each region of our country has been directly affected. In Quebec, we saw the deadliest train crash since Confederation. Our colleagues in British Columbia remain in a state of emergency. My own province of Alberta suffered the largest natural disaster in our country's history, with economic costs and consequences still being felt.

What we are seeing is less about the number of fires and disasters and more about their increasing severity, impact, and socio-economic consequences on businesses and on individual Canadians. These stories make headlines, but what doesn't make the headlines is what happens post-event to victims, families, and first responders. Every disaster is a traumatic event that will affect those who experience it to their deepest core. Few firefighters in Canada are trained to deal with the mental health issues that they will encounter.

The efforts of the federal government around a post-traumatic stress injury framework, while commendable, remain a work in progress. The question is, what do we do in the meantime? We need innovative ways to increase training, access, and coverage for mental health services. This is why we support the call for a mental health innovation fund that has been on the platforms and proposals of many groups.

This is also why we are asking the federal government for funding to make the Mental Health Commission of Canada's road to mental readiness program available to every firefighter in Canada. This program was rolled out in my own department and to great effect. It's an evidence-informed approach to increasing resilience so that the impacts of traumatic events and mental health issues can be managed.

These programs cost money, and please keep in mind that the majority of fire departments across this country are volunteer. They often fundraise for the most basic of equipment, and paying for such a program is clearly out of their reach. They need help.

You also likely recall seeing the travesty of the Grenfell high-rise fire in England earlier this summer. This is the story of a building. Buildings reflect the building codes of countries, provinces, and regions. Could this happen here? Could it happen in your riding? Fires can happen anywhere.

Canada's building code system is an extraordinary, evidence-informed process. It involves stating the issue and showing the evidence for the issue and solution. Firefighters know what the issues are. They see them first-hand every day; however, experience, as real and as valuable as it is, is not the research evidence that is preferred to inform building code change. Industry and academia have a decided advantage over the fire service in advocating building code revision.

Research, while extremely valued, is not the primary purpose of a fire department. As a consequence, what we know from experience currently is not being effectively synthesized and submitted to building code amendments as research-grade evidence.

We are thus asking you to create a fire service research fund that would be directed so that what we know from experience can be explored and expressed to Canadians and policy-makers in an evidence-informed manner.

As well, unlike any other first responders, fire services in Canada rely on part-time firefighters in volunteer departments. We commend the volunteer firefighters' tax credit and cannot underscore enough the importance of maintaining such a gesture. This is the type of tax credit that recognizes people who put their own lives at risk for their communities. We ask you to protect this as you undertake any further review of tax credits.

I'd like to leave you with the following notion. Fire departments are often considered an issue of municipal jurisdiction. We in the CAFC consider the federal government as a key player in the fire services in Canada. While we have spoken today of three budget measures, there are actually over 16 national and federal policy issues spanning multiple federal departments, from transport to public safety, science to health, innovation to national defence, and foreign affairs, as well as others.

● (1550)

As an association, we recommend to you that it is time for the creation of a national fire adviser secretariat in Canada, one that can provide a data-informed, evidence-based, holistic, and integrated perspective. Other G7 countries have invested in this to great effect.

In November, my colleagues and I will be back in Ottawa to continue this conversation with all MPs about the future of the fire service in Canada.

We thank you for your time and commend you for your ongoing work.

**The Chair:** Thank you very much.

Mr. Dennis, president of the Canadian Association of Optometrists, and Ms. Clement, chief executive officer, welcome.

**Dr. Michael Dennis (President, Canadian Association of Optometrists):** Mr. Chair, good afternoon and thank you for inviting us to appear before you today. My name is Dr. Michael A. Dennis, and I am president of the Canadian Association of Optometrists. I practise in Prince George, British Columbia. I'm joined today by Laurie Clement, our chief executive officer.

[*Translation*]

**Ms. Laurie Clement (Chief Executive Officer, Canadian Association of Optometrists):** The national voice of optometry in Canada, the association represents more than 5,000 optometrists and 400 students, dedicated to collaboratively advancing the highest standard of primary eye care through the promotion of optimal vision and eye health.

Optometrists are independent, primary health care specialists who provide nearly 90% of primary eye health and vision care in Canada. They specialize in the examination, diagnosis, treatment, management and prevention of disease and disorders of the eye.

[*English*]

**Dr. Michael Dennis:** As both health care professionals and small business owners, optometrists have much to contribute toward building a vibrant and growing economy.

We know there is an emerging crisis in eye health, vision care, and rehabilitation in Canada. We also know that the reality of vision loss on productivity in Canada has a profound effect on the economy. For example, only one-third of working-age adults with vision loss are employed. According to the most recent Statistics Canada data, people living with vision impairment and loss had an unemployment rate of 13%. They also are at greater risk of social isolation and reduced community participation.

An estimated 5.5 million Canadians have vision-threatening eye conditions. The number of Canadian adults with one of the leading ocular diseases will double in the next 20 years. Age-related eye disease is skyrocketing. Data from the Public Health Agency of Canada shows that vision loss accounts for approximately 8% of the economic burden of illness in Canada.

Vision loss has the highest direct health care costs of any disease category in Canada, more than diabetes, cancer, mental disorders, respiratory disease, arthritis, or cardiovascular disease. The total cost of vision loss is expected to cost Canadians more than \$30 billion annually by 2032. However, the good news is that 75% of vision loss is preventable or treatable. Preventive primary care can make a difference.

[Translation]

**Ms. Laurie Clement:** While many Canadians have access to vision care, this is not the case for everyone. The main factors influencing timely access include public awareness, availability and regularity of services—particularly in rural, remote and indigenous communities—technological support, affordability and physical accessibility.

Enhancing public awareness about eye health is the first line of defence in reducing the risk of eye disease, avoidable vision loss and blindness. Improving Canadians' knowledge about eye health is a wise and prudent financial investment in the well-being of our population and by consequence, our economy.

[English]

**Dr. Michael Dennis:** Therefore, the Canadian Association of Optometrists recommends that the government establish a federally funded public awareness campaign addressing the importance of eye health and vision care. Nobody in Canada should be needlessly visually impaired. Those with unavoidable vision loss should be supported to achieve their full potential. Comprehensive eye care services should become an integral part of the primary health care system.

• (1555)

[Translation]

**Ms. Laurie Clement:** A made-in-Canada framework would provide an opportunity for Canada to join the WHO in recognizing eye health as a public health imperative and vision correction as one of the most cost-effective interventions in human and economic development, considered equal to immunizations in both importance and impact.

[English]

**Dr. Michael Dennis:** A framework that includes vision as part of the population health agenda would maximize health, independence,

and economic participation of its citizens. It is 2017. What are we waiting for?

The committee also invited input on how the federal measures would help Canadian business to be more productive and competitive. The association concurs with the finance minister that an economy that works for the middle class means a country that works for everybody. We agree with supporting entrepreneurs, and an innovative economy encourages competitiveness and growth. To that end, we would recommend a full and careful review of the implications of the passive investment on all private corporations, small and large.

We would further implore the government to extend the current consultation period and do a deep dive into the consequences of the proposed changes.

[Translation]

**Ms. Laurie Clement:** Thank you for the opportunity to appear before you today.

[English]

This is a reminder that October is children's vision month.

**The Chair:** Thank you to you both.

On the tax measures, you mentioned passive investments. I should have mentioned to you in the beginning that the committee has held hearings in the mornings this week. In fact, we met as a committee with Minister Morneau before question period. October 2 is the deadline for consultations with the department, but if you care to make a submission to this committee as well, you can do so. Go to this committee's website. There's a place to submit a brief there. Turn to that study. All that information will be presented to the Department of Finance come Monday, so if you want to take that opportunity, you can do so.

**Ms. Laurie Clement:**

Thank you.

**The Chair:** We will turn now to Mr. Lee and Mr. Neuheimer, with the Canadian Association of Radiologists. Welcome.

**Dr. Emil Lee (President, Canadian Association of Radiologists):** Mr. Chair and honourable members of the committee, hello and *bonjour*.

My name is Dr. Emil Lee, and this is Mr. Nicholas Neuheimer, our Canadian Association of Radiologists CEO.

I am a radiologist, a physician in the Fraser Valley, and the regional medical director of medical imaging for the Fraser Health Authority, which is the largest such health authority in B.C., serving 1.5 million Canadians. Today, I am speaking to you as the president of the Canadian Association of Radiologists, the national voice of radiologists in Canada, with over 2,500 members, and serving the entire Canadian population, 36.3 million patients.

Radiology is a key component of the health care system. We are the ones who specialize in interpreting the results of MRIs, CT scans, ultrasounds, and X-rays for patients right across Canada, in communities of all sizes. Many of us are also privileged to perform image-guided, minimally invasive surgery, from clearing clots inside our patients' brains and preventing strokes, to reconstructing blood flow to patients' legs to allow them to walk pain-free once again.

During the next five minutes I will speak about four points: one, the need for a new medical imaging equipment fund; two, enhancing referrals; three, incorporating artificial intelligence; and four, the unintended consequences of the proposed small business tax changes.

This will address the committee's call to improve productivity in the Canadian economy. The Conference Board of Canada reported that diagnostic imaging adds significant value to the health care system by reducing treatment costs down the road, but there is a lot of room for improvement. This year The Commonwealth Fund ranked Canada ninth out of 11 OECD nations studied, which brings me to our first recommendation, to invest \$612 million to ensure that medical imaging equipment in Canada meets the standards that our patients deserve.

Canadian family practitioners reported that 40% of their patients have experienced difficulty accessing timely, specialized diagnostic imaging tests. That is double the current international average. While these patients wait, they are not productive. In 2004, the previous federal government invested \$2.5 billion to support the purchase of equipment. Today, many of the machines we have are outdated. New equipment emits less radiation and provides better, higher resolution images.

Our second recommendation asks for \$9 million over three years to fund projects to enhance and integrate electronic referrals. This investment in clinical decision support systems would help family practitioners and other referring physicians to request the most appropriate test for every patient, to reduce waste and ensure quality care. There are projects under way at St. Michael's Hospital in Toronto, as well as in Saskatoon, and on Vancouver Island, which we believe will show the value and effectiveness of e-referrals.

Third, we are seeking an investment of \$10.5 million over three years to implement the use of artificial intelligence in imaging. In the 2017 federal budget, the government committed funds for the pan-Canadian artificial intelligence strategy. This is a great first step. We are recommending the development of a pan-Canadian AI research network in imaging. This type of innovative investment would have a great impact on Canadian patients and their productivity in the years to come.

Last, there is the tax issue. The government's proposed changes to the small business tax structure would have a significant negative

impact on radiology and medicine. We have heard from and met with many patients, members, and members of Parliament who have voiced their concerns, especially the chair. Thank you, Mr. Chair.

Here are some facts. The majority of physicians—66%, or 54,000—own and operate a small business corporation. In 2016, physician offices paid \$6.2 billion in wages and salaries, employed 137,000 people, and contributed \$643 million in tax revenues to governments. Unlike salaried employees, physicians pay for their own medical coverage, maternity leave, and extended health benefits, and must entirely fund their own pensions.

In a recent survey of New Brunswick physicians, 82% said they would consider scaling back their practice or reducing hours if these proposals go forward. I am worried. We are small business owners. These changes could negatively impact health services across Canada, particularly in rural and remote regions. We are asking that the government reconsider the proposals, or at the very least, extend the time frame for comment and consultation on these proposals.

• (1600)

In conclusion, we are asking for: one, a new medical imaging equipment fund; two, investment and leadership to enhance e-referrals; three, the thoughtful deployment and integration of artificial intelligence in health care; and four, reconsideration of the proposed small business tax changes.

[*Translation*]

Thank you for your time and for inviting us to speak.

[*English*]

Thank you for your attention. I look forward to your questions.

**The Chair:** Thank you very much, Dr. Lee.

I have the same point, especially on the last two pages. I suggest you go to tax planning using private corporations and submit your thoughts.

**Dr. Emil Lee:** We will.

**The Chair:** Thank you for that.

Now we have the Canadian Association for Graduate Studies, Ms. Brouwer and Ms. Rutherford.

**Dr. Brenda Brouwer (President, Canadian Association for Graduate Studies):** Good afternoon, Mr. Chair, and members of the committee. Thank you for the opportunity to address you today.

My name is Brenda Brouwer. I am vice-provost and dean of the school of graduate studies at Queen's University, and president of the Canadian Association for Graduate Studies. It is in this latter capacity that I am here this afternoon, along with our executive director, Sally Rutherford.

I'll begin by telling you a bit about the Canadian Association for Graduate Studies, or CAGS, and the tremendous value proposition that is graduate studies for enhancing Canada's prosperity, productivity, and global engagement. CAGS consists of nearly 60 post-secondary member institutions from across the country dedicated to advancing excellence in graduate education, research, and scholarship to support the formation of highly trained and skilled individuals who contribute to the health, wellness, and advancement of societies in Canada and globally.

We work in partnership with regional, provincial, and federal agencies, including the tri-council granting agencies, to support graduate education as an essential resource underpinning Canada's capacity to become a more economically and socially robust country.

The value of a graduate education extends far beyond the increased earning power of graduates, and thus higher taxable income. It lies in the intellectual capacity, critical and analytical thinking, and hands-on research capability that are cultivated to be applied and mobilized in all sectors of the Canadian economy.

