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Chair

Mr. Bryan May

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

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• (1100)

[English]

The Chair (Mr. Bryan May (Cambridge, Lib.)): Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, June 13, 2016, the committee is resuming its study on poverty reduction strategies.

Today we're heading into the component "Neighbourhoods: A study of planning, infrastructure building as a poverty reduction strategy, accessible and affordable transit, community support networks, and other new or innovative approaches".

Today we are pleased to welcome Jeff Moore, assistant deputy minister, policy and communications, Infrastructure Canada; and from Indigenous and Northern Affairs Canada, Stephen Van Dine, assistant deputy minister, northern affairs.

We are hoping to speak with you for about an hour or an hour and a half, or by whichever time we're done with questions. At that time we'll break for a few moments to go in camera for some committee business.

Without further ado, I hand it over to Jeff Moore for 10 minutes.

Mr. Jeff Moore (Assistant Deputy Minister, Policy and Communications, Office of Infrastructure of Canada): Good morning, Mr. Chair, and thank you for inviting me to speak before you today.

I am pleased to note that the committee is conducting a study of "planning, infrastructure building as a poverty reduction strategy, accessible and affordable transit, community support networks, and other new and innovative approaches".

I believe the Department of Infrastructure Canada has a role to play in addressing some of the challenges your committee will study.

[Translation]

I'd like to begin by outlining the Government of Canada's plans and how the department will be involved in supporting them.

I will then speak to how I believe Infrastructure Canada will help in the committee's study.

[English]

As you may know, the Government of Canada set out an ambitious infrastructure investment plan in budget 2016. The budget

announced \$11.9 billion over five years in funding for the first phase of the government's investments, which included funding under three streams: \$3.4 billion over three years for public transit; \$5 billion over five years for green infrastructure; and \$3.4 billion over five years for social infrastructure.

As part of the government's phase one commitments, budget 2016 proposed initial social investments totalling \$3.4 billion over five years. These investments are targeted to help expand affordable housing, support early learning and child care, renew cultural and recreational infrastructure, and improve community health care facilities on reserve.

The department has been working in partnership with our colleagues at Families, Children, and Social Development as well as Indigenous and Northern Affairs to make investments in affordable housing and indigenous communities.

Under phase one Infrastructure Canada is responsible for the public transit infrastructure fund, PTIF, and the clean water and wastewater fund, CWWF. Investments under PTIF are being used to help strengthen communities, in part by aiding the purchase of accessible buses.

• (1105)

[Translation]

Prince Edward Island, for example, used some of its PTIF allocation to upgrade their para-transit vans in several cities, which helps increase the independence of residents in those cities.

[English]

Infrastructure Canada has a solid track record of investing in infrastructure that meets accessibility codes. In our project agreements we require proponents to confirm that their public infrastructure meets the appropriate access requirements for persons with disabilities, including those set at the federal, provincial, and territorial levels. This requirement remains in place under our new programs.

The government's long-term infrastructure plan was further expanded and updated in the recent fall economic statement, which laid out the fiscal framework for the government's long-term infrastructure plan.

[Translation]

This fall economic statement strengthens the government's commitment to long-term growth for the middle class. It proposes an additional investment of \$81 billion over 11 years, starting in 2017-18.

[English]

This means \$25.3 billion for public transit infrastructure, \$21.9 billion for green infrastructure, \$21.9 billion for social infrastructure, \$10.1 billion for transportation that supports trade, and \$2 billion for Canada's rural and northern communities.

The fall economic statement also introduced two new initiatives, the Canada infrastructure bank and the smart city challenge. The Canada infrastructure bank will be responsible for investing at least \$35 billion from the federal government in large infrastructure projects that contribute to economic growth through loans, loan guarantees, and equity investments.

[Translation]

Part of this amount—\$15 billion—will be sourced from the announced funding for public transit, green infrastructure, social infrastructure, trade and transportation, and rural and northern communities.

[English]

The smart city challenge is modelled on similar competitions around the world and aims to accelerate the planning and adoption of innovative urban infrastructure. It will be an opportunity for cities to innovate, take risks, and think outside the box to address mobility, environmental, and social challenges. The smart city challenge is set to launch this year.

Further evidence of the Government of Canada's support for innovative change in its cities is two new funds that Minister Sohi announced last week in partnership with the Federation of Canadian Municipalities.

[Translation]

The municipal asset management program is a five-year program that aims to encourage best practices in the field of asset management, helping municipalities to make informed infrastructure investment decisions.

[English]

A key focus of the program will be to raise awareness about the importance of asset management practices as a tool to increase value for money and improve the long-term performance of municipal infrastructure such as roads, recreational facilities, and water and wastewater systems.

The second fund announced was the municipalities for climate innovation program. This is also a five-year program, and it aims to accelerate action on reducing greenhouse gas emissions and transitioning toward low-carbon communities. Both of these programs are being delivered by the Federation of Canadian Municipalities, with funding from the Government of Canada. We will continue to work closely with the FCM to monitor, assess, and report on the results and outcomes of the programs as they are under way.

●(1110)

[Translation]

The committee has before it a study that will help to shape the future of Canadian urban planning and poverty reduction.

I wish you success in your study and I look forward to studying the committee's findings.

[English]

Thank you again for inviting me to speak today.

The Chair: Thank you for being here.

From Indigenous and Northern Affairs Canada, we have Stephen Van Dine, assistant deputy minister, northern affairs organization.

[Translation]

Mr. Stephen Van Dine (Assistant Deputy Minister, Northern Affairs Organization, Department of Indian Affairs and Northern Development): Thank you, Mr. Chair.

I wish to thank the committee for inviting me here today to share with you news of the important work that we are doing through the nutrition north Canada program.

[English]

It is a pleasure to be here today. I am also pleased to be here with Jeff Moore to talk about the issues currently facing the committee. I'm going to take a slightly different perspective on what you've heard so far and turn it to nutrition and access to nutritious and perishable foods.

As we know, a nutritious diet is essential to good physical and mental health, and access to affordable, nutritious food remains a challenge for many families in isolated northern communities. There has been some research recently conducted on this, and we've been able to determine that for communities without year-round access to surface transportation, the cost of living and doing business is approximately ten times higher than in the rest of Canada. These costs, coupled with low incomes, make it more difficult for many northerners to afford a nutritious diet from store-bought foods. At Indigenous and Northern Affairs Canada, we are working to ensure that northern families living in isolated communities have improved access to affordable nutritious food.

[Translation]

The Government of Canada has subsidized food and other essential items in northern communities since the 1960s.

[English]

The program began as the northern air stage program, and then it moved to Canada Post and then eventually to Indian and Northern Affairs in 1991.

Escalating and unpredictable program costs, lack of transparency and accountability, and the need to support healthy food choices brought about a desire for us to change and update the program. Nutrition north Canada has also introduced for the first time a nutrition education component delivered by Health Canada, given that there are a number of factors that influence healthy eating beyond food cost. Further, in order to give northerners a direct voice in the program, the external nutrition north Canada advisory board was established as part of the program's governance structure. The advisory board, composed mainly of northerners, provides ongoing advice to the minister of Indigenous and Northern Affairs Canada on the direction and activities of the program.

[*Translation*]

Nutrition North Canada was announced on May 21, 2010, and launched on April 1, 2011. The objective of the program is to help make perishable, nutritious food more accessible and more affordable than it otherwise would be to residents of eligible isolated northern communities without year round surface (road, rail or marine) access.

[*English*]

Nutrition north replaced the food mail program's transportation subsidy with a retail-based food subsidy to support the provision of nutritious foods to residents of isolated northern communities. While the former program focused on contracts with transportation providers, with nutrition north Canada, retailers and suppliers can choose the most effective options for their goods and take advantage of evolving transportation systems in the north, including alternative modes of shipping such as airships and sealifts.

