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—
Chair

The Honourable Wayne Easter

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• (0850)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): We'll call the meeting to order.

We're starting our first set of witnesses beyond the department. Pursuant to Standing Order 108(2), we are studying the subject matter of Bill C-86, a second act to implement certain provisions of the budget tabled in Parliament on February 27, 2018, and other measures.

Welcome, witnesses.

We'll start with the Canadian Association for Retired Persons, Ms. Morris.

Ms. Wanda Morris (Chief Advocacy and Engagement Officer, Canadian Association for Retired Persons): Mr. Chair, members of the committee, my name is Wanda Morris, and I am the Chief Advocacy and Engagement Officer for CARP.

CARP comprises over 300,000 members and 20 chapters across the country. Our members are politically engaged, 98% of them voted in the last federal election, and in our most recent poll, 98% said they would be voting in the next one.

Canadians can be justly proud of our banks. While other countries suffered severe economic fallout from the collapse of their financial institutions, Canada's stood strong. Banking customers have benefited from the security, and anyone who has owned bank stocks knows that bank investors have done well too.

However, this strength comes at a cost to consumers. Checks and balances are needed, and CARP is pleased to see that this draft legislation addresses a number of important issues, such as whistleblower protections, increased maximum fines and the prohibition of the use of the ombudsman title for internal bank staff.

CARP proposes to focus on one key issue in its submission today. Right now, 70% of banking customers do not have access to a fair and impartial ombuds office in the event of a complaint. This is not right. When the Ombudsman for Banking Services and Investments was originally created, all banking and investment dispute resolutions were done under one roof. A previous government opened up the possibility of a for-profit alternative. Since ADRBO was then approved as competition to OBSI, consumer confidence has plummeted.

I want to be very clear on my next point. CARP and its coalition of consumer agencies, and our full membership, believe competition in dispute resolution is not fair, is not right, and furthermore, is an election issue. The only voices in favour of competition for dispute resolution services are those of the banks.

CARP conducted a recent and robust poll with members across the country on the ombuds question. Some 94% support one single not-for-profit ombuds office. CARP members, and seniors in general know, as frankly all reasonable people should know, that having a bank "buy its own referee" is fundamentally unfair. More than one-third of banking disputes come from seniors, but whatever the age of the complainant, these disputes are a David and Goliath issue.

Ordinary Canadians simply do not have anything like the power of the banks, with their enormous resources, to fight for their rights. This puts Canadian consumers at a tremendous disadvantage and it should not be so.

I encourage the committee to reference the analysis conducted by FAIR Canada, the Canadian Foundation for the Advancement of Investor Rights, entitled "Comparing OBSI to ADRBO (2018)". FAIR has created a compelling chart highlighting the differences between OBSI and ADRBO. FAIR's analysis makes clear that customers whose banks use ADRBO for dispute resolution are served less well in terms of governance, transparency and results. OBSI appears to find results in favour of customers at 2.77 times that of the rate of ADRBO.

Investor advocates recognize this disparity, and it is clear that banks do as well. Since its initial adoption by TD and Royal Bank, other banks have moved from the non-profit OBSI to the for profit ADRBO, with Scotiabank being the latest bank to leave. Banks have suggested they are leaving due to timeliness or effectiveness issues at OBSI. Research comparing the two dispute resolvers contradict this claim, as have independent reviews done in 2011 and 2016.

Canadian bank consumers should have the same protections they used to have, that all Canadian investors have, and that all comparator jurisdictions have, like Australia, New Zealand, the U. K. and Ireland.

Allowing competition from a for-profit provider has created a clear conflict of interest, an incentive to resolve disputes in favour of the party to the dispute that is paying the bill, the bank. This isn't conjecture. This is actually happening.

● (0855)

While we might criticize banks for using a dispute resolver that reduces their claims and costs, in a competitive marketplace the flaw is not with the banks, but with the system that allows this flawed process to exist. This matter can be fixed with the stroke of a pen. It does not require legislative change.

CARP calls upon the finance committee to recommend changes to regulations to ensure that all Canadian banking consumers have access to one independent, fair, impartial not-for-profit dispute resolver. There is already one such dispute resolver for investment firms: OBSI. OBSI should also be the single firm used for banking customers.

I'm happy to take your questions.

The Chair: Thank you, Ms. Morris.

We're turning to the Canadian Women's Foundation, with Ms. Decter, Director of Community Initiatives.

Go ahead, Ann.

Ms. Ann Decter (Director, Community Initiatives, Canadian Women's Foundation): Good morning. I'm Ann Decter from the Canadian Women's Foundation, and I thank you for the invitation to speak to you today on behalf of the foundation with regard to Bill C-86.

The Canadian Women's Foundation is Canada's only public foundation dedicated to women and girls. We fund grassroots women's organizations and women-serving community programs and invest in building the women's sector through knowledge mobilization, networking, collaboration and advocacy.

We were pleased to see key commitments to women's equality in the 2018 federal budget, and we welcome the next steps on those commitments in Bill C-86. I will be speaking to three of them.

Among its myriad provisions, Bill C-86 will establish the department of women and gender equality, transforming Status of Women Canada into a department. We celebrate the retention of "women" in the name of the department, thus ensuring the link is maintained to historic milestones like the Royal Commission on the Status of Women in Canada, which in the early 1970s made recommendations that are still on our wish list.