Canada has considerable raw talent in our highly qualified personnel. Canada must do better in supporting them, leveraging their discoveries, and enabling them to effect positive change from which we all stand to benefit.

This leads to several of CAGS' recommendations to this committee. I'll highlight some of them today.

The first is continued investment in fundamental research through the tri-council agencies. Supporting investigator-led research is critical for the pipeline of innovation and discovery, and next-generation researchers. Such research creates opportunities for graduate students to conduct impactful, high-yield research with future commercial value, societal value, and global reach. CAGS echoes post-secondary support to the recommendations of the fundamental science review, chaired by David Naylor and including Queen's Nobel laureate, Dr. Art McDonald.

Funding for the tri-councils has not kept up with inflation or the growing demand to support research, innovation, and discovery. CAGS urges the committee to support the science review's recommendation for an increase of \$485 million over four years to address the cumulative underfunding developed over the past years.

Canada must be outwardly focused. Our discoveries, products, and technologies have implications beyond our borders, and our efforts must be enlightened by multiple perspectives, ideas, cultures, and practices to garner global recognition and leadership, yet existing policies and practices restrict our talent pool.

The tri-council's Canada graduate scholarships program is restricted to Canadian applicants. We want to attract the best talent, period, regardless of citizenship. The number of scholarships has been static since 2007, despite a 30% increase in graduate enrolment, and their value remains unchanged since 2003. We need to be

competitive to attract the best and make graduate study accessible. We must cast a wide net to ensure that diversity and inclusivity of thought, culture, and experience enrich the graduate experience, promoting ideation, innovation, and inspiration that can be transformative.

CAGS strongly advocates for new investment in the Canadian graduate scholarships program to increase the number of awards and their value, and we urge revision of the eligibility criteria to include international students.

Worth noting is that over 30% of Ph.D. students studying in Canada are international students, about half of whom desire to stay in Canada, contributing directly to our economy, and all strengthen international ties and collaborations.

CAGS recommends that the federal government provide new funds for robust programs to assist Canadian graduate students to gain international experience through research and study abroad. Current imbalances in scholarship support limit the number of outbound Canadian students relative to inbound international students. We need to graduate global citizens who can navigate global economies and communities. Investing in programs that enable student mobility stands to garner high return for Canada.

Access to graduate education is a priority. CAGS believes that pathways and resources must be in place to enable disadvantaged and under-represented groups access university and graduate studies.



•(1605)

We support the Naylor report recommendation that the tri-councils collaborate on a comprehensive plan to promote and provide support for indigenous research with the goal of enhancing research and training by and with indigenous researchers and communities.

Canadian universities graduate over 7,100 Ph.D. candidates annually, each of whom has completed original research, acquired specialized knowledge, and a broad range of transferable skills. Enabling graduate students to incorporate experiential learning into their programs catalyzes collaborations and partnerships, and stimulates job creation, product development, and social innovations that benefit companies, organizations, and communities. The expansion and added investment into the Mitacs accelerate program beyond STEM, bringing in not-for-profits and the federal government, has been very welcome. The uptake beyond STEM, however, is limited due to the investment requirement from the partner. CAGS encourages the government to address the barriers to non-STEM partner receptivity to fully mobilize graduate student capacity and knowledge to all sectors and incorporate research and development into the labour market broadly to maximize opportunity and return.

Finally, we encourage the government to champion the labour market information initiative. Graduate students, potential employers, and the broader Canadian economy will all benefit from labour market information that is accurate, valid, regionally responsive, accessible, and timely.

Mr. Chair, on behalf of the Canadian Association of Graduate Studies, thank you for the opportunity to speak, and we look forward to questions.

•(1610)

**The Chair:** Thank you for your presentation.

Turning to the Canadian Federation of Students, we have Ms. Kiddell.

**Ms. Charlotte Kiddell (National Deputy Chairperson, Canadian Federation of Students):** Thank you, Mr. Chair. Good afternoon, members of the committee.

My name is Charlotte Kiddell, and I am the deputy chairperson of the Canadian Federation of Students. The federation is Canada's largest and oldest national student organization, representing over 650,000 post-secondary students from coast to coast. I appreciate the opportunity to be here today.

You have asked the federation to comment on federal budget measures to help Canadians and the Canadian economy. To us, the evidence is clear: major investments in post-secondary education are needed for both.

Decades of austerity budgeting and piecemeal reforms in post-secondary education have hurt students, their families, businesses, the economy, and our society as a whole. It's time to think big.

Of course, there is some good news. Canada has one of the highest rates of post-secondary participation in the world. That's welcome, given that 70% of new jobs in the Canadian economy require some form of post-secondary training. As well, we just heard from the Canadian Association for Graduate Studies on the social benefits of

higher education. The problem is who is currently accessing post-secondary education.

The steep costs associated with post-secondary training and the impact of decades of federal funding cuts mean that post-secondary education is increasingly inaccessible to low- and middle-income earners and their families. Those hurt most by this crisis in post-secondary education are already marginalized groups—women, indigenous peoples, racialized communities, people with disabilities, single parents, LGBTQ+ people, and so on. As the social determinants of health literature tell us, greater debt intensifies existing inequalities.

In 1996, a 20% cut was made to federal transfers to post-secondary education, the largest federal funding cut to PSE in Canada's history. That has led to massive increases in tuition and student debt. Tuition revenues to post-secondary institutions have tripled in the last 15 years alone.

Today, three semesters of studying aircraft maintenance at Seneca College, for example, costs \$18,000 for domestic students and \$71,000 for international students. Tuition at McMaster University's medical school is now \$26,000 per year for domestic students and \$97,000 for international students. These are local examples that have fuelled historic levels of student debt, measured at \$28 billion in 2012, and increasing by \$1 million every day.

This isn't hurting only individual students and their families. High student debt also hurts our society as a whole, which now suffers from a serious household debt crisis. On average, Canadians hold a debt level that equals 171% of their annual income.

The federal government says it has taken steps to address this problem. Canada student grants were increased by 50% in 2016, and a \$90-million investment was made to the post-secondary student support program for indigenous learners last year. Both investments students had called for and welcomed.

These measures won't address the gaping hole cut in the system two decades ago. They won't stop rising tuition and student debt, and they won't meaningfully increase access to post-secondary education. In fact, after the federal government cancelled education tax credits and increased Canada student grants in 2016, it will spend \$3 billion less on post-secondary education over the next five years, while student debt continues to rise.

We say enough is enough. It's time for renewal in post-secondary education.

That is why, in our pre-budget submission, we support restoring core funding for institutions and eliminating tuition fees for all students studying in Canada, in all programs. An ongoing investment of \$9.1 billion would make this happen. That is why we support dedicating \$10 million from the aboriginal languages initiative to ensure the instruction of indigenous languages on campus. That is why we support the findings of the Naylor report and its call to invest \$1.3 billion in basic investigator-led research by 2022. That is why we are calling for a \$300-million investment over two years dedicated to improving on-campus mental health services.

Members of the committee, thank you again for having me here today. I look forward to your questions.

•(1615)

**The Chair:** Thank you very much, Charlotte.

From the Northern Air Transport Association, we welcome Mr. Priestley, executive director.

**Mr. Glenn Priestley (Executive Director, Northern Air Transport Association):** Thank you, Mr Chair.

Thank you to the committee and to the staff, as well as my colleagues here today. It was most interesting listening to the passion of everybody.

NATA represents northern remote operations across Canada in these important pre-budget discussions. We previously submitted a briefing note to the committee with NATA's 2017 resolutions, identifying infrastructure issues, funding issues, as well as funding solutions. We have also identified regulatory issues that would increase the cost of federally funded programs, such as health programs and sovereignty support flights.

The Northern Air Transport Association was formed just over 40 years ago with a mandate to help in the economic development of northern Canada by providing safe, reliable, and sustainable air transport support. NATA membership is representative of all aspects of northern remote air operations, including scheduled passenger and cargo service, air taxi operations, helicopters, and specialized operations, including internationally renowned medevac capabilities.

For today, Mr. Chair, NATA was asked to provide input on two specific questions, and we welcome this opportunity.

In regard to what federal measures would help Canadians be more productive, I polled my directors overnight and received several responses that focused on the need for a well-trained workforce and indeed a strategy to attract a replacement workforce. NATA's chair of its skills development committee offered the following quote:

The most critical thing is training. I believe that training for the commercial licence and above, i.e. Multi engine rating and Instrument flying rating have tax rebates for the student. Maybe it is time to bring back the incentive on top of the rebate, as there was back in the 1950's and 60's whereby students who completed their training also received a 'bonus' from the government. In the day it was to have a base of pilots ready to join the RCAF if necessary, but I think that it could be an idea to help defray the huge costs to the candidate, before they can even start applying for a job.

In 1970, when I obtained my private licence, I got \$100 back from the federal government, which I used towards the night rating. My

private licence cost me \$990. Up until 1990, private pilot training was tax exempt through the Excise Tax Act, but this exemption was removed because it was considered a recreational activity. By the way, a PPL, private pilot licence, today costs about \$9,000, and there are no enrolment or graduation benefits. This has resulted in a reduction of student starts, which also means fewer pilots progressing to commercial pilot training. This has led to a skilled labour shortage in Canada that extends to flight crew as well as maintainers. There is a simple solution to this problem: reinstate a tuition tax exemption and a graduation rebate upon completion of commercial pilot training.

There needs to be a better program that provides employers with incentives to hire graduates and provide a comprehensive training program. For instance, in 1982, back when I had hair and was a lot taller, there was a pilot shortage. Canada Manpower at the time provided funding to upgrade my flight crews with multi-engine and instrument flying training.

The industry has developed some very innovative programs such as Air Inuit's Sparrow program to attract northern youth, which has resulted in the successful development of over a dozen Inuit flight crews. There needs to be more skills development funding opportunities that are aviation-focused with aboriginal and northern outreach for the future workforce.

In closing off on question number one, I think the following comment from one of my other board members is important: "I think it is important that the federal government understand the critical nature of the pending pilot shortage." We are now parking airplanes in Canada. "This shortage will impact all Canadians as air transport has become a critical aspect", a norm to life, "to all Canadians."

The federal job grant is capped at \$10,000. We think there's a good opportunity to increase that to help employers get the biomass of the workforce back.

This ties to the second question, Mr. Chair. What federal measures would help Canadian businesses to be more productive and competitive?

NATA's response is the lack of airport infrastructure. According to the Office of the Auditor General's report on Transport Canada's northern infrastructure strategy "Civil Aviation Infrastructure in the North—Transport Canada", only about half of the 117 airports listed have adequate navigational runway lighting and length compared to southern Canadian airports. Only 10 have hard-surface runways. I'll come back to that in a minute regarding innovation. This causes aviation safety issues as well as service delivery issues, which can also impact society system safety overall. For example, if an air operator cannot get in or out of an airport while trying to deliver an essential service, such as a medevac, this causes undue stress on the whole system, including the air operator, the health providers, and the family.

What recently happened just last week in Rankin Inlet, Nunavut, is a good example of the need for better northern infrastructure support, both in runway construction and passenger support. We also provided a solution in our submission of the use of the airport rent. A flight scheduled from Rankin Inlet to Arviat was unable to depart due to inclement weather in Arviat. It happened on September 19, and stranded 15 passengers. By the time the passengers deplaned and boarded a smaller craft, because the 737s used to fly out of Winnipeg to Rankin Inlet are not able to land on Arviat's short gravel landing strip, the weather made landing impossible.

● (1620)

The operator started to make phone calls and realized that the hotels—all three of them—were booked up, adding that the airline would have paid for the hotel rooms had they been available. Blankets and pillows were distributed to make people as comfortable as possible for the night given the circumstances, and staff came in at about 5:00 a.m. to give passengers taxi vouchers and meal vouchers so that they could get into town and have breakfast. They got them into Arviat that morning.

It was good work by the air operator. However, as was published in the report of the Canada Transportation Act review, the predominant material used in airstrips in the territories is compacted gravel. The only jet aircrafts in service that can use these airstrips are Boeing 737-200s—the latest 737s are 900s—which are between 25 and 45 years old and are no longer manufactured. There are no new 737s that can land on gravel.

Most northern airports are not capable of accommodating jet aircrafts. This requires the use of aircrafts that are smaller and have less payload capability, which in turn contributes to the higher cost of living in remote communities.

The federal government needs to implement a new northern and remote airport infrastructure investment program to deal with the airport infrastructure deficits in the territories and in remote airports in the provincial north. Like ACAP, this program would include airport infrastructure improvements such as paving, not just maintenance.

NATA supports this recommendation, with the caveat that flexibility is needed in the application of current standards such as

the "Aerodromes Standards and Recommended Practices (TP 312) 5th Edition", which requires that all airports meet the standard before any funding is given. However, half the airports were built so long ago that we can't move the facilities, so they can't get access to funding. It seems like a nasty catch-22.

In closing, and I have to give thanks again to Mr. McLeod, on August 27, 2017, in Yellowknife, Minister Marc Garneau announced the national trade corridors fund, with a request that expressions of interest be submitted by September 5.

NATA submitted an expression of interest to this fund, which we hope will provide support for a test project of runway surfaces that have a performance rating equivalent to that of asphalt, with fewer of the the negative operational aspects associated with building paved runways in northern and remote locations. These negative aspects, such as locating the paving equipment on site, and the ongoing maintenance, now include the real climatic changes that are impacting the permafrost, which doesn't help because runways are black and therefore attract more sunlight. It's an ongoing problem.