As the Nutrition north subsidy is applied to the cost of stocking and/or shipping perishable foods in the north, retailers and suppliers can ship the most perishable nutritious foods by air while using more cost-effective options, like winter roads and sealifts, to transport non-perishables and non-food items.

[*Translation*]

The subsidy therefore enables eligible retailers and suppliers to lower the cost of healthy foods like meat, fish, eggs, milk and bread, as well as fruit and vegetables. In recognizing the importance of country foods to the northern diet, the subsidy is also applied to country foods processed in commercial plants that are government regulated and/or approved for export.

• (1115)

The impact of this program is enhanced by nutrition education initiatives in eligible communities. These initiatives are led by Health Canada and the Public Health Agency of Canada, and aim to increase knowledge of healthy eating, skills development in choosing and preparing healthy store-bought foods and country foods, and strengthen retail-community partnerships.

[*English*]

The nutrition north Canada program continues to work to enhance program transparency and accountability to Canadians. In keeping with its response to the recommendations outlined in the Auditor General's fall report in 2014, the program has completed a full review of its community eligibility criteria and a full assessment of the eligibility of all isolated northern communities. This work

resulted in an addition of 37 communities. As of October 1, 2016, a total of 121 isolated communities across the north now have access to the full benefits of the program.

Budget 2016 provided an additional \$64.5 million to the NNC program over five years, beginning in 2016-17, and \$13.8 million per year ongoing, starting in 2021, to support this expansion. But we know we need to do more than just add communities to the program. We're hearing from northerners that the cost of food is still too high. We are also learning from internal audits and evaluations, as well as from the Auditor General's report, that we need to consider all options for program sustainability. In response we are working to enhance the program's ability to meet the needs of northerners and to be more transparent, accountable, and culturally appropriate.

As a result, between May and December 2016, NNC conducted an engagement process with northerners, indigenous organizations, and other key stakeholders to gather ideas on how to improve the program while keeping it on a sustainable path. Engagement activities included over 20 community meetings across the country, key stakeholder interviews, as well as the conduct of a survey and written submissions. Through the findings of the engagement process, we will be working with northerners to update the nutrition north Canada program so that they, along with their families, can have improved access to affordable and healthy food.

To conclude, the high cost of living and food security is a complex and multi-faceted issue that requires a broad spectrum of responses, and we at Indigenous and Northern Affairs Canada are committed to doing our part in collaboration with our partners both within and outside the federal government to strengthen the nutritional choices of northerners living in isolated communities, and by extension, to improve their long-term health outcomes so that they may participate fully in the livelihood of their communities.

[*Translation*]

Thank you for your attention.

[*English*]

The Chair: Thank you very much, sir.

To start us off, we are going to MP Vecchio.

Mrs. Karen Vecchio (Elgin—Middlesex—London, CPC): Perfect. Thank you very much.

I want to start with Indian Affairs and Northern Development.

When we talk about the housing strategies and transparency, what are we doing to make sure that the money that is being forwarded for housing, allocated for that, is being spent and that the final end product is the housing there?

Mr. Stephen Van Dine: Thank you.

I'll preface my comments by saying that we have two housing initiatives. One is targeted towards on-reserve and those in northern parts of the country. For the on-reserve, all of the funding agreements require reporting and transparency elements for all new funds that were provided in 2016 and beyond.

Mrs. Karen Vecchio: Okay, thank you very much.

Mr. Stephen Van Dine: Thank you.

Mrs. Karen Vecchio: I want to go to Mr. Moore.

I'm looking at the infrastructure budget. Being from a rural part of Canada, the \$2 billion for Canada's rural and northern communities stands out. I want to look at that, because I want to make sure, when we're looking at social infrastructure or green infrastructure, that this is not specifically to one area, but for all of Canada, and that it is just a top-up of that \$2 billion for rural projects, such as roads and highways.

• (1120)

Mr. Jeff Moore: Yes, we do have \$2 billion set aside for northern and rural communities. On top of that, those communities could also take advantage of the funding that you find under social infrastructure and some of the other elements of the infrastructure plan moving forward.

Mrs. Karen Vecchio: Okay, fantastic.

You mentioned the infrastructure bank. Once again, being from a smaller community, I know I've advised that we need to do regional approaches, because many of our small communities will not be able to be funded through this program because of the bottom, the floor to that.

What are your recommendations so that we can link the infrastructure bank to the end to poverty? Do you see something there that would work? Are there any innovative solutions that you think applicants should focus on? What can we do there?

Mr. Jeff Moore: I don't have answers to that, to be honest. What I can tell you is that the infrastructure bank is one of many tools that will be available to proponents to access innovative financing. At the end of the day, the bank will be there to look at trying to support those projects where we could actually bring private sector money to the table. So it's really trying to crowd in additional private sector money to try to address the infrastructure gap.

As I said in my remarks, there are some innovative tools that the bank will have access to, such as loan guarantees and loans, as well as equity investments. The important thing to note with the infrastructure bank is that, while it is part of the toolkit that communities will be able to access, it's not mandatory for provinces, territories, and municipalities. So they would have the choice to use the bank if it makes sense to them in terms of what they're trying to do.

Certainly if communities want to be involved in the infrastructure bank, there may be opportunities to provide some capacity building to them in order to access those particular tools.

Mrs. Karen Vecchio: I want to get a little bit more specific here, but it's got a breakdown of the total infrastructure funding that's allocated to first nations reserve versus what is invested in the rest of Canada. It says on the website that some of the \$3.4 billion invested in social infrastructure is going to reserves. But then it also says that some of the \$3.4 is going to community health care on reserves.

Can you target exactly where this money is going, and if we are looking at all of Canada versus those portions of Canada? Can you give me a little insight on that as well?

Mr. Jeff Moore: Certainly, the total investment we're making under phase one of the infrastructure plan through budget 2016 does amount to approximately \$3.5 billion. Under that, we have money set aside for water and waste water on reserve, which is approximately \$1.1 or \$1.2 billion. There's also \$400 million set aside for waste management, solid waste management on reserve. We have \$270 million for community health facilities on reserve, which is basically your \$270 million.

Mrs. Karen Vecchio: Got it.

Mr. Jeff Moore: That's for community health facilities on reserve; for example, nursing stations. There's \$732 million for housing needs on reserve in Inuit communities and for the north. In addition to that, there's \$129 million for the repair and renovation of indigenous early learning and child care facilities; \$77 million for cultural and recreational facilities on reserve; and \$10 million for shelters for victims who are fleeing violence.

Mrs. Karen Vecchio: Thank you very much.

I have one more minute, okay. Sorry about that; it's fantastic.

Let's go back to the nutrition and the food security issue. How much federal money is being used to combat food insecurity and the high costs of living on reserves through programs such as nutrition north Canada?

Mr. Stephen Van Dine: It's important to distinguish that this is for fly-in communities only in the high north. The program began in 2011 with a program base of \$60 million. That has grown since 2011. I believe this year we are just shy of \$83 million.

• (1125)

Mrs. Karen Vecchio: Thank you very much.

The Chair: Now we'll go over to MP Robillard, please.

[Translation]

Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.): Thank you, Mr. Chair.

Mr. Van Dine, I imagine that a housing strategy embedded in a poverty reduction strategy would contribute to the residential stability of many Canadians.

Can you tell us about the short-term and long-term impact of implementing more thorough affordable housing policies on our most vulnerable populations, such as seniors and First Nations?

Mr. Stephen Van Dine: Thank you for your question.

I will answer first and then perhaps ask my colleague to add to my remarks.

Budget 2016 included an increase in funding for the housing of First Nations, Inuit and Métis as part of the agreements with the provinces.