When we talk about women's equality, we are talking about equality for the majority of the population. Our recent research on the state of women's equality in Canada indicates that violence against women, economic security and gendered reconciliation and decolonization are key priorities to advance gender equality in this country.

Approaches needed to advance equality for women, who make up slightly over half the population and, notwithstanding the grumblings of premiers, have the overriding protection of charter rights, may differ greatly from approaches that would advance the much smaller population identified in the act as "gender-diverse", who lack charter protections while often facing social persecution on a daily basis.

We encourage the minister for women and gender equality, as she will soon be, to examine the question of what structures are needed both inside and outside of government to ensure the government remains on a dynamic path towards women and gender equity and equality.

Our submission to the 2018 federal budget consultation called for intersectional gender-based budgeting across all federal departments. We recommended that Status of Women Canada establish a gender-budgeting plus resource centre funded and mandated to embed intersectional gender-based analysis across the federal government.

Our reading of the broad strokes of the Canadian gender budgeting act is consistent with this approach. We welcome it and recommend that the new department for women and gender equality be placed on a growth plan and its budget on a path of significant annual increases to ensure its leadership capacity in this area.

We agree wholeheartedly with the preamble to this act that "Canada's long-term economic success depends on an inclusive society in which all individuals have the ability to contribute to their full potential" and note that women became the majority of university graduates in 1990 and have now surpassed men in education across the population. The Canadian economy needs women, and that means all women.

The Canadian Women's Foundation welcomes the introduction of proactive pay equity legislation. We fully support our colleagues from the pay equity coalition, who are experts on this issue, and you will hear from them today.

I have a few quick points.

For unionized women, it's good. The legislation supports them to advocate for their pay equity rights and for their unions to negotiate pay equity plans. The non-union worker, however, is on her own. She may find it difficult to comprehend, and the act lacks any provision for a legal support centre to assist her.

The opening clause includes "the diverse needs of employers" in the purpose language. This could give employers' needs precedence instead of centring on the needs of women in federally regulated workplaces.

This act is silent on pay transparency. Disclosure of pay practices goes to the heart of compliance and needs to be added here or in accompanying legislation.

We look forward to corrections to these issues in the pay equity act and to implementation of this important legislation.

Thank you for the opportunity to speak to you today.

● (0900)

The Chair: Thank you, Ms. Decter.

We now turn to the Equal Pay Coalition by video conference from Toronto.

Ms. Borowy and Ms. Faraday, the floor is yours.

Ms. Fay Faraday (Co-Chair, Equal Pay Coalition): Thank you.

The Equal Pay Coalition represents 44 different associations, businesses, professional women, unionized women, non-union women and community groups across the province of Ontario. We also coordinate a broader pay equity network on the federal level that includes 134 women's groups from coast to coast. We make the representations on behalf of them.

While the pay equity legislation that is in Bill C-86 is an important first step, there are a number of amendments that need to be made to the legislation if it is actually to be effective in protecting women's rights. I want to anchor the amendments in a number of key principles that should guide you in that amendment process.

The first is that pay equity is a fundamental human right. This is not an option. This is not something that is good to have. It is a fundamental international human rights commitment that Canada signed onto in the ILO convention 100 in 1972. In addition, it is a protected right under the Canadian charter.

Eradicating the pay equity gap is, then, a mandatory human rights obligation, and the pay equity legislation must increase the efforts to close the gap. It must strengthen and not weaken or undercut them. Those are key principles.

As well, under section 2(d) of the charter, workers have the constitutional right to union representation in the workplace, so active union participation must be a key part of the legislation. Also, the legislation must be attentive to current problems with the fissuring workplace if it's to be effectively enforced.

I'm going to identify some key amendments that need to be made.

One is the amendment to the purpose clause, which you've heard.

Making fundamental human rights subject to the "diverse needs of employers" fundamentally undercuts the legislation, and it is absolutely unprecedented in Canadian human rights legislation. That must go. That's non-negotiable.

In addition, you need to have a definition of "employer" that encompasses the fissured workplace that exists right now. What that means is capturing all the contracting out and subcontracting that allows employers to distance themselves from rights violations. That is missing in the legislation.

As well, there are a number of provisions you've included in the legislation that have already been found to be unconstitutional.

With some of those in fact the legislation actually gives less protection in some areas than the Canadian Human Rights Act currently does. For example, it has less protection in the compensation for part-time and temporary workers than currently exists.

It also prevents women from having access to the broader human rights protection under section 7 and section 10 of the Canadian Human Rights Act.

Also, the pay equity act does not close all the different gaps in compensation that are discriminatory. Access to those broader protections is absolutely critical.

You've included in this legislation provisions around retroactivity that the—

• (0905)

The Chair: Can I get you to slow down a little bit? We have translators here trying to keep up with you.

Ms. Fay Faraday: Okay. There's lots to say in the legislation. We will give you written submissions.

You've also included provisions that are unconstitutional and that the Supreme Court just struck down in May of this year, dealing with blocking retroactive pay for gaps that have been identified.

My colleague will identify some other missing pieces.

Ms. Janet Borowy (Co-Chair, Equal Pay Coalition): Thanks very much, Fay.

We look forward to your questions.

This is a very dense, very technical piece of legislation.

Let me just finish our five minutes of comments with reference to major building blocks that are missing from the legislation currently. These building blocks were outlined in the 2004 task force report called the Bilson report. They are the following.