In closing, NATA encourages the finance committee to meet with northern stakeholders with a more formal regular forum to address the aviation transportation needs of northern and remote communities. We would be prepared to provide a comprehensive brief to the committee if it is helpful in recognizing the northern operational realities and funding priorities.

Thank you very much.

**The Chair:** Thank you very much, Glenn.

As you said, it is interesting listening to the other panellists. That's what a lot of panellists tell us when we go across the country. When there's a mixture, it's interesting to hear what others have to say, but I think you can also see the difficulty the Minister of Finance has in coming to decisions.

Thank you for all the presentations. We'll start five-minute rounds with Mr. McLeod.

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

Thank you to all the presenters here today. They were very interesting presentations. Of course I'm very interested in NATA's presentation.

I want to tell you a little story about when I was travelling in the riding.

I went into the small, isolated community of Déline. The plane I was on had 18 seats, I think, and it was only half full as we went into the community. Then we landed, and I had my meetings in the community. The next day, I was scheduled to leave, and the airport was full. Before my plane arrived, people were asking, "Do you want to give up your seat? I need to get out. I need to travel." When we got on the plane, though, there were only nine of us because the weight restrictions and runway length required the plane to fly at only half-load. The cost to the plane didn't change; we just had to pay a little more. That's the same with freight. The planes are coming in with half loads, and the cost of the freight is incorporated into the the overall cost for the plane. That really adds to the cost of living in these communities.

As we move forward in trying to improve the nutrition north program, one of the biggest factors that we should look at is changing the runway lengths. We're not going to be able to do that through the territorial government's funding because they have already said that they're tapped out.

You talked about an airport capital assistance program. The Emerson report has recommended that also. Could you explain to the committee how the creation of a northern airport capital assistance program could improve productivity and quality of life in the north, and more specifically in the Northwest Territories?

• (1625)

**Mr. Glenn Priestley:** I can. Thank you very much for that question.

We mentioned the number of airports that have lighting issues. We have airports in the north that do not have.... There are a lot of places that are very dark, and as an old pilot, I can tell you, there's nothing like seeing those two lines of lights. When you have only one, and half of them are out.... It has now been 10 years that they've been waiting for ACAP funding. There has to be a better way.

Another example—and I'm sorry—is Dawson. It has been waiting for a long time to get paved. The company that flies in there is very lucrative. It flies a lot of people. Because Dawson has been grandfathered to an old standard, it's allowed to operate. The terminal buildings in many of the airports are too close. We need to have flexibility in the standard because you can't pave Dawson until what's called the transitional slope is separated. It's a technicality that's easy to fix, but again what it does is it delays us from getting an airport runway paved.

When we take off out of Cambridge Bay and we're flying to Gjoa Haven to pick up a medevac patient to fly them into Yellowknife, that's not the time for the lights in Gjoa Haven not to work. That kind of stuff happens. You may say, "Well that's okay. We just don't go," but then there's a patient on the ground whose safety is now threatened. That concerns us.

**Mr. Michael McLeod:** If we had roads, we probably wouldn't have the seriousness of challenges we have in our communities with airplanes. Most communities are using medevacs for ambulance. Air ambulance is the only system we have in most of those communities. We know that the cost of building roads is very high in the north. We are really pushing hard to try to get some of the roads connected, and if we're lucky, we may see some investment. We have seen some already, but we need to see more. For sure, we're not going to be able to connect all of the communities. A cheaper option is to extend the runways, to pave them, and to bring them up to a standard where we can bring in the bigger planes.

Do you have any idea, any estimated dollar amount of the cost to address the northern aviation infrastructure deficit?

**Mr. Glenn Priestley:** I don't have those numbers here, but Minister Garneau set aside \$400 million for the corridor fund, spread over 10 years. The total for Nunavut alone is approaching \$1 billion.

Mr. McLeod, I think the example of Colville Lake is a good one. Perhaps this committee could consider what my colleague from the students' association suggested in the provision of increased funding for the students. For \$12.5 million, Colville Lake built a beautiful

airport, and they did it by using the local college's construction students. They were getting on-the-job training. To their credit, they got real job experience. I share that with you as an example of how we can get things working better.

**Mr. Michael McLeod:** I'm very familiar with that. I was the minister of transportation when we did that.

**Mr. Glenn Priestley:** Good job.

**The Chair:** Are you two in cahoots, or what?

Now, Mr. Kelly, you have five minutes.

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

First of all, I would like to let Dr. Lee have an opportunity to expand on some of the points he made.

One of your key asks here today is the reconsideration of the proposed changes to Canadian-controlled private corporations. You talked about the need for extended consultation. I think that many of us are aware that this is a transformative tax change, perhaps the greatest in over 40 years, condensed into a 75-day consultation, most of which occurred both during the summer months and when Parliament was not in session.

If I understood you correctly, you mentioned that in New Brunswick 82% of physicians have said that they would curtail hours, reduce work, or otherwise not continue to offer additional service. Do you have similar data from any other provinces?

• (1630)

**Dr. Emil Lee:** We don't have data per se. New Brunswickers, being Atlantic Canadians, were the most enthusiastic of those who reacted to this, and we have the best data from them because of their enthusiasm around this, and their concern. As well, probably because of the nature of that province and the need for rural physicians, they were particularly concerned.

Really, the concerns centre around our ability to retain and recruit rural physicians, to make sure that our younger physicians, the residents who are coming up through the system, feel that they are welcome and that they can replace those of us who are nearing retirement in our system.

We have an example of a resident from Canada who went down to the United States to do a fellowship, who is \$300,000 in debt and wrote to us saying, "I was planning on coming back to Canada; however, given the uncertainty of the tax changes, I may make a different decision and stay in the United States." That's just one example.

We also are worried about the ability of our single-parent physicians, for example, who have constructed their lives and their businesses in order to fund their small business. They've also set some aside for their family. Their ability to make that balance work may be significantly changed by this.

What we are saying is that the reaction has been loud and very clear, and not just from physicians. The main thrust is that the entire small business community in Canada has said this is a significant change—as you have said, perhaps the biggest change in 40 years—and we need more time than 75 days.

I speak for certainly our association and everyone at that small business table who says, “We are more than willing to look at tax measures, working in a constructive way”, in much the same way that all of our asks today are constructive, saying that we are willing to work together. Just because we're opposed on one issue does not mean we don't want to work together, but the time is so short that we feel we need to extend that time so we can have more deliberations.

**Mr. Pat Kelly:** I have attended stakeholder meetings and round tables in Nova Scotia and heard many of exactly the same concerns you're bringing forward from New Brunswick: the concern about rural communities and the difficulties in attracting physicians.

Many of the loudest concerns we've heard have been about family practices in small communities and the challenges in retaining those positions. But you represent a group of specialists. How do you see these proposals affecting the specialists, because in the larger centres what we hear, or what I have heard from my own constituents as well as from some who have attended round tables in Calgary, is that people are used to having access to top-quality specialists. Many specialists have expressed other challenges as well, both to me and to others.

Can you give us the perspective of medical specialists?

**Dr. Emil Lee:** I can give you a concrete example.

One of my colleagues, the chair of our board, is in Saskatoon. Their group was in the process of signing a lease—they were almost there—on a clinic they were going to open to treat a number of patients from Saskatchewan. The minute this came out, they said, “No, we cannot sign this.” They pulled out of that and did not open the clinic. They said, “Although there is definitely a need for that, we do not know if we will have the necessary resources in order to man that clinic and treat our patients.” That was a direct result of the proposal.

If you write that large across the country, there is certainly an impact on the productivity of Canadians in the health care sector.

•(1635)

**The Chair:** Thank you.

We're out of time on that, but I have a question related to extending the consultations. I know that's on the other topic, but I've been saying, “Look, finish the consultations. A lot of people have been heard.”

You mentioned uncertainty. I'm worried it's that uncertainty and not having the clarity of where the government is going to go that is also a huge problem. What is your view on that?

I really hear it from the farm sector as well. They're at harvest, but I think their voices have been pretty loud and clear.

Is it time to bring clarity to the decision on where the government is going, rather than leaving this uncertainty out there?

**Dr. Emil Lee:** If the government were to listen to the small business sector and say, “Yes, we will engage We recognize that there are potential unforeseen circumstances and unintended consequences to this policy. We will not impose something that could have those consequences right now. We will enter into a consultation period,” that would bring a great deal more certainty.

Although we don't know exactly where those changes would be, the small business community would feel that the government is listening and hears our concerns, and we'd be more than willing to participate and help.

**The Chair:** Thank you for that.

Mr. Weir, for five minutes.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Thanks very much. I'll continue with Dr. Lee.

Could you tell us what the average income of a radiologist in Canada is?

**Dr. Emil Lee:** It varies from circumstance to circumstance, and we don't have statistics per se on what the income of a radiologist is, but depending on your jurisdiction and the nature of your work, it will vary. What tends to happen is that radiologists will operate in groups. Because each of us has particular sub-specialty expertise—mine is in interventional radiology, which is why I ended up talking about that—we spread out so that.... Because of the nature of billing, sometimes that varies, so we try to even those out.

**Mr. Erin Weir:** Sure. So I guess my question would be: do you think that an incorporated radiologist making \$250,000 per year deserves to pay less tax than an unincorporated radiologist earning the same income?

**Dr. Emil Lee:** We need to actually extend that out from the perspective of the individual circumstances of each of those radiologists. It may be that the incorporated radiologists have taken on more risk, for example. They have taken out leases, mortgaged their houses, mortgaged their resources in order to buy clinics and buy more equipment, whereas the other one has not.

**Mr. Erin Weir:** Is it possible for a radiologist who doesn't have a clinic but works out of a hospital to incorporate their practice?

**Dr. Emil Lee:** That's a very good question. I believe that in certain circumstances—and it depends on the province you're in—that is possible, but I am not a tax accountant nor a lawyer, so I would not pretend to have a definitive answer on that.

**Mr. Erin Weir:** Okay, because it seems to me that if you had two people doing essentially the same work and earning the same income, you'd expect them to pay the same amount of tax, whether or not they're incorporated. Does that sound reasonable?

**Dr. Emil Lee:** It's difficult to compare one to the other because the nature of what we do is so different. Some radiologists will take on risk because they have private clinics, for example, or they'll take on additional equipment. Others may not. It's difficult for me to say definitively yes, because to some extent you're comparing an apple and an orange, and it would be unfair of me to do that.

**Mr. Erin Weir:** Sure. You mentioned the fact that physicians don't have pensions or health benefits, and you were using that as an argument for these tax advantages that aren't available to the vast majority of Canadians for whom incorporation is not an option. Might a better solution be to pay physicians a salary that includes pensions and health benefits?

**Dr. Emil Lee:** It would be beyond my pay grade to suggest that I have the solution to the nature of physician pay, but I can say, as a physician and as a small business owner, that our community would be more than willing to interact with the government to talk about all of the different options on the table, rather than just the few we have in front of us.

• (1640)

**The Chair:** I'd like to say, Erin, as well, that it would be great if we could get back to the pre-budget aspect of this hearing. We've heard a lot on the tax measures, but the floor is yours.

**Mr. Erin Weir:** I'm asking questions about the testimony I heard and the responses to questions from a previous MP. I realize, though, that time is of the essence, and I'm wondering if you could give me an update on where the clock sits.

**The Chair:** You're okay for another two minutes, because I took 30 seconds from you.

**Mr. Erin Weir:** Thanks so much. I really appreciate that.

Of course, the history of medicare in Canada is that the original vision was for physicians to be paid a salary, which would include pensions and other benefits, like other public employees. It was the Canadian Medical Association that fought tooth and nail against that, in favour of fee-for-service compensation.

Do you see that as the best model, or do you actually think it would be better if physicians had pensions and health benefits?

**Dr. Emil Lee:** I think the overall circumstance of health care in Canada is complex, so it would not be appropriate for me to say yes or no to that question because I'm certainly not an expert in that nature of health policy. What I can say is that, given the totality of what we're dealing with, I think this would certainly be something that might enter further discussions. Obviously, that would involve the federal government, the provinces, and physicians.

Certainly, what we're talking about here and what we're saying is that this one particular tax policy is something that we have major concerns about. This isn't necessarily something that would make a vast, humongous change to the rest of health care; again, we're talking about unforeseen circumstances and possible unforeseen deleterious effects on the health care system from a massive policy change. I certainly would not feel comfortable saying, "Yes, let's go there." I can't do that.

**Mr. Erin Weir:** In your testimony, you suggested more government funding to help purchase diagnostic equipment, which strikes me as a very reasonable request. We certainly want the best possible equipment for Canadian health care, but it seems that a large part of your justification for physicians incorporating is that they need to buy this equipment themselves. I'm wondering how you reconcile those two points.

**Dr. Emil Lee:** We do talk about the equipment purchases. The vast majority of clinics that radiologists own outside of a hospital system have X-ray and ultrasound machines, and certainly that is a part of the process that they need to do. It's part of the incorporation process to do that.

What we're actually talking about, mainly, are CT and MRI machines, the vast majority of which are in the public system. In my province, certainly, the vast majority of CT machines are in public

institutions. In fact, a patient is specifically prohibited from having a private CT for a medically indicated service.