Northern housing requires an agreement between the federal government and the provinces. The Canada Mortgage and Housing Corporation (CMHC) is responsible for agreements with each province and territory. In 2006, we increased the funding for the housing of indigenous people in the north.

What was the amount, Mr. Moore?

Mr. Jeff Moore: As I said, the amount is \$732 million over three years. That includes the north, Inuit communities and those living on reserves.

Mr. Yves Robillard: We'll be able to check it since we'll be in Kuujuaq tomorrow. We will ask the Makivik Corporation some questions.

Mr. Moore, the mandate letter for the Minister of Infrastructure and Communities states that the minister must improve access to, and governance of, existing infrastructure programs, including social infrastructure, such as affordable housing and seniors' facilities.

How much attention does your department pay to affordable housing for seniors in the country? What tangible objectives are you able to set for next year, for instance? How will those measures help alleviate poverty for the most vulnerable segments of our population?

Mr. Jeff Moore: Thank you for your question.

If I turn to my previous comments, there's an investment of \$732 million to meet as much as possible the housing needs on reserve, in Inuit and northern communities.

[*English*]

Also, just to add on affordable housing, under the social component under budget 2016, we have a total of \$1.48 billion that we are investing for affordable housing. That includes money for the affordable housing initiative, including affordable housing for seniors, and for energy retrofitting for social housing, shelters for victims of violence, and also investments for homelessness. Those are key investments that have been made to ensure there is access to a variety of programs for different segments of the population to take advantage of, whether you're a senior, whether you're low income, or whatever your situation may be.

[*Translation*]

Mr. Yves Robillard: Your minister's mandate letter also states that he has the mandate to support the Minister of Indigenous and Northern Affairs to improve essential physical infrastructure for indigenous communities. This refers to the housing outcomes for indigenous peoples.

Could you explain the co-operation between your two departments and the outcome of your joint efforts to reduce poverty in indigenous communities?

Mr. Jeff Moore: Thank you for the question once again.

In the context of reserves, as I mentioned, there is an amount of \$732 million for the needs of Inuit, those in the north and those on reserves. If you are interested, I can provide you with the figures for the reserves only.

Under the current mechanism, we transfer money from our department to the Department of Indigenous and Northern Affairs' budget. It is up to that department to manage those agreements and the amounts of money with the communities.

Perhaps my colleague can elaborate on this aspect in terms of the arrangements with each community. The Department of Infrastructure and Communities assumes a coordinating role. We think it is really important to work with all the departments that will receive money under budget 2016 and to have a mechanism in place, as well as an idea of what the benefits for those programs will be because of our investments.

• (1130)

[*English*]

The Chair: Thank you very much.

Now we will go over for six minutes to MP Sansoucy.

[*Translation*]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Thank you, Mr. Chair.

My first questions are about Nutrition North Canada.

Mr. Van Dine, in your presentation, you mentioned the consultation that took place between May and December of last year. The goal of the consultation was for the program to be more transparent, more profitable and better adapted to the culture of the communities. I am well aware that the report cannot be ready because the consultation finished in December. However, I would like you to tell us what types of comments you received throughout the consultation.

Mr. Stephen Van Dine: Thank you for your question and for your interest in the consultation process for the Nutrition North Canada program.

We talked with the members of about 20 communities throughout the north. We have just completed the report and we will post it on our website soon.

Ms. Brigitte Sansoucy: Without giving us a sneak preview, can you tell us about the types of comments you have received?

Mr. Stephen Van Dine: Gladly.

People have stressed that the cost of living is very high in the north. As for Nutrition North Canada, we received comments about the list of eligible food items and subsidies. We were also told about other food products such as traditional foods, and their crops.

Ms. Brigitte Sansoucy: Once the consultation on Nutrition North Canada is complete and you publish a report, what will be done to turn the comments into tangible measures that improve the situation?

Mr. Stephen Van Dine: We will move to the next step of the process, which entails developing policies for the program. We will soon be launching a process in partnership with some provinces, the Government of Nunavut and some indigenous groups.

We want to organize meetings to analyze the results of the consultations and discuss the possible options. After we talk with our partners, which will probably be done by next fall, we will be able to look at some of the options to move to the next stages of the program.

Ms. Brigitte Sansoucy: As you pointed out, the main issue is food at an affordable cost. You talked about it a number of times in your presentation, but I still have a hard time seeing how we can fix it since there's a poverty issue.

Mr. Stephen Van Dine: It's a very complex issue that affects education, the economy and job opportunities. In order to solve the problem in the long term, we will have to develop a comprehensive strategy with the provinces, the territories, the private sector and our colleagues at Infrastructure Canada. That will reduce the cost of living in those communities, which will allow them to contribute more to the economy.

The Nutrition North Canada program has a role to play in the process. In the short term, we will focus on food prices, but we will talk with the other governments about developing a long-term strategy.

On December 20, the Prime Minister announced the creation of a new plan for the Arctic to replace Canada's northern strategy. This new plan will make it possible to meet the challenges you have identified.

Ms. Brigitte Sansoucy: We will not fix it this morning. The objectives are clear, but the ways to achieve them are less so.

You also mentioned 37 new communities. What are the new eligibility criteria that allowed those 37 communities to be added? Have the criteria been established according to the needs of the communities?

• (1135)

[English]

The Chair: I'm afraid we're out of time, but if you have a quick answer or otherwise we can come back to it later.

[Translation]

Mr. Stephen Van Dine: We will be able to provide the criteria after today's meeting.

Ms. Brigitte Sansoucy: Thank you.

[English]

The Chair: We'll go over to MP Dhillon, please, for six minutes.

Ms. Anju Dhillon (Dorval—Lachine—LaSalle, Lib.): Good morning. Thank you for coming.

I wanted to know how successful the nutrition north Canada program has been since 2010.

Mr. Stephen Van Dine: Depending on whom you're asking, you'll get different perspectives on the success of the program, but the goal that we had set out was to reduce the cost of goods to what they would have been had the program not been put in place.

There was a previous program in place and that information is often not known, but for the food mail program, we were able to reduce the costs further with the new program by about 5% in the first six months of the program. Then over the course of the next year or so, it came down by about 3.5%, 2%.

Presently what we're finding is that the program is maintaining a lower cost overall. Now we're finding a trend that while costs for the same goods are rising at about 4% or so across Canada, we've been holding it to no more than 2% or so in the north for communities that are participating in the program.

Ms. Anju Dhillon: When you say the success of the program depends on the perspective of the person you're asking, what do you mean by that?

Mr. Stephen Van Dine: What I mean is that in the positive sense is that we've uncovered that the issue of food security in the north is very significant and complex. I believe the expectations on the program, when matched against the size of the food security problem, tend to result in criticisms that could be placed in other parts of government or agencies that could be playing a role in solving the issue of food security.

The program has had its detractors because of this, from the scale of the problem, I guess, of the larger food insecurity question, but I believe we have good, strong evidence to suggest that the program has been working the way it was intended and making the impact we had hoped it would make.

I would finish my answer by saying there is an ongoing issue with respect to transparency of the program that has surfaced through the Auditor General's report and through others, to ensure that the subsidy dollars that are being provided are going directly to reducing the cost of food. We have been addressing that throughout the program.

• (1140)

Ms. Anju Dhillon: Okay, so it's since the 2014 Auditor General's report.

Mr. Stephen Van Dine: We have made changes to address the issues that were raised in the 2014 Auditor General's report.

Ms. Anju Dhillon: Okay. Between 2010 and 2014, 37 communities were neglected. Can you explain that a bit?

Mr. Stephen Van Dine: At the time the program was created, we had built it based on various reports and studies. One was by a standing committee on aboriginal peoples. We looked at the eligibility question from a variety of vantage points.

One piece that it would seem we have relied on quite heavily is the number of communities that were using the former program. As we dug deeper into the number of communities that were using the former program, we found there was a large span of time in which communities that had been accessing the program were actually not using it.