First, the task force called for an intersectional analysis of female-dominated groups so that the depths of the gender pay gap could be identified. That's missing.

Second, there are no provisions in this bill currently for women in female-dominated workplaces who do not have access to a male comparator. That needs to be fixed and not left to regulation.

Third, the task force called for a specialized stand-alone pay equity commission and a pay equity hearings tribunal. That is not in the legislation.

Fourth, as Ms. Decter mentioned, there are no provisions as recommended for non-union women. What I'm speaking to here is with respect to access to a legal support centre that was recommended by Bilson and not in the legislation.

Finally, we had fully anticipated to see a very robust legislative and statutory mechanism dealing with pay transparency. This was promised in the budget in February and it's completely missing from this piece of legislation, and our question is why.

We look forward to your questions.

The Chair: Thank you very much.

Next is Mr. Philip Cross, Senior Fellow, with the Macdonald-Laurier Institute. Welcome. The floor is yours, Mr. Cross.

Mr. Philip Cross (Senior Fellow, Macdonald-Laurier Institute): Thank you. I always appreciate the opportunity to address the finance committee, and particularly today I embrace my role as the token economist. I think economists should always address the finance committee.

You're going to hear a lot about social policy this morning, which is all well and good, but it is worth remembering that during financial crises such as in 2008 or government fiscal crises such as gripped Greece in 2015, social policy was quickly put aside for the larger imperatives of stabilizing the economy and government finances. We cannot take the latter goals for granted, but we must always keep in mind the need to create the conditions where growth and prosperity can flourish.

October's turbulence in global financial markets was a reminder—almost 10 years to the day after the full-scale eruption of the great financial crisis—that the business cycle will never be tamed no matter how much governments manipulate monetary and fiscal policy and regulation. A recent cover story in *The Economist* asked how bad the next recession will be. This is not scaremongering, just an acknowledgement that the business cycle will always be part of market-based economies. Given the inevitability of recessions, governments should adopt policies that reflect this reality.

The risks in the global economy are escalating with trade wars, high debt levels in China, banking instability in Italy and so on. One cannot predict the incident that will provoke a repricing of risk in financial markets, but the end of the experiment with zero or even negative interest rates will be disruptive. Turbulence in the global economy favours nations that take out some insurance against these risks through high savings, budget surpluses and structural reforms to boost long-term growth.

Canada today is not one of those nations. In fact we have become one of the most indebted nations in the world, while our productivity has fallen steadily as business investment lags.

It is short-sighted to be running a fiscal deficit nine years into an expansion. Past experience with the business cycle and the current fragility of global financial markets suggests that the next recession will be sooner rather than later. Therefore, it would be prudent to keep some margin of fiscal stimulus in reserve for when it will make a difference. Most studies find the fiscal multiplier is much higher during recessions than when the economy is growing.

There is no reason for Canada to be smug about its fiscal condition. The overall picture of government indebtedness in Canada is as bad as in the EU or the U.S., and the outlook is deteriorating with the rapid aging of our population.

The auditors general of both New Brunswick and Newfoundland have declared their finances on an unsustainable track, with analysts openly speculating when these provinces will default and go bankrupt. The fiscal problems of Newfoundland and New Brunswick today are a reminder of the severe fiscal challenges facing most provinces. The federal government cannot ignore these incipient fiscal crises, as a provincial bankruptcy inevitably will require federal aid.

The fiscal struggles of these provinces have many causes, but a prime contributor was large energy investments that went wrong. This is a reminder of the fundamental importance of energy to Canada. It is our largest industry in terms of GDP and our leading export, and by itself it accounts for nearly half of business investment. Without reliable and low-cost energy, people cannot thrive in Canada's immense, cold and dark land mass.

What does Canada have to show for all this debt? It certainly has not bought higher growth. Since the 2008-09 recession, three times Canada has briefly reached year-over-year growth of 4%, raising hopes that recovery was reaching take-off speed. Instead, each time growth subsided to below 2%. The same thing is working out now, with the Bank of Canada forecasting real growth of 2% for 2018, not much more than population growth of 1.4%.

Slow growth has persisted despite unprecedented monetary and fiscal stimulus, both here and throughout the major industrial nations. At some point policy-makers must admit the ineffectiveness of these policies and the futility of continually applying them.

As long advocated by the Bank for International Settlements, better policy would have focused on increasing the determinants of long-term growth. Many of these policies would not cost the taxpayers a cent, such as expediting the approval of pipelines, reducing interprovincial trade barriers and having less regulation. Canada has done the opposite, as reflected in declining investment and productivity in recent years.

Frustration with slow growth has driven some governments to attempt to legislate higher incomes. They have failed. The most recent example is Ontario's sharp increase in minimum wages, which was intended to raise the wages of low-income earners. Instead, labour income growth slowed in both the first and second quarters. This reflected fewer jobs in Ontario and wage restraint for other workers, as employers wrestled with keeping their overall wage bill under control.

Ontario's experience contrasts with the U.S., which showed how policies that boost business investment and GDP have succeeded in raising labour income. Amazon's recent announcement that it is voluntarily implementing a \$15 an hour minimum wage demonstrates how a buoyant labour market is the best and only lasting way to raise wages.

● (0910)

Not all social progress results from government social policy initiatives.

Thank you.

The Chair: Thank you, Mr. Cross.