**The Chair:** Mr. Grewal.

**Mr. Raj Grewal (Brampton East, Lib.):** Thank you, Mr. Chair, and thanks to our witnesses for testifying.

Mr. Lee, you belong on this side of the table. You're very good at not answering the question directly, but Mr. Weir gave it a pretty good shot.

This morning the CMA said that 66% of their members are incorporated and that the average revenue of each incorporation was \$396,000. Does your association not collect information on how much an average radiologist makes?

**Dr. Emil Lee:** Our association does not collect information on what our members make. The purview of the Canadian Association of Radiologists is not actually towards income per se, because that's mainly a provincial jurisdiction. We don't dive into the fee-for-service environment, per se. We do know, as the CMA has said, that the CIHI data says that's what the average is. I understand that.

**Mr. Raj Grewal:** Thank you, Mr. Lee.

To the Canadian Association of Fire Chiefs, thank you for your testimony. You've said that a majority of your fire crews in the country are still volunteers. How does that model work?

• (1645)

**Mr. Ken Block:** It works quite well, and yes, absolutely, the majority of the fire service in Canada is based on volunteers. Volunteers are about 80% of the fire service. The way the population in Canada is dispersed, there are an awful lot of rural areas with smaller populations, and they just don't have the economies of scale to support a full-time fire service.

**Mr. Raj Grewal:** How is recruitment going?

**Mr. Ken Block:** Speaking in terms of the volunteers, that is by far the number one challenge, or barrier, if you will: attracting and retention of volunteers. This is not a job for the faint of heart. Quite frankly, it takes an awful lot of dedication and time. There is a constant turnover. I can tell you that for chiefs of volunteer departments across the country that's probably their number one priority.

**Mr. Raj Grewal:** How about recruitment for general fire departments? In Brampton, I've met with the fire chief a few times and have gone out to the different fire stations. They're having trouble with diversity in terms of their recruitment, and they're having trouble with recruitment in general in terms of trying to convince younger Canadians to join the profession. How is it across the country?

**Mr. Ken Block:** It varies. I can talk about Edmonton briefly, based on my experience as chief there for the last nine years. We don't have a problem in attracting folks. We do have a diversity challenge, and we're addressing that through outreach. We're trying to create an awareness in the diverse communities of the great opportunities in this profession and to make the folks in those diverse communities aware of how to prepare themselves to compete to get on the job.

As an example, Edmonton would get about 1,500 qualified applicants per year. Of that 1,500, we would place between 80 and 100 folks on a hiring roster, if you will.

**Mr. Raj Grewal:** Thank you so much for your answers.

Charlotte, thanks for your testimony. I have a soft spot in my heart for students because I still carry student debt—

**Voices:** Oh, oh!

**Mr. Raj Grewal:** —so every time I hear from the Canadian Federation of Students, it brings back many memories.

You're advocating for free tuition across the country. I want to ask you a question. What percentage of student debt is defaulted on?

**Ms. Charlotte Kiddell:** Pardon me?

**Mr. Raj Grewal:** What percentage of student debt is defaulted on? What percentage of students cannot afford to make their student loan payments?

**Ms. Charlotte Kiddell:** I don't have that number in front of me, and I'm very embarrassed about that. I'm sorry.

**Mr. Raj Grewal:** That's okay.

**Ms. Charlotte Kiddell:** What I can say is that with the changes made to the repayment assistance plan, which say that you don't have to start paying back your student loan until you're making \$25,000 a year—that is still, I will mention, well below the poverty line—I believe that a third of folks holding Canada student loans qualify for that program, which is an alarming number, in my opinion.

**Mr. Raj Grewal:** Okay. A humble suggestion would be to figure out what that number is, what the percentage is of students who are defaulting on their student loans, because it will strengthen your argument to say that a lot of Canadians aren't able to make their student loan payments as they're currently set up.

One thing I never fully appreciated is that we live in a country of equality, except that if you're born in Quebec and go to university in Quebec, the undergrad tuition is much lower than if you go to university in Ontario. I want to get your feedback.

**An hon. member:** [*Inaudible—Editor*]

**Mr. Raj Grewal:** Oh, my colleague from Quebec is saying that Quebec is a better province, but that's a debate for another day.

I want to get your comments on how you think the federal government, even though this is a provincial jurisdiction, can play a better role on equalizing it across the country, because that just seems inherently unfair to me.

**Ms. Charlotte Kiddell:** Absolutely, and thank you. I also will mention that our lobby document is available online and can be consulted for more exact numbers.

Canada is the only OECD country without some form of national or federal oversight of post-secondary education. What we recommend in our lobby document is a national post-secondary education act. It would be modelled after the Canada Health Act, which is something, I would say, that we're very proud of in this nation. That would prevent this provincial discrepancy.

I study in Nova Scotia, which sees the second highest and fastest rising tuition in the country because the provincial government there has deregulated fees. That was made possible by a lack of federal oversight.

What we would like to see is a restoration of dedicated federal funding transfers to post-secondary education, as were employed successfully before 1996, and to have those transfers governed by a national post-secondary education act.

• (1650)

**Mr. Raj Grewal:** Thank you.

I have one quick question.

**The Chair:** No.

**Mr. Raj Grewal:** It's for kids.

**The Chair:** You are a minute over, by far.

Mr. Albas.

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Thank you, Mr. Chair, and thank you to all our witnesses.

There is quite a potpourri of different policy advice here for the federal government to consider. I appreciate every bit of it.

I'm going to start with you, Mr. Priestley. You sent in a briefing note to this committee. I thought you were pretty clear in your presentation here, but I found that you really didn't touch very much on the flight and duty rules that have been gazetted.

In my understanding, you have said that if these rules go through by Transport Canada, regarding flight and duty times, there's going to be a significant increase in the cost to deliver all forms of northern and remote society services or there will be a reduction in services—one or the other. Could you tell us a little about the flight and duty rules?

**Mr. Glenn Priestley:** Thank you for the question. I didn't put that into my written brief because I was responding to the two questions that I was sent on answers to innovation, but thank you for that. Tomorrow is the deadline for the flight and duty regulations that were published in the *Canada Gazette* part I, and it's going to be a raucous affair. I've never seen the industry so against rules, and we're having a hard time getting the government to understand.

Let me give you a quick example of why it's going to cause a problem. Today and every day we have medevac flights. There are about 30,000 a year. They happen every day in the north and, as Mr. McLeod said, in many places that are accessible only by air. We have an airplane on point in Cambridge Bay. It's part of the contract. It picks up a patient in Gjoa Haven and delivers to Yellowknife, and then it goes back on point to Cambridge Bay. That's done every night.

Under the new rules, that airplane and that crew will be stranded in Yellowknife. They will not be able to complete that last leg. That's an example of how the flight and duty time is going to really hurt the north. We'll have to hire more crew to get that airplane back on point, or you'll have to leave Cambridge Bay and you will not be able to do flights for the rest of that period of time—10 hours. There's one example.

Also, every year we have to bring in fuel by barge. From the barge, Twin Otters land and move it in 10- to 20-minute shuttles. We will do that. We'll fly about 10 to 12 hours a day and do about 18 missions back and forth, 18 sorties. Under the new rules, what we used to do in a day will take three days. That's going to increase the costs of exploration.

There are the medevac and the exploratory world examples for you.

**Mr. Dan Albas:** You also are quoted as saying you believe these rules are absurd. Is that true?

**Mr. Glenn Priestley:** I didn't say "absurd", but they are unrealistic. I did that CBC interview.

They are unrealistic. For instance, as an old regulator, a Transport Canada inspector, I know that if you have a rule, you need to have a way in which to enforce it. Transport Canada, for whatever reason, is putting things in the rules, such as, for instance, that a pilot will get 15 minutes for a lunch break every six hours. How can you enforce that? That's why we're talking about how the majority of the rules are going to make it really tough. There has been no discussion with the north on the good stuff we do, and that's a disappointment, and I share that with you.

That's where the costs are going up. For housing under the new rules, we won't allow crews to have two in a room. They'll need to have one in a room. That means we'll have to double our housing space, and it takes four to five years to build housing quarters.

These aren't little things. These are big money issues.

**Mr. Dan Albas:** I hear you loud and clear, sir. Thank you for your testimony.

I'd like to go to the Canadian Association of Fire Chiefs.

Chief, I really appreciate your frankness with us here. My colleague Todd Doherty has a bill, Bill C-211, which would help to create a national framework for post-traumatic stress disorder. Are you supportive of that effort?

**Mr. Ken Block:** I'm supportive of anything that would improve the support for our men and women of the Canadian fire services. Certainly, in terms of the resilience that's lacking in the mental health field to help our firefighters deal with the stresses they encounter, it's

really a very high priority for us. Whatever the federal government can do to assist, we would support.

**Mr. Dan Albas:** That's excellent.

Just quickly, you've said that you're quite happy with your own experience with the Mental Health Commission's road to mental readiness program. The Mental Health Commission of Canada is something that the previous government put together. You're happy with that. You're also encouraging the government to seriously consider rolling that out on a wider perspective.

You've also said that you really do appreciate the tax credit that we have for volunteer firefighters.

Those are two measures that you absolutely would like to see go forward and be preserved. Is that correct?

• (1655)

**Mr. Ken Block:** Yes, without a doubt.

**Mr. Dan Albas:** Thank you, sir.

**The Chair:** Thank you.

Before we go to the last questioner, I'd like to point out on the fire issue that in my area we have mostly volunteer fire departments.

I can give you an example. Last year, the New Glasgow fire department had 128 calls on the mental health side of the issue. Most of those were first responders. I don't believe there was even one fire. The calls would be about accidents. In a community like mine, it is often going to be somebody you know who was in that accident.

I can't stress enough how important that issue is.

I have a question for you. You mentioned in your brief that industry and academia have a decided advantage over the fire service in advocating building code revisions. What do you mean by that? I don't follow it.

**Mr. Ken Block:** In the building code process, when you submit a building code amendment or revision it typically goes through a series of reviews. It ends up in front of a standing committee. The standing committee ultimately will make a recommendation on whether or not it should be adopted.

I've presented at many standing committees as chief fire officer. Every time, your evidence is welcome and it's well-received. However, for the most part, it's anecdotal. The challenge is to have that evidence-based research in a form that academics and engineers recognize and accept.

We have a long way to go to get the fire service experience translated into evidence-based research so that it stands a chance of adoption at those standing committee levels. Let me put it this way: there's a lot of room for improvement in our Canadian building codes. This would go a long way to help.

**The Chair:** Mr. Fergus, you're the last questioner for this panel.

[*Translation*]

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



I would like to tell my colleague Mr. Grewal that, as a father of three children who attended university, and as a Quebecker, I told my children that they had the choice of going anywhere for university, as long as it was in Quebec.

I would like to ask all of you questions because your presentations were all really interesting. Unfortunately, I only have four or five minutes. So my questions will be for Dr. Brouwer, of the Canadian Association of Graduate Studies.

I thought your presentation was relevant and important to Canada, which must compete with economies in other countries around the world. To do so, and to make sure we have our place, we need to invest in higher education.

My first question concerns your recommendation to increase support to promote the inclusion of disadvantaged graduate students. How can we ensure we find ways to do this?

My second question is about Canada's ranking in access to international students in higher education in Canada and the benefits of increasing the number of scholarships so that Canadians can study outside the country.

Could you comment on those recommendations?

**Dr. Brenda Brouwer:** I will try to answer, but first I need to make sure that I have understood the questions.

**Mr. Greg Fergus:** Either one of you may answer. It's up to you to decide.

[English]

**Dr. Brenda Brouwer:** One concern that I think is pervasive across the country is about access to graduate studies, and access for disadvantaged students who are under-represented. This includes students with disabilities. It includes indigenous students, first nations students, and a whole host of things in between. Part of the challenge, of course, is that graduate studies are primarily full time, 12 months of the year. Many of the scholarships that are awarded also require full-time study, which is not always practical. They also require you to be on campus. If you're doing your research, you need direct access to the labs and libraries, which may not always be feasible for people who need to be in their communities and what have you.

We really need more flexible options and more flexible eligibility criteria for scholarship holders in order to best accommodate the nature of their day-to-day lives as well. There has to be some balance so that it's not just all about school. They have to live their lives in addition to that.

So that's what we're asking for—a re-evaluation and reconsideration of some of the policies and practices that are currently in place, with many of the scholarship programs that are currently available; and targeted scholarship programs as we better recognize and understand some of the challenges that prospective students have.

With respect to your question on the value of the international student exchange, there are a number of reasons why bringing international students into our programs is so important. There's the diversity of perspective they bring and the different experiences they bring. As well, many of the issues we're grappling with from the research side are extremely complex. They're not unique to Canada.

They're not unique to a particular region. They're very global. There are cultural differences and policy differences that vary across the world. When we're looking for solutions, ideally we want a solution that will be quite transportable beyond our own boundaries. That's one of the elements of the value of having the diversity of perspective.

It's also important for our Canadian students to get out to different parts of the world. It's cultural education. It's learning to be a global citizen. It's learning that things are done differently. We find that in many cases it's very challenging to get domestic students to go abroad. Whenever students do go abroad, when they come back their eyes have been opened. They see how there are a lot of similarities but the differences are really important. It helps them in their further studies, because they incorporate that global perspective as they explore whatever their field of study is. As they pursue their research, they want it to be representative and generalizable to a global community, as distinct from something that's literally very regionally focused .