I'll have to get you the exact number of how many of the 37 were previously under the former program. But a number of them had been removed or put down to partial subsidies when we created the new program.

Ms. Anju Dhillon: What condition were they in compared to the 84 other communities that were already receiving it?

Mr. Stephen Van Dine: We had been receiving representations from different regions of the country that were not included in the program at the time. Northern Ontario, northern Manitoba, in particular, were making representations to be included. It's still early days. The program started in October. Our data is still coming in. The anecdotal information that we are receiving is that communities are seeing a benefit to the program applying to them and seeing lower prices.

Ms. Anju Dhillon: Okay, but because they were neglected, could you say that between 2010 and at least 2014 the members of that community were in worse shape than were the 84 others who were getting money?

Mr. Stephen Van Dine: We don't have the data to determine that level of precision. What I can say with great confidence is that we found ourselves in situations in which, for many objective measures, with communities that were, roughly, next door to one another, one would get the program and the other would not. There was a strong desire to correct that situation, and we received many requests to revisit and address that issue. The demand was there. In terms of the actual wellness of the community as a result of one or the other, I don't have the specific number.

Ms. Anju Dhillon: For things like malnutrition or—

Mr. Stephen Van Dine: I don't have that information today.

Ms. Anju Dhillon: You also mentioned that the cost of food is still too high. Can you explain a little bit why?

The Chair: Could we have a very brief answer, please?

Mr. Stephen Van Dine: The cost of living is 10 times higher for most things in the north. Groceries are one of those cost elements.

Ms. Anju Dhillon: Thank you.

The Chair: We go now to Mr. Ruimy

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Thank you, Chair.

Thank you to our witnesses for being here today.

I'm going to focus my questions today on Mr. Moore with Infrastructure Canada.

Very quickly, could you outline how the government's infrastructure funding can be used to target those who are living in poverty?

Mr. Jeff Moore: I think there are many ways we could do that. Budget 2016 announced funding for public transit in the amount of about \$3.4 billion. Public transit is very key for people to move around, for mobility purposes, to get access to educational services, health services, etc. Having access to reliable transit is key, I think, to people who are living in poverty, people who can't afford to own their own vehicle. They rely quite a bit on public transit systems that are reliable. From that perspective, we use the funding through public transit to ensure that we're modernizing the systems that are in

place, particularly through budget 2016, as well as rehabilitating fleets and rehabilitating systems to make sure that they're operating efficiently and that they're operating on time.

Another example I could give you is under social infrastructure. Actually, I'll pause on social infrastructure, but I'll come back to it.

On the indigenous front, as I mentioned in other answers, we're going to be investing quite a bit in indigenous communities, whether in core municipal services like water and wastewater and solid management or early learning and child care, which are critical for people who are in poverty situations.

There are many, many examples. I could probably go on for about an hour in terms of that.

● (1145)

Mr. Dan Ruimy: No, don't. I don't have that much time.

Moving along on that same theme now, I know some of the challenges that municipalities face. The money goes to the province, and the province determines the priorities. Is there anything in your procedures that can give a little bit more weight to the municipalities, to help them access some of those funds rather than letting the province make all those decisions? A lot of the time big funding goes to bigger cities, and the smaller cities don't get anything. For new cities like my riding, it's tough because we're just not big enough, so how does Infrastructure Canada try to compensate for that?

Mr. Jeff Moore: It's a very good question. Thank you for that.

As you correctly pointed out, normally through our programs, we would negotiate bilateral agreements with provinces and territories. Once those agreements are in place, we rely on them to prioritize projects for our consideration. When those projects come in, we do our best to ensure that there is a balance with respect to the types of municipalities that are being supported through our programs.

Mr. Dan Ruimy: How much weight does your department actually have? Can it actually tell the province, "This money should be earmarked for that project"? Can it do that or not?

Mr. Jeff Moore: We don't have that as a basis in our criteria. As I said, we have lists of projects, and when the projects come in, we will actually look at what the distribution looks like in a particular province. If there does seem to be an imbalance, we'll try to encourage provinces and territories to look at other opportunities as well, if that's possible.

Again, at the end of the day, it's important to note that the process is that we really do rely on provinces and territories to tell us what the priorities are. We hope, through processes like capital planning, which occurs at the municipal level and through the capital planning that occurs at the provincial levels, that opportunities will make themselves available to support those types of communities.

Mr. Dan Ruimy: Let's say I'm in a small municipality. We know that with FCM, with all of the government, we're talking about more collaboration with the municipalities, but they lack that one piece. So, if I'm in a municipality—I'm mayor of my little town here—and I want to be able to access something because I need to build low-income housing, for instance, how can I go out and get the funds for that? Do I have to go through the province? Can I go straight to the infrastructure bank? What's the procedure for me to be able to help my city?

Mr. Jeff Moore: It depends on the program. As for the infrastructure bank, it's too early to tell how that's going to function. As I said, the primary vehicle for programs managed within Infrastructure Canada is through the priority-setting process that the provinces and territories have in place. I can't speak to other departments on how they manage their funds. For example, CMHC has its own agreements in place for affordable housing initiative. I'm not quite sure what the processes are there; we'd have to talk to CMHC.

Mr. Dan Ruimy: You said that it's too soon to tell for the infrastructure bank. Is that because the policies haven't been set?

Mr. Jeff Moore: Yes, exactly. What I can tell you is that, through existing programming, we do have the small communities fund and a national building program. There's funding that can be accessed there for small municipalities. As we move to phase two, if you look to the fall economic statement that the government put out, there is going to be money set aside for rural and northern communities as well, which should address some of those policy issues.

Mr. Dan Ruimy: I come back to the small communities fund. That's a perfect example of where a project should be approved, but is not within the province's priorities and, therefore, doesn't get executed. Even though it's a challenge and it needs to get done, there's a problem there. This is a problem that we have, and it's great that we have all this money out there, but the people who really need to do it are the municipalities, and they are the ones who are struggling to get their hands on it. When we make our recommendations to the federal government, how can we try to improve that situation?

• (1150)

Mr. Jeff Moore: We've been consulting with the Federation of Canadian Municipalities on this and it probably require more consultations. We're always in constant dialogue with them. We do have some interesting programs in place with the FCM. I alluded to them in my opening remarks. A great example is the money we're investing in asset management through the FCM. The hypothesis is that if you invest in asset management at the municipal level, they will have a better understanding in terms of where some of their infrastructure needs are and will prioritize what needs to be rehabilitated, where they need to invest in the new asset. By investing more in asset management, they get more of a sense of what their infrastructure needs are, and they are able to better prioritize what projects need to be funded at the local level. I think that puts them in a stronger position with respect to discussions with provinces and territories regarding priority projects that need to come forward. I think that's a critical piece of work that needs to be done through the FCM, and we'll continue to support them. I think we need to do more of that. I think we need to invest more in capacity building in small communities. Asset management is just

one aspect that is really going to help from a planning perspective. We also need to continue with our approach—

The Chair: Sir, we're way over on this. I'm sorry. I let you go on for a bit there, but hopefully we can come back to you and finish that thought. Over to Mr. Zimmer, please.

Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC): Thank you for coming to the committee.

It's good to be back.

My questions will be for the Department of Indian Affairs and Northern Development. Homes on reserve is the theme that I'm thinking about because when I think of a home, I think of my own home. I look at it that it should be the same way for aboriginal peoples; they should feel at home on reserve.

I want to ask a few specifics about what is spent and whether it is value for dollars, etc. The most recent stat I have—this is a 2011 stat, so it's a bit dated, but that's the best we have—is that the number of aboriginal people in Canada who live on reserve is 314,367. That's what I have here. What is the mandate of aboriginal affairs when it comes to providing housing for aboriginal people on reserve? Please make it as succinct a response as you can.