Next, from the National Aboriginal Lands Managers Association, is Ms. Irons.

Welcome.

Ms. Leona Irons (Executive Director, National Aboriginal Lands Managers Association): Good morning, everyone.

My name is Leona Irons. I'm the executive director for the National Aboriginal Lands Managers Association.

I'm here to speak on behalf of the association, specifically to the budget implementation act, 2018, no. 2, division 19, part 4, the enactment of the addition of lands to reserves and reserve creation act.

As it is custom to our association, we would like to begin by honouring and acknowledging the traditional territory of the Algonquin people. In respect, we offer our medicines—the sweetgrass, tobacco and sage. We ask that the creator and the spirit of our ancestors grant us wisdom to speak for the benefit of our people.

I'd like to thank the Standing Committee on Finance for the invitation to speak today. We look upon this as an opportunity to promote awareness of raising professional standards in first nations land management as well as to draw attention to the need for the enactment of the addition of lands to reserves and reserve creation act.

By way of background on our organization, the National Aboriginal Lands Managers Association was officially formed in 2000 as a non-profit, non-political organization. NALMA is a technical association, driven by first nation land management professionals.

Our association has eight regional lands associations, with 178 first nations and Inuit communities represented in the Atlantic region, Ontario, Quebec and Labrador, Manitoba, Alberta, Saskatchewan, Nunavut and British Columbia. Our members operate under various land programs and regimes.

One is the reserve land and environment management program, managing first nations lands under the Indian Act. There is also the First Nations Land Management Act, a sectoral, self-government management of lands. Then there is also self-government, with full control and management of first nation lands.

NALMA and our regional lands associations work towards providing opportunities in professional development, networking and technical support to meet the existing, emerging and future needs of first nations land managers to efficiently and effectively manage their lands. For more information about our organization, please visit our website at www.nalma.ca, as well as www.coemrp.ca, the Centre of Excellence for Matrimonial Real Property.

I'll turn now to addressing issues and challenges with regard to additions to reserve.

Generally, a land manager is directly involved with the “addition to reserve” process at the community level. It's for that reason we have a vested interest in working with willing and productive partners towards improving the ATR policy.

Since 2012, NALMA has been fortunate to have participated on various committees, such as the past joint working group with Aboriginal Affairs and Northern Development and the Assembly of First Nations. We're currently working on the national ATR advisory committee.

NALMA contributed to the foundation for the 2016 “addition to reserve” policy. Significant improvements were made to the policy that we believe support the community, social and economic objectives of first nations. First nations' having the ability to expand their land base enables them to take advantage of economic development opportunities, thus improving the economic, political and social well-being of their people.

Over the past 18 years we've made significant progress in raising professional standards and promoting and building capacity in lands management. Last fiscal year we had the opportunity to train 800 first nations and other stakeholders and to engage with and provide technical support to well over 2,000.

We had developed a tool kit, and with the funding support of Indigenous Services Canada, we were able to update this tool kit to reflect the 2016 policy. The kit is an integrated set of printed materials, worksheets, flow charts and checklists, and its modules are designed for use by first nations and their professional associates. It should be used from the very start of the land acquisition process and continually throughout the ATR process until completion.

I'm very pleased to provide you with a copy of the ATR policy. As well, we have put together a flow chart that will give you a visual of the full ATR process. I'm leaving you also with electronic copies of the tool kit both in French and English.

● (0915)

This fiscal year we plan to train well over 75 first nations in the policy. We hope to complete that by the end of the fiscal year in both official languages. Reflecting the 2000 ATR policy, it has four stages in the process: the initiation stage, the assessment and review stage, the proposed completion stage and the approval stage. With the proposed amendments as outlined in division 19, part 4, it will minimize the time in each stage of the process, but more profoundly in the approval stage. It will also allow first nations to select lands with viable economic potential.

In conclusion, as NALMA is a technical professional association working towards improving efficiencies in the field of lands management, we hereby support the proposed amendments as outlined in division 19, part 4, which in plain language references the following. One, it authorizes all additions to reserve to be approved by ministerial order rather than by Governor in Council. Two, it enables first nations to designate or zone lands prior to transfer and facilitate the third party interests through leases and permits prior to the lands being added.

Lastly, I would like to commend those who have taken the time and energy to bring forth this proposed amendment. It demonstrates that the Government of Canada is working to advance reconciliation and renew working relationships based on recognition of rights, respect, co-operation and productive partnership.

Thank you again for the invitation and we look forward to positive outcomes in the days to come.

Meegwetch.

● (0920)

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

Appearing as an individual, we have Ms. Doucet, Canada research chair in gender, work and care. Welcome, the floor is yours.

Professor Andrea Doucet (Canada Research Chair in Gender, Work and Care, Professor of Sociology, Women's and Gender Studies, Brock University, As an Individual): Thank you.

Mr. Chair and members of the finance committee, I'm Andrea Doucet. I'm a Canada Research Chair in Gender, Work and Care, and I'm a Professor of Sociology in Women's and Gender Studies at Brock University.

My brief comments today on Bill C-86 are focused on one key issue: parental leave benefits, and specifically the introduction of a new EI parental sharing benefit in the amendments to the Employment Insurance Act, which is in division 8 in Bill C-86.

The EI parental sharing benefit, which will be available as of March 2019, is the newest addition to Canada's current package of maternity and parental benefits. It provides an additional five parental leave weeks paid at 55% wage replacement, or eight weeks paid at 33%, to parents who share EI benefits. This includes adoptive parents and same-sex couples.