• (1700)

**The Chair:** Thank you. We will have to end it there.

Ms. Clement, Mr. Dennis, or Mr. Buy, I don't believe you had a question from the panel. Do you have any quick comments you want to make on what you've heard, or to up your testimony? Or are we all done?

**Ms. Laurie Clement:** It's been interesting listening to the people in the room talk about the challenges with policy. I guess the fundamental challenge we have is that in Canada there is no vision policy. There is no eye health policy. That's the first place we would start. It's rather shocking that in the year we're in, we don't have any eye health policy as part of overall health.

That would be a fundamental place to start. It wouldn't be very expensive. We're here in front of the finance committee, but the reality is that a public awareness campaign and a framework would be very inexpensive places to start to attack this problem that we are going to have in terms of emerging eye care issues.

**The Chair:** Thank you for that.

Mr. Buy, you have a quick point.

**Mr. Serge Buy:** Clearly, 2.3 million jobs are supported by the agrifood sector, but it seems that the importance of the agrifood sector may not be as recognized as it should be, especially in an arena like this. I think that's of significant concern to the agrifood sector, that there is not enough recognition of the benefits of agriculture and agrifood to the Canadian economy.

The Dominic Barton report clearly identified that. I'm questioning whether or not this has translated into the halls of Parliament Hill, at this point, but hopefully some of the recommendations that were put in will make it through your process and move forward.

Thank you.

• (1705)

**The Chair:** With that, we'll thank everyone for their testimony, and we will suspend for about five minutes for the last panel.

• (1705)

(Pause)

• (1710)

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

For the record, pursuant to Standing Order 83(1), the committee is doing pre-budget consultations in advance of the 2018 budget.

Welcome to the panellists who have come forward this afternoon. This will make about 72 witnesses this week, I believe. I think some members, including me, are getting a little draggy.

In any event, we appreciate your appearing and making your remarks today, and we also appreciate the submissions that were sent in prior to mid-August. You can be assured that they will be considered as part of the consultations as well.

We'll start, then, with the Canadian Aquaculture Industry Alliance. I understand that Mr. Kennedy, executive director, is only six months into the job. Welcome.

• (1715)

**Mr. Tim Kennedy (Executive Director, Canadian Aquaculture Industry Alliance):** Thank you, Mr. Chairman. Thanks, members of the committee. We will try to bring some energy to this end-of-the-day hearing.

Thanks for the opportunity to be here today. I am Tim Kennedy and am about six months into the job with the Aquaculture Industry Alliance. Unfortunately, one of my failings in this job already is that I'm missing a surname like my predecessor, whose name was Ruth Salmon. If any of you came across Ruth, she was a great lady. One member of Parliament has said I should be Tim Mussel, so maybe you can come up with a good name for me.

Members, global demand for seafood is rising very, very rapidly. Traditional seafood production is flat to declining, with pressure on the ocean's wild fish stocks as a significant global environmental challenge. Farming our oceans is a critical answer, now and into the future, to providing a sustainable source of healthy food for all of us. It already provides over 50% of the world's seafood supply. My strong and long-standing environmental interest is one of the reasons I started this job around six months ago.

Canada has the opportunity now to reclaim some leadership in global farmed seafood production. The industry is fascinating and has incredible potential.

I want to appeal to you all today. Don't just tolerate this sector, but embrace it with enthusiasm and seek to apply Canadian ingenuity to any challenges that we face. No country has the expanse of coastal geography that Canada has. Small coastal communities have talented people wanting work in well-paying jobs. People want to work with truly sustainable resources in a sustainable business. They also want to be in a sector that's innovative. Seafood farming answers all of these issues.

Dominic Barton identified our sector in his panel's recommendations this spring. He called for Canada to identify a growth target for us and to follow up with actions to make it happen: increased global market share for aquaculture to 0.6% from the current 0.2%, and exports by just under \$3 billion.

Canada's production in aquaculture has been largely flat over 10 years. There are a few reasons for this. The first reason is the inability of governments to embrace and support the sector. The industry can always improve, but we have come a very, very long way. We continue to address any challenges and problems, but we need the encouragement and support of governments, the federal government in particular, to continue to invest and constantly improve.

Second, we lack a modern legal framework. We're governed under the 150-year-old Fisheries Act that's dedicated to conservation and management. We are a farming activity. The Fisheries Act does not mention the word "aquaculture", except for once, in the French version only.

Third, we do not receive close to the same support that farmers in the country take for granted through innovation and business risk management programs.

Mr. Barton, joining many other experts over the years, recommends two things. He recommends that, first, Canada adopt a new Canadian aquaculture act to move this industry into the 21st century; and, second, that Canada provides integrated supportive program funding for this sector.

Our budget proposal that you've received answers the second of these recommendations. It's a request for an integrated \$160-million funding program, over three years, that addresses major gaps that have caused our sector to fall behind the global competition. It's divided into six sections. Each priority identification needs close industry-government collaboration. The breakdown of the proposal is the following, again for a three-year period: science and innovation for \$95 million; infrastructure for \$20 million; fish health, \$5 million; business risk programs, \$20 million; skills, \$15 million; and new species and broodstock at \$5 million. I'll go through that quickly again, as I see some people writing: science and innovation, \$95 million; infrastructure, \$20 million; fish health, \$5 million; business risk programs, \$20 million; skills at \$15 million; and new species and broodstock for \$5 million.

All of these proposals are based on our desire and our knowledge that we need to get back into the international game and access resources that are enjoyed by our competitors and lead the world in sustainable seafood production.

Thank you for your attention, and I look forward to further discussion.

**The Chair:** Thank you very much.

From the Canadian Centre for Policy Alternatives, we have Ms. McInturff.

• (1720)

**Dr. Kate McInturff (Senior Researcher, National Office, Canadian Centre for Policy Alternatives):** I'd like to thank the committee for inviting me to speak today.

Today men and women in Canada have equal levels of education, ambition, and capacity. However, they are treated differently within our economy and our society. Men and women work in different occupations, at different rates of pay, for different numbers of hours, and they perform different amounts of unpaid work in the home. Women, for the first time since we have been measuring, are now more likely than men to be victims of a violent crime.

We need policies that address those differences. If the 2018 federal budget is going to work for men and women, then it needs to invest in the following.

Invest equally in the sectors where men work and the sectors where women work. Invest in occupations where women earn a living wage. That includes, for example, home care workers, where the government is making a significant investment. Median income for home care workers, according to the last census, fell below the low-income measure—the poverty line—for the same year. The government needs to support part-time workers, 67% of whom are women; shift the balance of unpaid care work, because women are still putting in an extra 10 hours a week; and invest in direct funding for women's organizations.

I would be very happy to speak to all of these points in more detail, and I do as well in the written brief that I have submitted. I am going to focus my remarks right now on the last of these recommendations, which is funding women's organizations.

I'd like to speak personally for a moment. I'm in my third year of cancer treatment. I don't know how many more budgets I have to look forward to—I know this isn't the make-a-wish committee—but if I can convince you to take one action to make one change that has the power to change lives and indeed to save lives, while I still have energy to harass you, it is this: invest in women's organizations.

These organizations are in all of your communities. They are organizations like Anderson House in Prince Edward Island, a women's shelter that reaches over 450 families each year; Calacs Estrie, which supports survivors of sexual assault in the Sherbrooke region; and the Calgary Immigrant Women's Association, which has helped over 80,000 women find jobs and make new lives for themselves in Canada.

They are among the most underfunded organizations in the non-profit sector in Canada, yet the research is clear. They are the single most effective means to building better public policy and better lives for women.

To give you an example of what some of that research has shown us, when the Dutch government invested \$100 million in a gender equality fund, their investments in local women's organizations reshaped public policy at the national level in 46 countries, influenced local governments in over 38 regions, and changed the lives of hundreds of thousands of women.

When our own government invested in women's funds abroad, they found, according to their own external evaluation, that the women's fund itself is the most successful mechanism we have found for empowering women.

In Canada, according to the federal government's own estimates, violence against women costs our economy \$12 billion annually.

That works out to about \$415 per capita. It puts the economic impact of violence against women on a par with the economic cost of smoking and the use of illegal drugs, yet federal per capita spending on violence against women across departments and agencies, by my best estimate, is approximately \$5 per capita.

If we look at the primary federal mechanism we have that provides direct funding to women's organizations as its primary mandate—that's the women's program that's part of Status of Women—their budget represents less than one one-hundredth of one per cent of total federal program spending. It has done so for the last decade. To put that another way, direct federal funding through the women's program clocks in at about a buck a woman.

Women's organizations know how to save lives. We aren't giving them the resources they need to do it. It's like our having a pill that's going to cure cancer and it costs \$500, and we're giving everyone 50¢ and saying, “Good luck with that. Please report quarterly.”

● (1725)

Given the urgency of the work these organizations do, given the demonstrable benefit of their work to our communities and our lives, and given the sincerity and the commitment of the women who run them, I find it baffling that we are so unwilling to support them.

It has occurred to me that, after decades of neglect, perhaps fundamentally at some unconscious level we just don't trust women with money. So prove me wrong. Show Canadians that this is a government willing to support the organizations that are delivering dignity and security to women in their communities. Show Canadians that growth and productivity isn't just an abstraction but a means to put resources in the hands of those who want to help each other have a better life. Show Canadians that the future really is feminist.

Thank you.

**The Chair:** Thank you very much, Kate.

From the Forest Products Association of Canada, we have Mr. Nighbor, CEO.

**Mr. Derek Nighbor (Chief Executive Officer, Forest Products Association of Canada):** Thank you, members of the committee and my colleagues, for being here today.

On behalf of my team at FPAC, I'd like to thank you for this opportunity.

Just to level set everyone, we are the voice of Canada's wood, pulp, and paper producers nationally and internationally, and increasingly of companies that are getting into the bioeconomy game and getting into power production as well. We generate \$67 billion annually and represent 12% of Canada's manufacturing GDP. Our industry is one of Canada's largest employers, operating in some 600 forest-dependent communities across the country from coast to coast, and employing 230,000 Canadians. There is a 3:1 ratio in terms of indirect jobs for about one million Canadians.

One of the benefits of my job is that I travel the country and go to communities like Vernon, B.C.; Peace River, Alberta; Saguenay-Lac-Saint-Jean, Quebec; and Kenora, Ontario. These are very well-paying jobs in communities that really need them.

Given that we operate primarily in rural and northern communities, we also work very closely with some 80% of indigenous peoples in Canada. We're one of the largest employers of indigenous peoples. We work with some 1,400 indigenous businesses across the country. My board has identified as a priority over the next few years to really increase our engagement and support with our indigenous government partners and communities.

To maintain our industry's strong position, our market position in the world, is important if we want to continue to maximize our contribution on economic growth for our workers, businesses, and communities, and continue to drive the environmental and recreational benefits that come with our actively and sustainably managed forests.

We have a number of recommendations in our pre-budget submissions, but understanding that I have only five minutes today, I'll hit on just two of them for the committee.

Number one is around the issue of trade and growing Canada's market access around the world. Trade is a big deal these days on a number of fronts—with TPP coming back onto the table, with our NAFTA negotiations, and with the pursuit of a free trade agreement with China—and we feel we have a real opportunity in terms of marketing the brand “Canada” because of the reputation of our industry has for being sustainable.

I want to give a shout-out to the international trade department and our trade commissioners around the world, who are critical to supporting our efforts to develop and expand new markets for wood, pulp, and paper, and, increasingly, biomaterials. We appreciate their work; it's very valuable to us.

Beyond quality, as I said, one of the key selling points of our products is sustainability. In a global study released last month by NEPCo with the support of the Forest Stewardship Council, Canada's forest management framework was again touted as one of the best in the world. This can be attributed to our strong legislative and regulatory regimes both federally and provincially; the fact that we have the most third-party certified forests in the world, which are independently audited and certified; and the way we manage for multiple values when we're planning a harvest, from species considerations to wetlands preservation to promoting watershed health, and mitigating carbon.

The second piece I want to touch on today is linked to our climate change opportunity. We're one of the few industries that were on board with the Kyoto Protocol many, many years ago, so we call ourselves “Canada's greenest workforce”. We agree with Minister Carr, who earlier today at a conference in town said that Canada can't achieve its climate change goals without its forest sector.

Last year, we launched our “30 by 30” climate change challenge, a plan to remove three megatonnes of carbon a year from our atmosphere by 2030. That's the equivalent of taking six million cars off the road. We're going to get there by delivering on a number of initiatives in our forests, at our mills, and along our supply chains, and through broadening the reach of the carbon-storing products that we make. We're going to start reporting on our progress on this goal in 2019.

Core to this effort is the plan to build more with wood and to assess and implement new approaches to maximizing the role of our forests in the fight against climate change.

On the building side, reThink Wood is a very successful initiative in the U.S. that has been established to support the expansion of building with wood to help reduce greenhouse gas emissions and realize significant benefits for the environment and the economy. A modest investment of \$600,000 in the Canadian edition of the reThink Wood program would allow us to leverage an existing \$2.4 million program and support its expansion into Canada.

For folks around the table from B.C., the fires that have ravaged our forests have caused over one million hectares in loss already. We've seen the pine beetle sweep through B.C. into Alberta. We are seeing the real effects of climate change in our forests, so we're calling on the government to support us by assessing the mitigation and adaptation practices feasible in different regions across Canada. We have an opportunity to share delivery models and approaches from other jurisdictions that have successful mitigation practices.