Mr. Stephen Van Dine: I'll begin by saying that my colleagues at the department would probably be the best placed to give you the precision that you're looking for, but I will give you my best. The department has a responsibility to provide housing on reserve, social housing in particular. It's through the social housing aspects that we work with our colleagues at Infrastructure Canada and CMHC to make sure that those housing units are delivered to the standard, to the quality, and to the number.

Mr. Bob Zimmer: What is the particular amount allocated in the current budget for housing on reserve for building and maintenance? Do you have the current amount?

Mr. Stephen Van Dine: I'll get you the exact figure after today's discussion. There was an increase in 2016 in both categories, both the number as well as the maintenance side.

Mr. Bob Zimmer: Do you have a handle on how many families that covers? Are my statistics accurate based on the current number of aboriginal people on reserve?

Mr. Stephen Van Dine: I won't dispute the information from 2011. There is a high demand. The need is even higher when we look at Inuit populations off reserve.

Mr. Bob Zimmer: How is the money delivered? I'm from northern B.C., and Fort St. John is my hometown. We have Doig and Blueberry reserves that regularly get maintenance. I was a carpenter, so I knew a lot of these folks who would go out there and fix up the houses regularly.

How is the money delivered? Is it delivered through INAC or is it through your department? How is the money funded? Does it go to the chiefs and council? How is the money distributed?

Mr. Stephen Van Dine: The money is distributed through a couple of different means. Essentially, it is a transfer over to either a regional or a community enterprise that would have the ability to then undertake the contracts and construction planning necessary.

Mr. Bob Zimmer: Can you explain that a little bit? You talked about a few different entities, the way it's done, and a few different methods. Can you elaborate on that? I think I have a few minutes left.

Mr. Stephen Van Dine: Very quickly, in the case of Kuujuaq and Makivik, we're transferring the money directly to the land claims organization, and they are building the housing through that mechanism. The other is a more traditional route through community contribution agreements.

Mr. Bob Zimmer: Can you explain that last one, the community contribution agreements? What does that look like?

• (1155)

Mr. Stephen Van Dine: I'll provide you more detail following today's discussion. Essentially, it is an annual amount for housing that is predicated on both the construction and the maintenance side of things. What runs alongside of that is something that this committee is probably familiar with. In some cases, particularly in B. C., there is additional funding that is allocated for community-based planning that allows for the proper planning for housing and other things that are important to the community.

Mr. Bob Zimmer: Is there a needs assessment done? Let's just pick reserve X. Is there an assessment in which an individual goes out and assesses the needs in that particular community, and then funds are disbursed based on the needs that are present, or is the funding just allocated based on the population, or per capita? What does it look like?

Mr. Stephen Van Dine: I'll get back to you with the different program allocation models. There is a population component. There are a number of different pieces that go into it, including a little bit of analytics on what we know of the housing stock in the area as it stands and the quality of that stock.

Mr. Bob Zimmer: I would appreciate that, but just a lot more detail than what you're providing. In fairness, I know there's a lot to answer at a committee like this and a lot of different questions that come up, but if you don't mind getting that back to committee on that, because I think those are details that we want to know and I think the communities themselves want to know because we see a lot that's spent. We've talked about \$2 billion. They're such big numbers that people don't get specific about them. I think it's a concern of the taxpayer. In my community, a lot of taxes are spent, and a lot is allocated, but then we still see weaknesses in the system, and we still see poverty on reserve at different times. We want to get to the bottom of that, why that's occurring, and then fix it.

Mr. Stephen Van Dine: I would highly recommend a study that was recently produced by the Senate on on-reserve housing that came out in the spring. There is part two that is coming with respect to northern communities.

The Chair: Thank you.

Over to MP Long for six minutes, please.

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

Thank you to our witnesses today. These are very interesting topics.

On September 2, Minister Jean-Yves Duclos was in Saint John to announce the tackling poverty together initiative, but he also made a joint announcement with Premier Brian Gallant on affordable housing.

Very quickly, it was an additional \$56.4 million: \$6.5 million to support construction, repair, and adaptation of affordable housing; \$3.8 million to support the construction and renovation of shelters and transitional housing, and to deal with family violence, as you said in your presentation; \$13.5 million to help address the increasing demand for repairs to social housing as units age—we all know about that—and \$32.8 million as part of the commitment to double funding levels under the IAH.

That was a wonderful announcement, and obviously at the end it said that the Government of New Brunswick is responsible for choosing the programs they design and deliver and that it also has the flexibility to invest in a wide range of affordable housing programs in order to meet local needs. That was a great news announcement, and I was proud to be part of it.

However, one of the concerns I have—and I'm learning as I go in this—is with the execution and delivery. As a federal government, we're responsible for coming up with a national poverty reduction strategy. I'm stating the obvious, but alignment with the provinces is key.

Mr. Moore, how do you recommend that we deliver a national poverty reduction strategy if we're not aligned with the provinces? How do we actually execute that? Can you give me some thoughts on that? Obviously, every province is going to have a different situation across the country. Some governments want to go one way, and other governments want to go another way provincially. How do we execute that overall national poverty reduction strategy?

• (1200)

Mr. Jeff Moore: Thank you for the question.

I think working with provinces and territories is critical. There are different needs, opportunities, and challenges depending on what province you're working with. Housing issues in Nunavut could be quite different from housing issues in Toronto, for example, though there's always a common denominator at some point in time.

I would say to try to acknowledge the fact that there are these differences. It's important that we do have mechanisms to engage at the provincial and territorial level. The question becomes how we integrate that and coordinate that at the national level, because there will be agreements on housing, through CMHC, with provinces and territories. Infrastructure Canada will have agreements with provinces and territories when it comes to elements of public transit and so on.

Our minister has said time and time again that it's important to coordinate, consult, and work with his colleagues, and to ensure that there's a national coordinated mechanism to actually tell a story with respect to what we're doing. That's not just with poverty, though poverty is very important, but overall in terms of what we're doing with infrastructure. These are huge numbers that we're dealing with. There are different mechanisms to get the money out.

Minister Sohi's role is really to be the integrator. He is the one who brings the story together. He works with his colleagues. We get the information back on how we're achieving some of these outcomes, what mechanisms are being used, how the money is being spent, and whether we are successful in the investments we're making. It's very important to be able to tell that story from a national basis. Those are key priorities for the minister moving forward in trying to tell that national story.

Mr. Wayne Long: Do you feel, though, there is opportunity for the government to be more involved by having more, if you will, strings attached to that funding downstream?

Mr. Jeff Moore: In some cases we do have strings attached. A really good example of that within the mandate of this committee, for example, is around persons with disabilities. There are definitely strings attached to the investments we make in all infrastructure projects. I can speak only for our department, but we have strong criteria that say we must at least meet, if not exceed, provincial, municipal or federal standards when it comes to accessibility issues.

In fact, we have some money set aside though budget 2016 to deal with accessibility issues as well, so that people can access public infrastructure. That's just an example of some of the strings that we can have with respect to the funding we bring forward.

Mr. Wayne Long: Mr. Van Dine, do you have any comments on that?

Mr. Stephen Van Dine: I believe Jeff spoke to it. What we always try to do administratively is to work closely with our provincial counterparts in planning and collaborating. As you're aware, there are a number of different federal-provincial-territorial ministers' fora in which that collaboration occurs.

Mr. Wayne Long: Thank you.

The Chair: Over to Monsieur Poilievre.

Hon. Pierre Poilievre (Carleton, CPC): I'm interested in knowing what problem the infrastructure bank is meant to solve, so I'm going to ask some very pointed and short questions.

Is there any federal law banning a private enterprise or group of investors from building, say, a bridge or a road right now?

Mr. Jeff Moore: Not that I'm aware of, no.