The initiative was partly modelled on the Province of Quebec's parental insurance plan, QPIP. Specifically, three to five weeks of parental leave are designated for fathers and second parents, and this has led to almost 80% of Québécois fathers now claiming parental leave. Meanwhile, outside of Quebec, only 12% of fathers are using parental leave benefits.

Gender equality at home and at work are clearly stated goals of this new benefits practice. They are laudable goals that connect more broadly to the gender equality goals of the the so-called gender equality budget, but there are two significant problems and two key differences between this policy and the Quebec policy, and they centre on wage replacement rates and issues of eligibility.

In terms of wage replacement, the wage replacement rate of 33% to 55% is too low. The Quebec rate of 70% to 75% is a successful model that is in line with international research, especially from the Nordic countries, which shows that designated leaves for fathers and higher wage replacement rates increase the number of fathers who claim parental leave.

In terms of eligibility, many couples will not qualify for the new parental sharing benefit. It is only available to two-parent families where both parents qualify for benefits. My research, with Dr. Lindsey McKay and Dr. Sophie Mathieu, published in the *Journal of Industrial Relations* in 2016, leads me to make the following argument.

We believe that more than one-third of all families will likely not receive this benefit. This argument is based on three important claims from our comparative analysis of mothers access to leave benefits in Quebec versus nine other provinces. We used Statistics Canada data. There was no data on people living on reserves or from the territories. It was from Quebec and the nine provinces.

My three points are the following. First, outside of Quebec, 25% of mothers do not qualify for benefits because they do not have the required 600 insurable hours in the 52 weeks prior to giving birth. Women can work their entire lives paying into EI, but if they do not have those hours in the year before birth, they don't qualify.

Second, 36% of all mothers outside of Quebec do not receive parental benefits. This is due to a combination of their ineligibility and the limitations of provincial employment standards and entitlements.

Three, over half of mothers—56%—in low-income families in these nine provinces are excluded from leave benefits. In Quebec, only 15% of low-income mothers are excluded from leave benefits.

I'll conclude with two final points.

A broader GBA+ analysis demands that we look more closely at who is excluded from the new EI parental sharing benefit. Notably, many low-income families will be excluded, and lone parents will be excluded.

Finally, my work with McKay and Mathieu argues that this new extension of parental benefits, without attending to issues of wage replacement, eligibility and access, will lead to a growing divide between what we refer to as “parental leave-rich” and “parental leave-poor”, or “care-rich” and “care-poor” households.

Thank you very much.

The Chair: Thank you, Ms. Doucet.

Thank you all for your presentations. There was a wide range of opinion during this particular panel.

We'll go to seven-minute rounds for the first four, and we'll start with Ms. Rudd.

● (0925)

Ms. Kim Rudd (Northumberland—Peterborough South, Lib.): Thank you, Chair.

Thank you all for coming on this lovely rainy day. I have a number of questions. As the Chair mentioned, it's a very diverse group.

I'm going to start with you, Ms. Morris, with a couple of questions around your presentation from your CARP membership.

On the competition piece, we have been talking about what that looks like, and about the two organizations, one not-for-profit and one for-profit, that are the clearing house, if you will, for complaints.

When was that competition opened up? When did it go from only one not-for-profit to a for-profit model?

Ms. Wanda Morris: It was around 2010. I can get back to you with the exact year.

Ms. Kim Rudd: That would be wonderful. You also mentioned that Scotiabank was the latest bank to move over to the for-profit organization.

Ms. Wanda Morris: Yes.

Ms. Kim Rudd: You mentioned a number of surveys and studies. Are there any specifics around costs or service disparities that may indeed have been the impetus for those banks to move?

Prof. Andrea Doucet: That's certainly been the stated impetus for the banks leaving. It's about timeliness and effectiveness. There are four pieces of information.

In conversations with OBSI, I have learned that it was blindsided by the Scotiabank move. The ongoing meetings regarding performance, with senior officials at Scotiabank, had all been very positive.

The studies that were done in 2011 and 2016, the 2011 was much broader. It didn't find inefficiencies in OBSI. The 2016 one was more narrow. It discovered inefficiencies, but only to the extent that the process for investigation was limited in the area of investment firms. CARP has also advocated that the dispute resolver not just have the ability to make recommendations but to bind the parties to the recommendations. It's that flaw that the 2016 report said was leading to inefficiencies, not a flaw of OBSI but a flaw of the process.

In terms of the questions, I refer to the work done by Andrew Teasdale, who's an investor advocate who looked at this in detail. Noting the limitations of data—because OBSI is far more transparent in the information that it provides—he looked at the cases over the four years from 2004 to 2017, and found that 2.77 more cases were found in favour of consumers. He looked at the aspects of the claims regarding effectiveness and timeliness. Despite, for example, TD claiming that it was moving for more timeliness and efficiency, his research showed that timeliness did not occur.

Ms. Kim Rudd: Currently, what's the balance between the not-for-profit and...?

Prof. Andrea Doucet: With the move of National Bank and Scotiabank to ADRBO, we now have 70% of consumers under ADRBO jurisdiction.

Ms. Kim Rudd: Ms. Doucet, thank you very much for your presentation. I have a couple of questions regarding your comparison outside of Quebec, meaning the rest of the country—

Prof. Andrea Doucet: We did nine provinces, because that's all the data we had at that time.