● (1730)

In closing, the budget presents an opportunity for our sector, but even more importantly, we need your help between those budget cycles.

Our sector alone is currently caught in the middle of a number of trade disputes, softwood lumber being the most prominent. We're facing increased pressures from governments to manage for species at risk, and we're preparing for a host of new policies and programs related to carbon.

We're a sector that prides itself on our approach to delivering on both environmental and economic goals, and we will always support government efforts that are focused on balancing the environment and the economy.

As we look to the future, it's critical that cumulative impacts of well-intended government initiatives be closely evaluated. We look forward to working with the government in partnership.

Thanks for the opportunity. I will be happy to answer any questions later on.

**The Chair:** Thank you, Derek.

Turning to the Federation of Canadian Municipalities, we have Mr. Carlton and Mr. Rubinstein.

**Mr. Brock Carlton (Chief Executive Officer, Federation of Canadian Municipalities):** Thank you, Mr. Chair.

I have with me Daniel Rubinstein, director of policy and research.

[*Translation*]

Thank you for inviting us to appear before you today to present our vision for building Canada by strengthening our cities and communities.

[*English*]

The FCM and its 2,000 members represent more than 90% of Canada's population from coast to coast to coast.

In budget 2018 we see an opportunity to boost Canada's productivity and quality of life by strengthening cities and communities nationwide.

You've heard FCM call last year's budget a "game-changer". Why did we use that terminology? Because it confirmed new investments to spark growth in rural and northern communities nationwide. It outlined a plan to launch the next era of public transit to ease congestion and boost national productivity. It responded to FCM's call to fix the housing crisis and to support the families and workers Canada needs to thrive. In short, budget 2017 flowed from unprecedented engagement with local governments and recognized that community building is nation building.

Turning historic investments into historic outcomes now hinges on design decisions that have yet to be made. These decisions need to recognize that municipalities form the order of government closest to Canadians' lives. We manage 60% of the public infrastructure that supports Canada's productivity and quality of life. We know what needs to be done locally and what works. That's why we, FCM and our members, expect to be engaged throughout the integrated bilateral agreement negotiations with provinces and territories. These negotiations will shape the outcome of the 12-year federal infrastructure plan. I'll outline four key priorities municipalities bring to the table.

First, to move projects forward, FCM is recommending a 40-40-20 cost-sharing arrangement through the integrated bilateral agreements. Now that Ottawa has committed to a 40% share, federal leadership means making a strong case with the provinces. Achieving 40-40-20 nationwide could mark the difference between getting major projects off the ground and seeing them halted in their tracks by local fiscal limits.

Second, municipalities need more clarity and access when it comes to the green infrastructure fund. There is great uncertainty about how this fund will support municipal priorities from waste water to climate action. Municipalities influence half of Canada's GHG emissions, and many are already modelling green innovation that could be scaled up nationwide. This is an opportunity to start unlocking more than 50 megatonnes of potential GHG reductions while we build more climate-resilient communities. Scaling up local climate mitigation and adaption efforts will generate substantial growth and productivity gains as well.

Third, Canada needs to recognize the unique needs of remote, rural, and northern communities. This includes optimizing federal infrastructure investments for smaller communities with fund stacking and streamlined approvals.

Fourth, we go beyond the integrated bilateral agreements to talk about transforming housing, which needs to start now. Mayors in our biggest cities have been clear that we can't build tomorrow's Canada on top of a housing crisis. The government has responded by promising a national housing strategy, and getting this right now is critical. Without urgent funding for social housing repairs, thousands of families could see their homes shuttered, and this will require at least \$615 million annually, according to our numbers. Simultaneously we need to grow Canada's affordable housing supply with new non-profit housing construction that leverages local innovation.

In short, FCM's priority is to ensure that new investments are designed to unlock local expertise to achieve transformational national outcomes. To achieve these transformational national outcomes, the federal government must continue deepening its partnership with local governments in the design of investing in Canada programs and the national housing strategy. In fact, to achieve transformative national outcomes, the federal government must continue to deepen its partnership with local governments wherever local expertise is vital, from the opioid crisis to expanding trade to safely legalizing cannabis.

FCM is looking to budget 2018 with a fresh lens. How can its commitments deepen the federal-municipal partnership to better serve Canadians? We all have a remarkable opportunity to shape Canada's future now.

• (1735)

[Translation]

Thank you, Mr. Chair.

[English]

**The Chair:** Thank you very much, Mr. Carleton.

Turning to Imagine Canada, we have Mr. MacDonald, president and CEO.

**Mr. Bruce MacDonald (President and Chief Executive Officer, Imagine Canada):** Thank you, Chair, and thanks to the committee members for the opportunity to be here.

[Translation]

I think everyone recognizes the impressive contributions that charitable and non-profit organizations make in Canadian communities and around the world. They provide services in response to real needs, and they contribute to the quality of life of all of us in areas as diverse as religious practice; education; health care and research; social services; environmental protection; the settlement of immigrants and refugees; support for seniors; community development; and the arts.

Canada's international reputation is also the result of efforts made beyond our borders in situations of emergency relief and development work.

[English]

All too often, though, the economic contributions of charities and non-profits are overlooked by governments, businesses, or, to be honest, the vast majority of Canadians. Little attention is paid to the role of our sector in economic programming and policy-making.

The best data we have available—and I'll come back to this point in a second—indicates that, as a whole, charities and non-profits employ more than two million Canadians and account for in excess of 8% of Canada's GDP. This activity is not regionally focused. Charities and non-profits operate in every community of every size in every part of Canada. We strongly believe that any discussion of productivity and economic growth, particularly if we're aiming for smart growth that is equitable and benefits all regions, needs to take charities and non-profits into consideration.

We have a long way to go to change the perception of this sector, but the fact that we're here today, when the committee has adopted very focused parameters for this year's pre-budget consultations, is very encouraging.

A moment ago, I mentioned data. For those of you who are veterans of this committee, you'll know that we've been raising this issue for several years. Much of the economic and employment data we have about charities and non-profits dates back to 2008 and even 2003. Since then, Statistics Canada has not collected or published economic and employment data about the sector. We simply cannot make good evidence-based policy decisions in the absence of current data. I liken this to the crisis facing the automobile sector in 2008. Can you imagine if the government's response to that situation had been based on sales, employment, and profit figures from the boom years of the 1990s?

We've had very productive meetings with the chief statistician and officials from other interested departments. There is a will to address the situation. We believe that a recommendation from this committee would go a long way towards ensuring that the necessary resources are made available.

• (1740)

[Translation]

As you can read in our letter to the committee, we believe that there are other areas of activity where immediate action could help the organizations boost their productivity and further capitalize on the economic potential.

[English]

Social finance, social innovation, and social enterprise are concepts that are getting traction around the world and here in Canada. We need to ensure that government investments in developing this space achieve their full potential, which means making sure that the current regulatory and administrative policies don't limit the ability of charities and non-profits to work with government toward common economic goals. We've endorsed recommendations made by the Canadian Community Economic Development Network and Philanthropic Foundations Canada that would remove existing barriers to charities and non-profits accessing some of the skills and capital investments they need in order to be full partners.

Finally, if we want to talk about productivity, this committee is trying to make recommendations relevant to the 21st century, the century in which we're trying to solve critical social problems, but our regulatory regime is derived from 19th-century interpretations of a 17th-century statute. This needs to change. The CRA, as the de facto regulator of charities, gets a lot of criticism, much of it unfair, as it seeks to enforce regulations and practices that are simply out of date. While the issue that triggered it was very specific, the expert panel making recommendations to the Minister of National Revenue on public policy and advocacy work by charities commented on the broader challenges posed by the antiquated regulatory system.

The government has made a number of commitments with regard to charity regulation. While some progress has been made, we are concerned that the commitment to broad legal and regulatory reform, which will take time and resources to get right, has not been prioritized. I cannot imagine that committee members would be silent in the face of 400-year-old regulations impacting the ability of any other sector to operate in today's economy, but this is exactly the case for today's charities. We believe that a statement by this committee would give a significant boost towards the government meeting its commitments in this area.

Thanks very much.

**The Chair:** Thank you very much, Bruce.

Turning to the Mining Association of Canada, we have Mr. Marshall, vice-president, economic and northern affairs.

Welcome.

**Mr. Brendan Marshall (Vice-President, Economic and Northern Affairs, Mining Association of Canada):** Thank you very much for the opportunity to appear and participate in this important hearing.

Mining contributes approximately 3.5% to Canada's GDP. That was \$56 billion in 2016. It directly employs 370,000 workers, and indirectly employs almost another 200,000. Proportionally, mining is the largest private sector employer of indigenous peoples nationally, and that's with employment poised to increase.

The government has contributed positively in recent years with policy development and investments supporting the growth of Canada's mining sector. These include exploration via the extension of the mineral exploration tax credit, northern infrastructure development with road investments in the Yukon and the NWT, and commitments to address challenges that shippers face in Canada's rail freight market.

Looking ahead, proposed investments also hold promise, including the infrastructure bank, the green infrastructure fund, and innovation cluster funding. Simultaneously, however, certain policy initiatives are causing uncertainty and affecting Canada's attractiveness as a destination for mineral investment. To ensure that the mining industry's contribution to Canada's economy remains robust, a competitive and predictable domestic investment and regulatory environment are key.

Ongoing reviews of federal environmental legislation will have critical implications for the future of Canada's mining industry. Most significant is the review of the Canadian Environmental Assessment Act. It is critical that these reviews result in an effective, timely, and coordinated regulatory process, from the pre-environmental assessment to the post-EA permitting phase, with meaningful consultation. For example, inadequate capacity to support the transition of the 2012 amendments to the Fisheries Act cost our members delays and, in some cases, millions of dollars in additional consulting fees to interpret the new requirements. Ensuring that regulatory agencies and relevant departments have the requisite capacity to adequately perform and carry out their responsibilities is essential to this end.

Mining is northern Canada's largest private sector economic driver and indigenous employer. Enabling additional mining development in remote and northern Canada is inextricably linked to the government's indigenous reconciliation, climate change, and broader social and economic development policy objectives in the region. To date, infrastructure investment decisions that recognize northern challenges and opportunities through the trade and transportation corridor initiative and the investing in Canada plan have been welcome.

The next step is to recognize specific consideration for northern challenges and opportunities in the Canada infrastructure bank. Including a northern specific fund or allocation within the CIB is also supported by the National Aboriginal Economic Development Board and the Canadian Chamber of Commerce.

On the climate change front, in addition to supporting a revenue-neutral price on carbon, MAC underscores the need for a climate change policy to ensure that the competitiveness of emissions-intensive and trade-exposed sectors be sensitive to changing economic and geographical realities and minimize compliance burden. Approaches that fail to address these concerns risk creating carbon leakage that will diminish Canadian competitiveness with no global net gain in greenhouse gas reduction. That's a lose-lose scenario. MAC also believes that the government has given itself important tools to support Canada's transition to a lower carbon economy. We welcome the commitment to invest \$1.2 billion to support innovation in mining and other resource sectors.

The government's innovation superclusters initiative is timely. By harnessing the collaborative strength of Canada's mining ecosystem to accelerate significant and sustained innovation in energy, water, and land use, CLEER, a consortium of national and regional mining and supply companies and organizations, has the potential to support the sustainable growth of Canada's mining sector; enable the development, adoption, and export of clean energy and water technologies; and grow Canada's global-facing mining supply services sector.

On the tax front, MAC was pleased that this committee recognized that the reduction or elimination of several mining tax credits in budgets 2012 and 2013 reduced Canada's global mineral investment competitiveness.

What's more, Canada remains out of step with other jurisdictions in respect to other levies and rules. Consistent with our tax expenditure review submission, MAC recommends, one, that dividend withholding tax be phased out; two, that substantial shareholder exemption for corporate reorganization performed by Canadian or foreign groups be tax free; and three, that all mining tax payable should be deductible regardless of the year in which it is paid or whether it is deemed payable post-audit.

Thank you for the opportunity to speak with you today, and I look forward to answering any questions you may have.

● (1745)

**The Chair:** Thank you very much, Mr. Marshall.

I thank all the witnesses for their presentations.

Mr. Fergus, we'll begin the five-minute rounds with you.

[*Translation*]

**Mr. Greg Fergus:** Thank you very much, Mr. Chair.

I have two questions, and I think my colleague Mr. Sorbara will have at least one.

I would first like to address Dr. McInturff.

[*English*]

Madam McInturff, thank you very much for a particularly forceful presentation. I've long learned that investing in women always pays off. We see that in terms of what this government is trying to do on international development. It's very much that case. It's very important for us to take a look inward in terms of what our domestic spending priorities are, but your request will not fall on deaf ears.

[*Translation*]

My two questions are for the representatives from the Federation of Canadian Municipalities.

Mr. Carlton, the federal government announced a contribution up to 40%. I guess your members are in favour of the municipalities' contributing 20%.

You would like the federal government to stand together with the municipalities to put pressure on the provinces, to ensure that the cost breakdown is 40%, 40% and 20%. Have I understood correctly?

Last week, you met with Minister Sohi. I heard that at least one province tried to use the federal infrastructure funds to invest in schools. Minister Sohi had to clearly reiterate that the money for green infrastructures and public transit should not be allocated to building schools. If I've understood correctly, you want to stand together with the federal government.

I'll now turn to you, Mr. MacDonald.