Hon. Pierre Poilievre: Are there any restrictions on banks from providing loans to such undertakings?

Mr. Jeff Moore: Pardon, can you—?

Hon. Pierre Poilievre: Is there any restriction that bans banks or bond-holders from lending for projects like that?

Mr. Jeff Moore: No, not necessarily.

Hon. Pierre Poilievre: Is there anything that bans the federal government under the present situation from cost-sharing projects that also involve private sector investors?

•(1205)

Mr. Jeff Moore: What I would say about the bank is—

Hon. Pierre Poilievre: Is there any restriction on the federal government's investing in projects led by private sector actors?

Mr. Jeff Moore: There are some restrictions, yes.

Hon. Pierre Poilievre: So, how come those restrictions didn't take effect in the case of the Canada Line in British Columbia, or the Evergreen Line in Coquitlam?

Mr. Jeff Moore: In those cases, those were public-private partnership models.

Hon. Pierre Poilievre: Right, so the restrictions to which you referred did not stop the projects in those cases.

Mr. Jeff Moore: The asset, though, is owned by the public entity, by the regional entity, or by the municipality itself. It's not owned by the private sector.

Hon. Pierre Poilievre: In the case of the 407 in Toronto, for example—privately owned and operated—is there anything under federal law or infrastructure programs that bans that from happening?

Mr. Jeff Moore: Is there something that bans a project like that from happening?

Hon. Pierre Poilievre: Yes, or bans privatization in that case from happening?

Mr. Jeff Moore: That's a good question. I can't hypothesize on that. I think you'd have to look at a particular project—its terms.

Hon. Pierre Poilievre: I just gave you one, the 407.

Mr. Jeff Moore: The project is done. It's owned by the private sector. So you're asking—

Hon. Pierre Poilievre: Okay, so it is allowed.

The question then becomes: what does the infrastructure bank do that can't already happen? The only things I can find are loan guarantees and equity. You mentioned equity positions in the budgetary documents that came out. These are the documents that came out around the time that this initiative was announced. They didn't use the word "equity". They used the term "subordinated equity". What's the difference between equity and subordinated equity?

Mr. Jeff Moore: If you go back to the fall economic statement, it talked about equity, subordinated or not, and loans, subordinated or not.

Hon. Pierre Poilievre: My question related to subordinated equity. What is the difference between equity and subordinated equity?

Mr. Jeff Moore: It depends on when you get paid back. If you're going to be taking advantage of the upstream in the revenue from a project, if you're subordinated or very subordinated, that means you're down the list in being able to take advantage of the revenues coming in.

Hon. Pierre Poilievre: So if the federal government is the subordinated equity-holder, then it would be the last to get paid profits from a project.

Mr. Jeff Moore: Or it would be next to last, depending on the financial structure of the deal. It also depends on the terms and conditions of the deal.

Hon. Pierre Poilievre: What if the project loses money? Does the subordinated equity-holder lose before the prime equity-holder?

Mr. Jeff Moore: Again, it would depend on the situation.

Hon. Pierre Poilievre: The reason I ask all these questions is that we're talking about poverty, and one of the causes of poverty is the transfer of wealth from people of modest means to people who are extremely wealthy, and it strikes me that the investors in projects like this would be fairly affluent. Otherwise, they wouldn't have money to invest in multi-billion-dollar projects.

Do you think it is fair for the broad scope of Canadian taxpayers to have to insure the risk and help guarantee the profits of wealthy investors in infrastructure projects?

Mr. Jeff Moore: I think you have to go back to the intent of the bank. There was a huge infrastructure gap in this country, and it was probably not possible for public money to bridge that entire gap. The idea of the bank was to bring private capital into the mix with respect to infrastructure projects. Thereby, if you crowd in private sector equity investment, it would allow provinces, territories, and municipalities to perhaps save some money and then invest the money that's saved into other projects that are required.

Hon. Pierre Poilievre: I agree with that objective; there's no doubt about that. I emphasize that I know you're not the policy-maker. You're explaining the policy that's put in place by cabinet, so I'm not being critical of you. But right now private sector investors can build, own, operate infrastructure wherever provincial and municipal governments agree to let them do so. We have a very advanced financial system that allows such projects to be privately financed.

Where I have concerns is when we nationalize the risk, and then privatize the profit. My concern with this model is that we're going to have investors who are looking for their 6% or 7%, which is fine, but then they're taking the risk that's necessary to get those kinds of returns and putting it on the taxpayer, people who are, on average, worse off economically than the profiteers. I think as a committee that's focusing on poverty, we should be very concerned whenever the government puts in place a deliberate wealth transfer from middle- and modest-income people, to extremely wealthy people. There's a very serious risk of that happening with this bank.

• (1210)

Mr. Jeff Moore: Realizing what the bank, as well—

The Chair: We were well past the time; I let you go a little long.

MP Sansoucy, please, for three minutes.

[*Translation*]

Ms. Brigitte Sansoucy: Thank you, Mr. Chair.

My next questions will be about infrastructure.

Mr. Moore, you must have taken great interest in the parliamentary budget officer's report that was made public on February 2, dealing with phase 1 of the new infrastructure plan. We have learned that the budgets were allocated to 31 departments and government agencies.

However, neither of them published the list of funded projects. They did not even show the new infrastructure plan in their departmental performance report.

Phase 1 has to do with public transit and social infrastructure. Those are investments that may help Canadians come out of poverty, which is what interests us in our committee's study.

Could you provide us with an exact list of the infrastructure projects funded in phase 1?

You gave Prince Edward Island as an example, which is interesting but incomplete.

Can you also elaborate on the anticipated project results?

Mr. Jeff Moore: Yes, we'll do that for you.

Ms. Brigitte Sansoucy: Thank you very much.

As I read the report, I was wondering whether the objectives would be met by the end of 2017-18 or, in other words, whether all the budgets would be spent.

How will the communities that are waiting be affected if the budgets are not spent by the end of the next fiscal year?

Mr. Jeff Moore: Thank you for the question.

I hope we will achieve our objectives although I cannot predict the future in the area. However, as I said at the outset, we are working with the other departments. We communicate with them regularly about the projects they are funding.

Ms. Brigitte Sansoucy: Could you tell me what criteria are used to select the projects and determine what communities will be targeted?

Mr. Jeff Moore: That depends on the program. I'm not sure whether your question is related to a program, but for public transit, which is managed by Infrastructure Canada, we have an agreement with each province and territory. The provinces and territories are the ones establishing the order of priorities for the projects under review by the department.

Ms. Brigitte Sansoucy: That takes me in the same direction as my colleague, Mr. Ruimy.

The parliamentary budget officer's report indicates that almost all the funding earmarked for phase 1 was spent on large urban centres.

I think the reality is the same in most ridings in Canada. In mine at least, the largest municipality has 56,000 residents and the second largest has about 10,000. Twenty-two have less than 3,000 people.

In your presentation, when you talked about the Canada Infrastructure Bank, you said that large infrastructure projects would benefit from that investment, but that this would also be the case for rural and northern communities. I have trouble seeing how that will be possible. Why is the funding for small communities so low when we know that they are the ones that need it the most and have the fewest resources?

Your co-operation with the Federation of Canadian Municipalities is interesting, but, in my riding, the only municipality that is a member keeps wondering every year whether it will still have the means to pay the fee. The municipalities that are represented feel excluded from the process.

•(1215)

[English]

The Chair: We're past the time, but I'll allow a very brief answer.

[Translation]

Mr. Jeff Moore: We work as closely as possible with the provinces and territories. It is they who determine the priorities. We have a process within the department to check whether the projects are balanced, but, as I also pointed out, we have some programs designed to respond to the needs of small communities.

Ms. Brigitte Sansoucy: Not enough, unfortunately.