Ms. Kim Rudd: There are no territories in the data.

Prof. Andrea Doucet: There was no data on the territories, or people living on reserves in terms of the benefits at the moment.

• (0930)

Ms. Kim Rudd: Interesting. I don't think I knew that.

Prof. Andrea Doucet: That was in terms of the Statistics Canada data that's run through ESDC. I'm sure it's going to be changing. The last dataset that we analyzed was in 2013, and that's all there was at that time.

Ms. Kim Rudd: Does that have anything to do with the long-form census being gone? Was there no data coming in?

Prof. Andrea Doucet: It could have something to do with that. We are working with Statistics Canada to try to get better data to measure different groups' access to parental leave benefits but also more on fathers. There's very little data on fathers as well.

Ms. Kim Rudd: You mentioned a couple of things. About 25% of the women outside of Quebec, within the nine provinces, do not qualify. One of those reasons was that they didn't have the hours to qualify. In that 25%, does that also include self-employed women, who do not choose to...?

Prof. Andrea Doucet: No. Self-employed women are categorized differently, but they can opt-in or not. We argue that, as in Quebec, we should make the opt-in much easier. The opt-in is more complicated outside Quebec.

Ms. Kim Rudd: The 25% are only women who don't access it because of hours, not because of self-employment. Is that correct?.

Prof. Andrea Doucet: Yes.

Ms. Kim Rudd: When you talk about 56% excluded, because of low income, can you—

Prof. Andrea Doucet: It's low-income households earning under \$30,000.

Ms. Kim Rudd: They don't access it.

Prof. Andrea Doucet: They don't have access, and it's either because they aren't eligible—they don't have the insurable hours—or because of the employment standards legislation, which has minimums in some provinces. In some provinces you need to have worked a year with the same employer. Let's say you accumulate your 600 hours but then you move jobs and you're working in another place. In Alberta, for example, you need to have at least 52 weeks with your employer before you can claim the benefits.

There are issues of being eligible but also of being able to actually claim the benefits. That makes that number higher.

Ms. Kim Rudd: Job transference in the middle of the year would affect it.

Prof. Andrea Doucet: In some provinces, yes.

Ms. Kim Rudd: Do you know which provinces they are?

Prof. Andrea Doucet: I do. It's at least 52 weeks in Alberta, Nova Scotia, and then the three territories. In Manitoba it's 31 weeks. Quebec has no minimum, and New Brunswick and British Columbia on the other side. Ontario has at least 13 weeks.

Ms. Kim Rudd: That's 13 weeks with one employer.

Prof. Andrea Doucet: You need to have worked 13 weeks before you can claim the benefits.

Ms. Kim Rudd: Got it.

Prof. Andrea Doucet: So you might be eligible but you can't claim.

The Chair: We will have to end it there. Time flies.

Mr. Richards.

Mr. Blake Richards (Banff—Airdrie, CPC): Thanks.

I will start with you, Mr. Cross. In your opening remarks, you focused more on what you didn't see here and on the idea that there's a lack of fiscal responsibility. I think that's kind of what I heard your message to be. Having deficits at a time when the economy is moving along fairly well puts us at risk when things go the other way, and to serious concern. I would certainly agree with your comments there.

I want to take a little time with you now to focus in on some of the things that are in fact in the bill here. I assume you're familiar with the changes to the labour code.

Mr. Philip Cross: Yes.

Mr. Blake Richards: The CFIB put out a statement about those changes. They said that they are “deeply concerning for small businesses already dealing with the slew of punitive tax changes and increasing payroll costs”.

They went on to say the following:

Just after the new Ontario government got rid of many of these job-killing ideas, the feds come along and pull them into the Canada Labour Code.... There is nothing in this that will improve the innovation or productivity of a single Canadian workplace. Instead, it will bind the hands of entrepreneurs with reams of new red tape.

Do you concur with that statement, and if so, why?

Mr. Philip Cross: Very much so, and the reason is that I don't think people understand that employers have a certain wage bill. We saw this play out with the minimum wage hike in Ontario, and I suspect we will see the same thing play out in Alberta. Employers have a certain wage bill. One of the features of this economy is that....

As I drove in this morning, I was hearing on Bloomberg that people in the U.S. were talking about the fact that it remains a mystery why, with such low rates of unemployment, employers simply will not raise wages. There's a lot of speculation on that and there are a lot of reasons, but it is a fact that in North America, wages are not increasing. Therefore, in this current environment, for whatever reason, if you increase wages or costs in one area of labour or wages—i.e., you raise the minimum wage—employers react by saying, “Okay, I now have to pay these people \$14 an hour when I was paying them \$10. I will do that. I will employ fewer of them. I will also cut back on what I'm paying other workers.”

They have to control their overall wage bill. I think that's what the CFIB is addressing, and I think that's what gets lost in this. I think there are a lot of good intentions here, but as an economist I'm honour bound to point out the unintended consequences. The unintended consequences of a lot of these well-intended policies will cost some people jobs. You can't create money where it doesn't exist in the first place.

I think that was very much the point I was trying to make in my opening presentation. We can't lose sight of the fact that social improvement will only happen in an economy that's prosperous and flourishing. If we ignore those basics, if we undertake policies that undercut those basics, it will not end well for anybody.