If I'm not mistaken, one of your suggestions is that the committee should support the idea that the federal government should collect evidence so that we can measure the impact and extent of your sector's contribution.

• (1750)

**Mr. Brock Carlton:** I wouldn't say that the federal government and the municipalities should stand together against the provinces and territories. That said, I think we all share the same goal, which is to ensure that the funds allocated to infrastructure continue to be spent on local projects.

[English]

It's very important for us that 40-40-20 as a formula enables the municipalities to move to work in their projects, to fund their portion of the projects, with an appropriate and fair cost share from the other two orders of government. What is really important to understand, and to not forget, is that even at 20%, when you figure the full life-cycle cost of a project, municipalities are paying more than 50% of that full life-cycle cost.

So even at 40-40-20, municipalities are carrying a very big burden. However, we share common objectives about getting projects locally funded and built.

**The Chair:** Mr. MacDonald.

[Translation]

**Mr. Bruce MacDonald:** I will answer in English. I've taken a French course, but I'm not bilingual yet.

[English]

The short answer is, yes, we are looking for support to be able to collect information, and our initial thoughts are in three areas: the economic contribution of the sector; the size and scope of the sector and financial resources; and, if we can, volunteer resources and contributions by the sector.

This has been a role traditionally played by the federal government, but as I mentioned, it has been quite some time since we've done that. To be honest with you, we're getting a bit nervous about quoting statistics that are approaching a decade old.

**The Chair:** Mr. Sorbara, we'll pull you in later. Mr. Ferguson used up most of your time, so you'll have to negotiate.

**Mr. Francesco Sorbara:** No worries.

**The Chair:** Mr. Kelly.

**Mr. Pat Kelly:** Thank you, Mr. Chair.

I'm going to continue with Mr. MacDonald.

Mr. MacDonald, you raised some interesting points in your presentation. You characterized the regulation of the non-profit and charitable sector as being hopelessly out of date, and I hope I am paraphrasing you correctly. You described the Canada Revenue Agency as the regulator of charities or, I guess, the de facto regulator of charities, there being no other agency. I presume by that you mean that the CRA regulates the financial contributions people make and the interaction between the charities and their donors through the

exchange of the money. You then said that time and resources would be necessary for reform.

What type of time frame would meaningful reform take and what kinds of resources do you think would be necessary? Do you have specific asks for this budget to that end?

**Mr. Bruce MacDonald:** You've paraphrased this wonderfully. The four heads of charity have come from 16th-century England in terms of the common law, and CRA takes its direction from the regulations set out in the Income Tax Act.

For this modernization to occur—and I feel as though I'm going to waffle a little bit on the answer, but I think it's an honest response—it depends on the approach that the government wants to take. First of all, we think it's important that there be a broad consultation with sector leaders around the kinds of change we want to see. The sector is so incredibly vast that we need to make sure there is some form of agreement around what that modernization would look like. That could go anywhere from a few hundred thousand dollars a year if the government's leading it to probably around \$1.5 million to \$2 million a year if it was going to be farmed out to an organization or a group of organizations like Imagine Canada to play a lead role in. Ideally, we're probably looking at one to two years to do this.

**Mr. Pat Kelly:** Okay.

I'd like to move to Mr. Marshall.

You mentioned specifically that last year's budget contained measures that reduced Canada's global competitiveness in the mining sector, and you listed some of the ways in which last year's budget harmed global competitiveness. What do you think is the most important signal that could be sent, perhaps, with this year's budget, to improve Canada as a destination for investment money, and the jobs and economic growth that would go along with investment in mining?

• (1755)

**Mr. Brendan Marshall:** Just for clarity, when I was giving my remarks, I noted a few measures from last year's budget that were supportive. The air of uncertainty right now that is dampening Canada's attractiveness as a destination for mineral investment is multi-faceted. Right now—it won't be a surprise to anyone around this table—there are a number of ongoing consultations, and given the magnitude of some of those individual consultations, whether they be on regulatory reform, climate change, or the rail freight legislation that's currently before the TRAN committee, any one of these individual pieces of legislation in its own right has the potential to have a major impact one way or the other on our business. The fact that there is a plurality of them currently ongoing creates a greater level of uncertainty.

I'm looking forward to budget 2018. MAC has persistently requested tax reform with respect to enhancing certain elements of the competitiveness or cost-effectiveness of doing business in Canada. I laid out three such measures in our speech. The first is to phase out dividend withholding tax, the second is to incorporate a substantial shareholder exemption, and the third is to make reforms with respect to tax payable on mining audits. These are measures that, in our view, would bring Canada into line with our principal international competitors, that are also competing for the same pool of global mineral investment.



**The Chair:** Mr. Dusseault.

[*Translation*]

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

I would like to thank you for being here today.

My first question is for you, Dr. McInturff, and it relates to the plea that you made very admirably on behalf of women's organizations in Canada. Could you please remind me of the amount of spending per Canadian? Could you tell us what target, per capita, should be set as a target for the coming years? Are there any comparisons in the world regarding women's organizations in terms of spending per citizen?

Perhaps in anticipation of the upcoming budget, it may provide something to look at, an ambitious target to deliver and achieve. It may not happen in the first year, but in the long term.

[*English*]

**Dr. Kate McInturff:** Absolutely. The per capita number I have is based on spending across agencies and departments. I should be clear that not every department fully discloses where its grants go, so it's my best estimate. That was just for spending on violence against women. That came to just under \$5 per capita.

A good comparator for that actually comes from the provincial level of spending on violence against women. In Ontario, for example, it's closer to \$16 per capita. As a goal, if we just as a federal government matched the per capita spending of our provinces, it would come to something closer to \$500 million than what we currently spend through the women's program, which is \$18 million. If you add in all the other departments and agencies, obviously it would be a bigger number.

The other good comparator would be the Dutch MDG3 fund. That was a gender equality fund, and I spoke about some of the results we've now had from the assessment of that fund. The Dutch invested the equivalent of just over \$100 million in that fund. That was about 10 years ago, so we could shoot for higher than. I can see a women's program fund at that level, at \$100 million, being—I wouldn't even say ambitious—a nice modest, achievable goal for the next year.

I know this government really has invested significantly in infrastructure support for women's shelters and buildings. It has invested \$100 million over, I believe, five years to address violence against women. When the problem is costing us over \$12 billion annually, we can do more there. We need staff in those shelters, and we're not investing as much as we could.

In terms of investment, it's not just in women's organizations but female employment and participation in our government. If we just moved the nearly 700,000 women who are involuntarily in part-time work into full-time work, they would bring in an additional \$19 billion in wages. If we paid the women, who were working full-time last year, the same hourly wage as their male counterparts, they would take home an additional \$42 billion. We would be putting over \$60 billion back into our economy.

We're not asking you for a tax break. I'm actually asking you to put women in a position to pay more taxes, and spend more money in their communities and drive GDP growth. That's not just me.

We've had a recent piece of research from the International Monetary Fund, which is not a radical feminist organization, and it estimates if we close the gap in labour force participation just by seven percentage points, our real GDP level could go up by 4%.

I want to echo the comments of Mr. MacDonald that these investments pay off. They pay off for productivity, they pay off for women, and they pay off for those women's families. If women are bringing home a paycheque that's 30% higher, that goes into the family budget. By and large, men and women live together. This isn't about stealing from Peter to pay Paul, right? This is about Peter and Paul living a better life together.

● (1800)

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Mr. Kennedy, I would like to ask a question about aquaculture. It could have been longer, but time is limited.

What is the status of aquaculture in Canada? What opportunities are there for potential growth and consumption of fish? I think the rate is increasing, and with good reason, I guess. It's good to eat fish. What is the status of the situation, and what is the growth potential for Canadian fish consumption?

[*English*]

**Mr. Tim Kennedy:** Right now, the value of the farmed seafood sector compared to the value of the traditional fishery is about 30%. We're increasing every year. Again, in Canada at the moment, about 50% of the seafood consumed is farmed.

Across the country, we have approximately 19,000 direct and primary processing jobs based on aquaculture. We believe from our projections that in 10 years we can actually increase that by about 14,000. That would be pretty close to doubling it. There's a great opportunity. For instance, just two days ago, the Premier of Newfoundland announced that they want to double their production in Newfoundland. I don't know if you saw that announcement. There are great opportunities there. There are also great opportunities in Quebec, northern Ontario, and all across the country.

Again, as some of my colleagues up here said, these are high-paying jobs and they're full-year jobs. These are not jobs for three months of production. These are jobs for the full year in aquaculture, and they're in remote locations that really need these jobs.

That's where we are right now.

**The Chair:** Thanks to both of you.

Mr. McLeod.

**Mr. Michael McLeod:** Thank you, Mr. Chair, and thank you to the presenters.

My question is for the FCM. As a former mayor and a former member of the Government of the Northwest Territories, I find that the issues you're bringing forward are issues that I worked on for many years. I recognize the huge deficit in our municipalities in terms of what we have for infrastructure, which is compounded even more in the north because a lot of those communities are aboriginal communities. They're public communities; they're not reserves, but they are aboriginal communities.

The issue of housing, I would say, is almost a crisis situation in the north, and the housing issue of course causes other issues. People have studied the results or the impacts, and they feel that if we could house everybody properly, we'd solve 50% of our social issues.

We have been seeing some good investments in the last couple of budgets. We are seeing some activity on our roads. Our municipal roads and some of the bridges are being fixed up. Also, we're looking at ways to try to adapt to some of the climate change effects that are challenging us.

I'm very happy that you're in front of us here today. We've had many people parade through these halls and the House of Commons in talking to ministers and the Prime Minister and raising the issue that funding for our part of the country, the north, can't be based on population. It can't be per capita. We've seen how that works, and it really doesn't give us enough to do anything. That argument has been there, and we've also heard a lot of arguments that in some of this funding we're going to see coming forward there has to be some flexibility to make it work for us.

I also agree with your argument that communities have to play a major role in project selection, so tell us, how could budget 2018 enable communities to play this role?

• (1805)

**Mr. Brock Carlton:** There are a few issues there. Certainly, as I said in my comments, we're looking to budget 2018 as part of the movement to define more clearly what was committed in budget 2017, so that the program definitions around the integrated bilateral agreements and the eligibility criteria, etc., are made very clear, and also so there's flexibility in the delivery of the programs and the money that was committed in 2017.

You're absolutely right: the local flexibility is essential. You're also absolutely right in that the north has huge problems that require special attention. We believe that budget 2018 is just part of the process of further deepening the federal-municipal partnership so that those local needs can be addressed in ways such that the decisions are made effectively. Part of it means that the federal government needs to continue to pressure the provinces and territories to engage the municipalities, as we have said, and some of that will play out through the integrated bilateral agreements.

I think it's also really important for the north that budget 2018 further define, through the national housing strategy, how the \$15 billion for housing money that was committed in 2017 will actually roll out. This is a critical piece of the puzzle, as you rightly said, for the north and for Canada generally.

I've just come from spending most of the last two days with Minister Duclos on the question of poverty reduction. Housing is a fundamental element of that. The rolling out of the national housing strategy in terms of the allocation of dollars, the design of the programs, and how those dollars will roll out are critical questions that urgently need to be answered. Budget 2018 will be just part of the process along the way of making sure that all of this responds to local needs.

**Mr. Michael McLeod:** Thank you for that.

My next question is to the Mining Association of Canada. I strongly believe that the best program we could have for people in the communities all across Canada is a good opportunity. I've watched the mining industry provide that in the north. Some mines have some very creative solutions to get people hired in the communities who maybe don't quite meet the skill set or the education levels required. They're introducing literacy programs right at the mine site. So many things are making it easier for people to get a job there, and I applaud that.

I think there's potential in the north that we haven't even tapped into yet. There's so much opportunity, so much promise there, but we have a number of barriers. You've raised a few that the mining industry recognizes, but I was hoping you were going to talk about roads that are needed in the north. Sometimes they're good, but roads for us that are going to stay there forever will be better in the long run. We don't have a whole lot of them. We've seen the investment for Whati Road that's going to allow Fortune Minerals to move forward. It's unlocked that potential for them.

We also need to see the negotiations and settlements of land claims resolved. Land tenure issues have to be resolved so the aboriginal government can stand shoulder to shoulder with industry and government to take full advantage of opportunity.

I really like the growing numbers of indigenous hirings. Tell us what measures can be taken in our next budget 2018 to ensure that indigenous people continue to participate in mining and those numbers grow. It seems to be an area that is doing well. They've done all the right things. How do we make it better?

• (1810)

**Mr. Brendan Marshall:** I couldn't agree more. Infrastructure is critical for doing anything in the north. There's a massive deficit. MAC industry research in that area demonstrates that it costs two to two and a half times more to do the same project in the north as it does in the south, so dollar for dollar it's more difficult to attract that same level of investment up north.

I think the decisions that the government has made most recently in Yukon, the Tlicho Road, are very positive. We are hopeful to see a similar investment coming down the pipeline in Nunavut.

With respect to indigenous populations, training is key. We have companies that are investing \$500,000 a month in training. They have developed “unique in the world” programs to reach out and meet northern indigenous Canadians where they're at and facilitate community to various different types of opportunities on the site.

We think that the ASETS program is a really important contribution from the federal side to indigenous work-site-specific training. We know that this program in the most recent budget was extended for one year, but is subject to a review. We'll be following that and participating in that review. We think that expanding and better enabling that program to deliver more for indigenous Canadians in workplace training would be a very positive step.