[English]

The Chair: Thank you.

We have about 15 minutes before the time we were planning to wrap up, so we're going to finish with three more questions, one from each, if that's okay.

I think we are going now to Ms. Vecchio.

Mrs. Karen Vecchio: Thank you very much. I'm going with both Brigitte's and Dan's lines of questioning.

One thing I find in Ontario, especially in the small municipalities, is that we are having problems getting funding. You talked about the management of assets and a variety of things like that. Out of my 10 municipalities, I have one that's larger, the City of London, but of my smaller municipalities, there has been only one that fits the criteria under the Province of Ontario's asset.... I'm saying they've been told they are too wealthy.

These are rural municipalities where people travel down the roads to go to their businesses or their farms, or whatever they may be, and none of the infrastructure funding is being seen because of these things. What can we do as a federal government about bad decisions by the province when it comes to deciding who gets funded and who doesn't? What can we do to ensure that rural municipalities are not out of this calculation?

Mr. Jeff Moore: I won't comment on whether a province's decision or territory's decision is bad or not. It's not for me to decide.

As I said, we have a few mechanisms to address smaller communities. The other one is Canada's gas tax fund, which every community gets a component thereof. We have the small communities fund, which is for communities under 10,000 population. We're going to have the northern and rural program, which is going to come on stream under phase two of our infrastructure plan.

There are a number of ways in which communities can benefit from infrastructure funding. They're not precluded from applying for other programs, like the new building Canada fund, as well as some of our phase one programming. In fact, if I had the information with me today, I know there are some small communities that have taken advantage of the public transit fund, as well as the wastewater fund. There are also all the investments we've made for indigenous communities.

I think there are a lot of points of entry, for all communities, with respect to infrastructure funding. Can we do more? Absolutely, we can always do more. The infrastructure deficit in this country is huge. However, I think the work we're doing with the Federation of

Canadian Municipalities is also very important, in terms of building the capacity of small communities to be able to access the types of programs we have, whether it's through asset management or other means.

The Chair: You still have almost four minutes—

Mrs. Karen Vecchio: I thought it was one question per person.

The Chair: No, no, it's a full round.

You can share your time, if you wish.

Mrs. Karen Vecchio: I'm going to pass it over to Pierre.

The Chair: Mr. Poilievre.

Hon. Pierre Poilievre: I felt bad that Mr. Moore was not able to finish his answer to my earlier question, so I'll open the floor to him.

Mr. Jeff Moore: I have to remember what my answer was now.

Hon. Pierre Poilievre: All right.

Mr. Jeff Moore: I think the key thing with the bank will be balancing how you're going to attract the private sector to some of these projects versus what the public benefits are that we're trying to address with some of these projects, and ensuring that the projects are sustainable as well. You want to make sure that you're not pricing people out of a public transit system with the private sector's being involved. So there are checks and balances that will have to be in place with the bank and with the minister or ministers responsible for the bank, including asking whether we are addressing the right policy issue here, knowing why we are bringing the private sector on board, and making sure that the returns the private sector is hoping to achieve through this project don't make some of these assets unattainable for those who need them, particularly those who are in a low-income situation, where the only opportunity they have for mobility is through public transit. Those are some issues that we need to make sure we approach in a balanced way.

Hon. Pierre Poilievre: The concern I have is not that the investors will make a return. I think all of us believe that, if an investor takes a calculated risk, he or she should have the opportunity to make a return. What I'm worried about is that it will be the taxpayers taking the risk and not the private investor. The public gets the risk, the private sector gets the profit, and we know where this is coming from. It used to be that pension fund managers had rocking chair money. They'd buy government bonds, they'd sit back, and they'd get 7% or 8%. Now they can get maybe 2%, if they're lucky. So they're pressured to find guaranteed returns with no risk, and they're trying to convince governments to take the risk off their balance sheets and provide them with investments that give them a near guarantee of 6%, 7%, or 8%. That's not how the free market is supposed to work.

I'm very concerned that this policy is being driven by those investors who are seeking risk-free rewards at the expense of Canadian taxpayers. What is your department doing to avoid those kinds of moral hazards?

• (1220)

Mr. Jeff Moore: I think it's a bit early to tell. In terms of the bank, there's still a lot of policy work that needs to be done: what the operations of the bank are, what kind of risk framework it's actually going to use, how it's going to select projects, what the risk exposure would be to not just the federal government but other levels of government, and how we would deal with the private sector investment part of it, as well. That's going to come, but it would be pretty hard for me to comment on that right now. Hopefully I'll be able to comment later.

The Chair: You have about 20 seconds.

Hon. Pierre Poilievre: I think it's good. Thank you very much for your answers; I appreciate it.

The Chair: We'll go over to Dan.

You were going to share your time.

Mr. Dan Ruimy: I'm going to share my time. Thank you.

Can you tell us how small towns were helped with the cost-sharing agreements?

Mr. Jeff Moore: Sorry, can you elaborate a bit more or...?

Mr. Dan Ruimy: What is the cost sharing right now, or what was it a couple of years ago? I think it was a third, a third, a third. Has that changed now?

Mr. Jeff Moore: Normally it's a third, a third, a third. Under budget 2016, we went up to 50% cost sharing: 50% being provided by the federal government for public transit, and our investment in water and waste water as well. As for what the cost sharing will look like for phase two of the plan, we're still working out some of those policy questions. I can tell you that certainly for phase one, it's been fifty-fifty with our department, but other departments may have different arrangements with respect to cost sharing.

Mr. Dan Ruimy: Are they looking to help the municipalities even more? I guess you can't comment on that at this point, but municipalities were helped by being able to access lower costs on that.

Mr. Jeff Moore: Yes, or actually by the federal government's providing a higher costing share, and then it's really up to municipalities, working with provinces and territories, as to how the rest of that cost sharing is sorted out.

Mr. Dan Ruimy: All right, thank you.

The Chair: Go ahead, Mr. Sangha.

Mr. Ramesh Sangha (Brampton Centre, Lib.): Thank you, Mr. Chair.

We have seen that many northern indigenous communities are struggling from a shortfall of housing and with substandard living conditions. What steps have been taken to improve existing infrastructure and to construct new housing units for indigenous peoples?

Mr. Jeff Moore: Going back to my earlier remarks, we're providing quite a bit of funding for indigenous communities, \$3.5 billion. A lot of that will be invested in core municipal infrastructure—water and wastewater systems, solid waste management, getting rid of your garbage—as well as health facilities on reserve. It's a lot of critical infrastructure that we'll be supporting.

On the housing side of things, we're making some significant investments on the repair and renovation of existing units and the construction of new units, and looking at elements like shelters for victims fleeing violence. There are a lot of different components to the investments we're making for housing, as well as core infrastructure on reserve.

• (1225)

Mr. Ramesh Sangha: Next, according to the 2006 census, the average annual income on reserve is \$16,160. As a result, many indigenous people will not be approved for a mortgage. What steps are you taking to assist the indigenous people living on low income to get affordable housing?

Mr. Jeff Moore: I can only speak to those investments that we've announced in budget 2016, which were quite substantive. If there are questions around mortgages or any other support for housing on reserve, I would defer to either my colleague or representatives from the Canada Mortgage and Housing Corporation. They would have a good deal more to say about housing on reserve.

Mr. Ramesh Sangha: Okay.

Going back to the question that my colleague Mr. Ruimy asked earlier, 90% of the public funds go to the municipalities, territories, and provincial governments. As it is, funding is regularly distributed to emergency housing shelters, such as the Salvation Army's Wilkinson Road Shelter in my riding of Brampton Centre. How is Infrastructure Canada working in various levels of government to ensure that emergency housing infrastructure is in place, not only for my constituents but for the whole of Canada?