• (0935)

Mr. Blake Richards: Sure.

Let's take a look at this from a different angle. You wrote a paper in October of last year where you talked about the fact that business investment in Canada has fallen far behind other industrialized countries. The quote I have here from you is:

The persistent weakness of business investment in Canada has been aggravated by several recent government policies including increased tax rates on capital and mounting budget deficits and debt, both of which add to the uncertainty that entrepreneurs and investors feel about the future.

We're talking about the idea of being able to attract business investment, to be able to attract new opportunities here. Do you think these labour code changes will have an impact in that regard as well? Will that make it even harder to attract business here?

You also mentioned in your opening remarks about changes to the pipelines approval process. You talked about interprovincial trade barriers. All these things obviously tie together, but do you think these changes, changes like that, will make it harder to attract new business investment to Canada?

Mr. Philip Cross: Very much so. We have to be aware of the competitive environment we're in. For years Canada had lower corporate income taxes than the U.S. We're now at a disadvantage in that.

Employers are motivated to look at their total costs. They're going to look at their tax bill, their hydro bill, their labour bill. More and more we're seeing that this disfavours Canada. I think the Bank of Canada has already talked about the fact that they're aware of firms.... You could point to firms in the oil patch openly saying they're transferring their operations to the U.S., simply because it's easier and less costly to operate there. We have to be aware that if we're going to increase the regulations and costs on firms in Canada, there's a competitor south of our border with open arms these days.

Mr. Blake Richards: The idea that it will weaken the opportunities for investment here.... What about existing businesses? People who would advocate for the changes would say it's just for federally regulated employers, but the CFIB claims there will be pressure on provincial governments to follow suit. Therefore, obviously the majority of workplaces would be regulated by the same kinds of rules. The comments were that they think it will harm the opportunity for existing businesses to make profits.

Would you have concerns about that as well and do you think that this kind of thing...? You talked about minimum wage increases, about other things. Obviously at some point there's the straw that breaks the camel's back. Do you think this is the kind of policy that could be the straw that breaks the camel's back? In other words, will it put some small business operations right out of business or ruin their ability to be able to make a profit?

Mr. Philip Cross: I think the record shows that when one jurisdiction adopts certain policies it does increase the pressures on others. We've seen that with the increase in minimum wages, for example.

I think there are two hopeful reasons when looking at business investment these days. One is the successful resolution of the NAFTA negotiations, which removes a large cloud of uncertainty from the business environment in this country. The other is the change of governments in Ontario and Quebec. I would have had more concern six months ago about adopting these policies, given the governments in power in Ontario and Quebec at the time. We'll see. I think the Ford administration's willingness to roll back some of the labour legislation is positive for business investment in that province.

In Quebec we don't know yet. On paper it's quite encouraging that, instead of the usual coterie of academics and lawyers, half the cabinet in Quebec under the new CAQ government is made up of people who either operated a small business or were senior executives in a business. We probably haven't seen that in decades, such a cabinet that so clearly understands business concerns, but it's early days. We haven't seen that play out so it's too early to say in what direction the CAQ government will go, but I would be encouraged.

● (0940)

Mr. Blake Richards: Thank you.

The Chair: That will end that line of questioning.

We'll turn to Mr. Julian.

Keep in mind there are witnesses on video from Toronto, and I expect they're willing to answer questions as well. That's not directed to you, Mr. Julian, but to all the members.

Mr. Peter Julian (New Westminster—Burnaby, NDP): I'm actually going to go to Ms. Faraday, but I wanted to thank all witnesses. You're raising important points about this legislation.

The government is trying to ram this through very quickly. We still don't know how many clauses and subclauses are in this monster bill at 850 pages. It has more than seven independent bills inside it, and our best estimate is that less than nine seconds per clause or subclause is being allocated to study this. I think what I'm hearing from all witnesses is to hold on here. There are some major flaws in the legislation that need to be addressed, so the government shouldn't be trying to ram it through.

Ms. Faraday, I tried to keep up with the flaws you identified. Thank you very much for coming forward. They're very substantive, and I know you didn't have enough time to really review everything. I'm going to put to you two things.

First, you didn't mention the scissors clause that we found out about last night in the pay equity act that allows the minister to exempt any employer or class of employers from any provision of this act. Basically, the current minister, or a future government, could simply say all bank employees, all federal civil servants, are exempt from any provision of this act. I'm wondering if you could comment on that. Certainly, it was a surprise to me to learn that the government had put this in, allowing any government to simply cut out pay equity from whole industries.

Second, I would like you to come back to the issue of the purpose clause, and the concerns that you've raised about many women actually getting less protection with this bill than currently exists

under Canadian human rights legislation. That's appalling if it's the case. That means there are major difficulties with this bill that need to be addressed.

Ms. Fay Faraday: There are major difficulties. That first provision, the scissors clause, is proposed paragraph 181(1)(a), which does give cabinet the right to pass regulations that can exempt any employer, any employee, any position, or any groups of employers, employees or positions from the application of the act. They can, in fact, exempt anyone from the provisions, which is a very damaging thing in what is a fundamental human rights statute. It is basically saying we can decide that whole slots of the economy are not subject to human rights. That is obviously problematic.

We would say that the proposed paragraph needs to be taken out. That's just an escape clause for coverage under the legislation.