**The Chair:** We'll have to leave it there.

Mr. Albas.

**Mr. Dan Albas:** Thank you, Mr. Chair.

I just want to thank each one of our witnesses here for the work that you do helping educate parliamentarians, as well as the government.

I'm going to start first with FCM. Brock, thank you for being here today. We talked a lot about tax implications today, but I think your membership...when I speak to local mayors, councillors, etc., I think the government has put out a lot of rhetoric around how they're going to support, but to me it seems they've made the processes by which you apply much more complicated. People don't know if they apply to the provinces, apply to the federal government. Are they going to go through an infrastructure bank, which they don't understand?

Is this a problem that you're hearing from your stakeholders?

**Mr. Daniel Rubinstein (Acting Director, Policy and Research, Federation of Canadian Municipalities):** Our members and Brock spoke to the importance of this integrated bilateral agreement process right now, and it's really about making sure that there is clarity at the local level for municipalities in how these programs will roll out. We are encouraged by the letters that Minister Sohi sent to his provincial counterparts that specified that municipalities and provinces will need to jointly identify projects. That's an innovation over previous programs, so we're seized with the importance, both from our own members participating in that process at the provincial level, and engaging with the federal government about that.

On the infrastructure bank, similarly we've been in touch with the agency that's establishing the bank and making sure that our members understand what the bank will deliver as it's rolled out.

**Mr. Dan Albas:** Well, again, simplification obviously isn't there, because you're still pursuing that clarity. I appreciate that some things do take time.

My next question is to both the Mining Association of Canada and Forest Products Association of Canada, two industries that I don't believe toot their own horn enough about how innovative they are. When you look at the geographic or geospatial systems, mapping, all sorts of different technologies, robotics, having just-in-time to make

sure that efficiencies are up, so that when we're on a down cycle, we're getting the best leverage from it....

Derek, can you please point out a few of the different things that make your industry so innovative?

• (1815)

**Mr. Derek Nighbor:** Thank you. I wish my comms guy was here.

I appreciate that, and you're right, it's something we talk about internally in the membership. One of the things I'm proudest about—and I don't think people really understand it—is just how involved the planning process is to manage the harvest. Across the boreal forest, we deal with individual species-at-risk issues, like the caribou one that's going to be hot this fall. We're managing for 85 mammals across the boreal, over 100 different species of fish, over 300 different types of birds.

Plus, we're managing to suppress fires, to manage pests—pine beetle in the west, spruce budworm in Quebec and Atlantic Canada—and trying to get ahead of the next pest that might come. It's managing for wetlands preservation so the ducks do well, etc. With the involved way...and the amount of planning, we're not mowing down trees, which is what some people like to suggest.

With regard to the other complicating factor, the chief forester from B.C. was talking at a conference this morning about the forests and that they are not static. When we're dealing with warming temperatures, we now see deer in parts of the country move into areas that they weren't before, which means the wolves and the cougars are now following them. The predator-prey relationships are changing. Nutrition conditions in the forest are changing. We're dealing with a very, very complex environment.

I think that's the one piece that I would table before I turn it over to my colleague from mining.

**Mr. Brendan Marshall:** It was mining technology that built the Canadian space arm. That's one tangible example. We have companies that are looking to do the first totally electric underground mine in North America. We have companies in the Northwest Territories that have facilitated a composting system that reduces power on site but also leaves biomass for reclamation purposes in a terrain where there is very limited overgrowth. The downstream supply chain effects for reduced emissions, reduced transportation costs, reduced land movement have an accumulatively positive effect. That's Dominion Diamond, by the way.

I think Mr. Easter is signalling that I may be at the end of my time, but I really appreciate the question. Innovation is key. When you are taking a percentage out of rock that in some cases is less than half a percent, the amount of energy that's required, the amount of innovation and intuition to be able to do that when in certain cases it's upwards of two kilometres underground, is an ongoing constant engagement of reducing costs, managing project deliverables in a multi-faceted shifting environment.

**The Chair:** Before I go to Jennifer, on this question to the Forest Products Association of Canada on innovation, your recommendation number six is "Support the implementation of recent budget announcements relating to innovation and transportation." It partly relates to something that the Federation of Canadian Municipalities said as well.

I made a note when you were talking. On the problem of rolling out this infrastructure and so on, are we talking money or are we talking process? I don't mind admitting at all that one of the problems I have with Ottawa is process. We're processed to death. How do we get something done?

My question to both of you is whether there is a problem there. You talked about all the innovation you do, Derek, and that's all great, but in the budget announcement there was support there. Are you saying there's a problem? Can you fill us in on that?

**Mr. Derek Nighbor:** So much of what Brock talked about.... We are seeing the coming to life of a number of things out of budget 2017, so I think there is an element of process on the infrastructure side for us. About a third of our overall costs are related to transportation, getting the goods from the forest to the mill—which in some communities could be 500 kilometres apart—then to market, Port of Vancouver, China, or whatnot.

The infrastructure bank funding.... We see huge opportunities for efficiencies at ports, huge opportunities for new capacity on rail, so that's one part of the equation. The other is this issue around superclusters and innovation, and supporting the transformation. With the housing bust in the U.S. in 2008-09, and the move to digital from paper, in our sector we now have to find new product areas for our wood fibre. Biospace is a big space for us there, and through the supercluster program we see some huge opportunity. We have an application in; we are just waiting on ISED.

• (1820)

**The Chair:** Okay. I don't know if you want to add anything, Brock. Go ahead.

**Mr. Brock Carlton:** Sure, just very quickly.... We are always looking to simplify the process, so those conversations are ongoing. The government and the department have been very receptive to the discussions.

I should just caution that there are times when.... There is an assumption that the timing when federal dollars get spent is an indication of inefficiency or slowness, when in fact we should never lose sight of the fact that the federal government reimburses expenses. Infrastructure dollars to the municipalities come after the expenses are made, and oftentimes after some of the work has been done. The timing of federal dollars is not a clear indicator of inefficiencies.

**The Chair:** Okay, thank you.

Ms. O'Connell, go ahead.

**Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.):** Dr. McInturff, I have a couple of questions. You mentioned the Dutch investment of \$100 million and what that meant, and you also talked about the not-great per capita amount that is being spent. I appreciate that you gave a larger, not per capita number in terms of what you would like the federal government to spend, because one of the issues I find.... I come from a semi-rural riding, and sometimes access for rural women is even harder, so if the federal government creates a per capita amount and then it trickles down—provincial, municipal, police, etc.—rural Canada would get even worse. Could you speak to that point?

In the Dutch model, with the \$100 million, you said that it changed the lives of hundreds of thousands of women, even outside the country. Could you elaborate on that a little?

**Dr. Kate McInturff:** Sure. The Dutch fund was set up after the millennium development goals were established, to support achieving the gender equality goals that were part of that. It was funding for women's organizations outside of the Netherlands, in low-income countries. Ten years ago, it was approximately the equivalent of \$100 million. Those impacts were in other countries.

In fact, Canada has had its own women's funds in other countries. It has funded a women's fund in Pakistan and helped women change the legal system so they were recognized as witnesses in court. The women's fund supported by Canada in Paraguay helped women's organizations make domestic violence a crime. There is really good evidence that it is very effective.

Direct money to women's organizations also addresses.... Those organizations are best placed to say.... For example, I learned from someone who works on violence against women in a rural setting that a shelter is not always the right answer for women in rural Canada. Sometimes, what they need is home visits or other kinds of programs that speak to the reality that they live, which is different from that of women in, say, downtown Toronto.

Women's organizations are part of their communities. These are members of our communities, so they are very effective in understanding how to target their programs and services, and not so process-y in doing that. They are already there, and they already know, because they've been working with those communities for decades and they can deliver that.

We can talk about per capita spending, but I will say that, if we increased our spending through the women's program to \$100 million.... I've actually calculated what difference that would make to our debt-to-GDP ratio, and you have to go out about 13 decimal points to see it. It's a lot of money to an individual, but in terms of the scale of the federal budget, it's really doable. It's doable right away.

**Ms. Jennifer O'Connell:** Thank you. I appreciate that.

With regard to the provinces, I find, even for organizations within my region, one of the issues is, yes, the federal government usually funds bricks and mortar and the provinces usually fund operations. One of the problems that I've heard for sure has been that these organizations are really good at what they do, but they don't know if they're going to be renewed for funding in future years. They have all these programs, they have all these staff, and they could do a lot more. For me, outside of Toronto, in Ontario, in my riding, I have the rural aspect, but our population will be almost doubling within the next few years, and a lot of that will be new Canadians, which poses new challenges in terms of language and things like that. These organizations are preparing for these demographic changes, but they don't actually know if they're going to have renewed funding.

In addition to funding, would you also be looking at some type of program or conversation with the provinces to make sure that if we invest, they are going to also continue, and that these contracts can't just be left until the last minute to be re-signed?

• (1825)

**Dr. Kate McInturff:** Women's organizations often get caught in this catch-22. They're being asked to present the rationale for funding and they don't have funding to do research or to track the success or failures of their programs. Then they end up in front of municipalities and provinces and federal governments, and they don't even have staff to do that, let's be honest. They don't have the staff to even get to Ottawa. Particularly for women's organizations in the north, it's very expensive. So we're losing all that insight because we're not supporting them to do research in the first place on their work.

I think we also have to have an honest conversation about what doesn't work, which is very hard when you're asking for funding. When you're responding to a funder, you want to have good news. You don't want to say this program didn't work, and yet we need to know when things don't work. So, in terms of ongoing funding, absolutely I think it is essential. Stable funding, funding for core costs, keeping the lights on, paying the telephone bill, and that kind of stuff is crucial.

I was really excited this morning to hear Minister Duclos. It was at the anti-poverty conference today. He talked about failing, and failing forward, and said that part of innovation is about accepting failure as part of that process because it means you're taking risks. I know we don't always think of innovation and women's organizations together and there are some dangers there, "We know it worked last year, but we want you to submit a proposal for something different because we already funded that," but you're saying, "No, and that really worked." On the other hand, I think we need to have an honest conversation about funding women's organizations, taking some risks, and let's hear what's not working. That doesn't mean you're never going to get funding again, it's just, "Now we know that didn't work. I bet you have ideas for things that would work better."

**The Chair:** Thank you.

Mr. Sorbara.

**Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.):** Thank you, Mr. Chair.

I thank everyone. I'm the last one up here, so I'll try to be as quick as possible.

First of all, Kate, all of God's blessings as you continue this journey. Our thoughts are with you, absolutely.

**Dr. Kate McInturff:** Thank you.

**Mr. Francesco Sorbara:** As a father of two young daughters, I hear you on ensuring that we have gender parity, we have gender equality. The last budget was the first budget ever that had a chapter on gender-based analysis, which I think was a great step forward, and we look forward to continuing those initiatives. As Greg said earlier on, my honourable colleague, we hear you and we'll definitely take a look at that.

To the FCM, I would characterize our relationship between this federal government and the provincial and municipal levels as remarkable. I think we're taking a lot of steps forward and I'd love to hear your perspective. By the way, we have a subway opening up in Toronto and coming up to my area of Vaughan in a couple of weeks, so I hope to see you or some of the representatives from FCM there.

Could you just quickly answer that, please?

**Mr. Brock Carlton:** The relationship between the federal government and municipalities is very engaged. As I said in my comments, the engagement around budget 2017 was exceptional. The conversations are deep and getting deeper. So the idea that municipal government has a role to play in nation building is an idea that is understood, I think, by this government.

I think certainly on the infrastructure file, the engagement is exceptional and very effective. There are other files that we're working on, continuing to have the conversations around this notion that community building is nation building, and engaging the government in ways that enable all of us to achieve the objectives we're trying to achieve, which is strengthening this country.

• (1830)

**Mr. Francesco Sorbara:** Absolutely. We can measure our infrastructure deficit in many different ways, but we know that at the end of the day a large infrastructure deficit exists, and the plan we've laid out for 12 years in infrastructure funding of over \$180-plus billion is one that will take the country forward and benefit all our children.

Just turning to the Mining Association, can you give us a very quick analysis of trends you're seeing in investment here in North America and in Canada versus other areas, and where we can improve on that?

**Mr. Brendan Marshall:** There's sort of a general consensus now in the industry that commodity prices have turned from the bottom of the recent down cycle. Year over year, copper is up almost a dollar. Zinc is up almost 40¢. These are pretty significant leaps and bounds when you're producing millions of tonnes of this material.

With respect to global investment attractiveness, that is the biggest consideration right now. We're seeing information that suggests we're not keeping pace with Australia in the way we used to. It's a little disconcerting, to say the very least, and the principal contributing factor is that companies aren't going to invest in exploration to find a mine they don't think they will be able to permit, and they won't invest in exploration to develop a mine that, even if permitted, they can't afford to build.

So if you come back to some of the comments of your colleague earlier, the future of the Canadian mining industry lies increasingly in remote and northern regions. It's astronomically more expensive to do the same thing in those areas than it is in a centrally located jurisdiction, in a Sudbury, for example.

**The Chair:** With that, I want to thank the witnesses for their responses and presentations, and also thank the members for their endurance over a very long week. I hope we are productive at the end of the day.

The meeting is adjourned.

---









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

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

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 House of Commons website at the following address: <http://www.ourcommons.ca>

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

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

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 de la Chambre des communes à l'adresse suivante : <http://www.noscommunes.ca>