Mr. Jeff Moore: With respect to the Department of Infrastructure, we're a coordinator more than anything else. The funding that is received for housing and indigenous communities would normally go to the Department of Indigenous and Northern Affairs and/or to ESDC, whose minister is Minister Duclos, and/or CMHC. Those entities would normally have agreements in place. They could be at the local level. In the case of Indigenous and Northern Affairs, they would have agreements in place with the communities themselves to flow the money for housing. In the case of CMHC, they would have agreements in place with the provinces and territories to flow the money.

They have a mechanism in place, I'm sure, to determine how they invest in priorities. CMHC would be best placed to respond to those questions.

Mr. Ramesh Sangha: Again, is there any mechanism in place to have checks and balances on the provinces, territories, and municipalities to see how they are spending the money that is being allocated by the federal budget, by you?

The Chair: Please be very brief.

Mr. Jeff Moore: Thank you.

As I said, there are administrative agreements in place with the provinces and territories with the federal government. There are reporting mechanisms in place. They have to report at least on an annual level, if not more, in terms of how the money is being used and what outcomes are being achieved with the investments that are being made.

The Chair: Thank you.

Madame Sansoucy, you have six minutes.

[*Translation*]

Ms. Brigitte Sansoucy: Thank you, Mr. Chair.

In each of your presentations, you told about the many factors that contribute to poverty, and how complex they are. You have told us that employment, housing, physical and mental health, education and the price of food have to be taken into account. A number of witnesses have come before our committee to stress the importance of a multidisciplinary and intersectoral approach.

You have told us about the interdepartmental work, the work with the provinces and territories, with indigenous communities and municipalities. But could you tell me about the specific processes that have been implemented to allow that collaboration to happen? Have you developed any best practices to make it go smoothly?

Mr. Stephen Van Dine: Thank you for the question.

It really depends on the situation.

In Nunavut, the Food Safety Working Group was started by the communities, the Government of Nunavut, NTI, and the other groups. That is the group that invited us to take part in the meetings to decide on specific options and strategies to address matters of food safety. So we actually operate on a case-by-case basis.

As for the more formal process, many federal, provincial and territorial agencies take part in annual meetings organized by the ministers responsible for health and housing. There are meetings each year. It depends on the situation.

I hope I grasped your question correctly.

●(1230)

Ms. Brigitte Sansoucy: With Infrastructure Canada, how do things happen among departments?

Mr. Jeff Moore: There are committees at assistant deputy minister level, my level, that is. My counterparts and I meet to discuss policies, but also to discuss data, programs and how they are implemented. Discussions also take place at deputy ministerial level and also among ministers.

Ms. Brigitte Sansoucy: In response to one of my questions earlier, you reacted by saying that it was the responsibility of the provinces. The municipalities and organizations that we represent still frequently criticize us because the ball goes back and forth between the feds and the provinces.

What could the federal government do in order to be able to really work with the provinces and territories, to focus on their needs, especially in infrastructure, and get the results we want?

Mr. Jeff Moore: I can talk a little about our process in terms of Phase 2 of the infrastructure plan.

Minister Sohi took part in his first meeting with his provincial and territorial counterparts. The deputy ministers met as well. The discussions focused on program data, results and objectives. The idea was to determine whether the provinces, the territories and ourselves had any outcomes and objectives in common.

This was a starting point for the discussion that, at some stage, will be part of the dialogue about implementing programs. It has to start with a discussion about the objectives. We have never done that, but Minister Sohi feels that it is very important to hold those discussions before we develop and implement our programs.

Ms. Brigitte Sansoucy: If I understand correctly, to make that transverse communication possible, you eventually will have to go down into the organization and get to the implementation.

Mr. Jeff Moore: Yes, exactly.

Ms. Brigitte Sansoucy: How much time do I have left, Mr. Chair?

[*English*]

The Chair: You have one minute.

[*Translation*]

Ms. Brigitte Sansoucy: When we talk about investments in infrastructure, we are mostly talking about bricks and asphalt, but how can we bring community considerations into that equation?

We have dealt with food issues through Nutrition North Canada, but I have a hard time seeing how you can bring community considerations into your discussions on infrastructure.

Mr. Jeff Moore: Thank you for the question.

When you say community considerations, I imagine you are referring to community needs.

Ms. Brigitte Sansoucy: Yes, exactly.

How does infrastructure become social?

Mr. Jeff Moore: We work very closely with the Federation of Canadian Municipalities, which is one of the major stakeholders in that respect. We are in constant discussions with the people from the federation in order to find out the needs of the communities.

FCM members include large cities as well as rural and northern communities. We try to have discussions with the FCM as often as possible, in order to find out what the real needs of the communities are. The federation represents all municipalities, but our discussions are with a number of the members in order to find out their needs. We take those points of view into account when we come to develop policies in cabinet.

●(1235)

Ms. Brigitte Sansoucy: Thank you.

I hope you understood the inference when I said “all municipalities”.

Thank you.

Mr. Jeff Moore: Okay.

Thank you very much.

[English]

The Chair: Thank you very much.

Thank you both very much for being here today and sharing. I do want to loop back on one thing, a conversation following one of the questions by my colleague Mr. Zimmer, just to make sure we do get some of that information back. There are a couple of really big discrepancies between some of the things you brought to the table today, which were great, but the information we have is a little different.

I'm going to share one piece. In the briefing that we have from a report done this past year by the Laval University, named the "Cost of Living in Nunavik, Research Report", it talks about a basket of groceries costing 48% more than what it would cost in Quebec City. The term you used, both in response to questioning by Mr. Dhillon and also in your speaking notes, was that the cost of living was 10 times higher. I know that's a combination of things, and obviously Kuuujuaq might be significantly cheaper than some of the other communities, considering it's a transportation hub, but that's a big difference in the cost we're seeing.

Would you share some of the research on that on some of the more remote communities, because I would imagine it's different from community to community, so we can get a clear picture of what those costs are. Obviously, we're going to be heading up there shortly.

Mr. Stephen Van Dine: What I will absolutely commit to do is provide the calculation behind our revised northern food basket and how we arrive at those statistics.

With respect to some of the other studies out there, they are by other organizations and have used, in some cases, different tools and techniques. We'll try to do our best to delineate the different approaches they have applied to come to their...

The Chair: We just want to make sure we're comparing apples to apples, no pun intended.

Mr. Stephen Van Dine: Yes.

The Chair: On that note, we are going to be heading up there, as I said, and I'll give the credit where credit is due. MP Carol Hughes,

who shares a floor with me, suggested we take some groceries with us if we have the room.

Is there anything you can suggest we take, a particular item that is significantly more expensive up there? We were thinking about cereal because of the light weight, but perhaps there's something in particular we could take with us that we could probably get within an hour or so from now.

Mr. Stephen Van Dine: Head to Costco. I would say it's always appreciated when you bring fresh and perishable goods, particularly if you can grab the clementines as you're heading out the door. When I go to the office, I don't bring donuts. I bring fresh fruit for the office.

One criticism we often get about the changes to the program is with respect to diapers. We made some changes to the program in which those are no longer eligible for the sheer reason they can be shipped in bulk during sealift in a much more economical way. That said, we find there are still some being flown in. As a result, the cost of those particular items can be quite high, and they are not currently eligible.

The Chair: Okay, so we could bring fresh fruit, diapers—got it.

Mr. Stephen Van Dine: There you go.

The Chair: Thank you so much, gentlemen. We appreciate your time today.

We're going to quickly break for a few moments to allow these fine gentlemen to vamoose, and then we'll come back and deal with some housekeeping things.

Thank you very much.

● (1235) _____ (Pause) _____

● (1240)

The Chair: Could we come to order, please.

We don't necessarily have to, but I will ask the group if you wish to go in camera. Do I have consent for that?

Okay, we'll just pause briefly for that.

[Proceedings continue in camera]

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