The other issue is of getting less protection than they currently have. One example is that the legislation defines compensation for part-time employees, temporary employees and temporary help employees as being separate from and lesser than full-time employees. Currently, under the Canadian Human Rights Act, they're entitled to the same protection. Under the labour standards provisions that are also introduced as part of this legislation, part-time, seasonal and temporary agency employees are to be treated the same as full-time and direct hires. However, the pay equity legislation defines them as separate and allows for lower compensation under the pay equity act, which is contrary to the current human rights legislation and contrary to the labour standards provisions later in the same bill.

The second part is that there are broad protections against gender discrimination and all forms of discrimination in employment under section 7 and section 10 of the Canadian Human Rights Act. The pay equity act prevents women from having access to those provisions. It says that they're prohibited from raising claims under those provisions related to compensation, but the pay equity act doesn't address all of the different forms of discrimination that come up and that resonate in pay. They're effectively being denied the full coverage against discrimination that exists under the human rights code.

As I said as well, the ways in which women are getting less than they're entitled to are the ways in which this legislation has incorporated provisions that the Supreme Court and the courts in Quebec have found to be unconstitutional. That's just a no-brainer. Those need to come out. They've been ruled to be unconstitutional, so they should be changed.

One of those provisions is something that allows employers, particularly in non-union places, to unilaterally decide that they've done a pay equity process previously that complies with the legislation, and so it's sheltered. In Quebec, provisions in that line were found to be unconstitutional. There are provisions in this legislation that say, if there's discrimination that's found, you only get a remedy going forward, not for the years of discrimination that have existed. The Supreme Court said, just earlier this year, that is unconstitutional; your right to equality continues.

Again, the purpose clause that's in this legislation—

● (0945)

The Chair: If I could interrupt—

Ms. Fay Faraday: —gives less protection than the Canadian Human Rights Act, because it makes the rights subject to the needs of employers. That is fundamentally unprecedented in Canada. That is counter to human rights principles.

Mr. Peter Julian: Thank you.

The Chair: Mr. Julian, you're nearly out of time. Please ask a quick question and have a quick answer.

Mr. Peter Julian: I'm not out of time yet, Mr. Chair. I've been timing myself, and I still have time for another question.

The Chair: You only have 40 seconds left. I'm sticking to it.

Mr. Peter Julian: Is it your position that this bill has unconstitutional provisions, provisions that, if it were rammed through Parliament now in its current form, would mean it would be subject to the courts?

Ms. Fay Faraday: We'd have to go through litigation all over again to win the rights that the Supreme Court has already given us.

Mr. Peter Julian: Thank you very much for bringing that message forward.

The Chair: Thank you.

Mr. Fragiskatos.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you very much, and thank you all for being here today.

I want to focus the first part on pay equity. What we see here with Bill C-86 is the advancement of something quite important, something that we've been talking about doing as a country for a number of decades. While there are concerns that we've heard expressed, concerns that the bill isn't perfect, I don't think we live in a perfect world. What I want to put on the table is the fact that Bill C-86 and the pay equity provisions apply to federally regulated workplaces. However, there is a great deal to be said about the potential for this to go beyond, and now we can really begin a substantive conversation about pay equity in the wider society.

As part of that, I would like to get the view of those at the table on the existing reasons for a gap in pay between men and women. On the one hand, we can talk about structural barriers and the differences between men and women as well as false perceptions about what women can offer in the workplace and what men can offer.

Beyond that, though, there are other views. Mr. Cross, I don't mean to set this up as a straw-man argument, and I'll come back to

you for your view, but your organization, the Macdonald-Laurier Institute, has said, and I quote here from your website:

The reasons for the pay gap between men and women are not particularly new. Women tend to be clustered in fields that traditionally pay less than the ones that men choose, and in occupations that pay less as well. They are also a lot more likely than men to take “breaks” from work (a really poor word to express what happens when you are home with small children), which does not help their long-term earnings power either.

That's the end of the quote. I wonder if we could delve into that.

Ms. Decter, I'll go to you first, and then Ms. Doucet. Do you agree with that particular view? Should we focus instead on structural barriers as we open up a conversation in the wider society about how to decrease the gap in pay between men and women?

● (0950)

Ms. Ann Decter: Do I agree with the quote you just read?

Mr. Peter Fragiskatos: Yes, or do you have—

Ms. Ann Decter: Absolutely not.

Mr. Peter Fragiskatos: Okay, why don't you?

Ms. Ann Decter: It's counterfactual.

Mr. Peter Fragiskatos: Okay, in what way?

Ms. Ann Decter: First off, Mr. Cross addressed the terrible problems with increasing the minimum wage. The majority of minimum wage workers are women. The majority of part-time workers are women. Child care, which is one of the things the royal commission recommended back in the early seventies, is a huge barrier to women in the workplace. The evidence from the introduction of low-cost child care in Quebec is definitive in terms of increasing women's labour force attachment, increasing GDP, increasing women's incomes and reducing the number of single mothers on social assistance by more than 50%, all in the first 12 years, I think.

There are clear remedies and we are speaking to some of them today. Pay equity is a clear remedy to this situation. When we talk about the areas that women work in being paid less, partially there's a devaluation of work that happens when women go into it. For example, the incomes of doctors have decreased as women have become more dominant in that field. Also, there's a balance of work and life that women pursue, so the differences are partially due to all of these barriers we're talking about.

There are clearly huge structural problems here. I will reiterate what I said earlier: Women are more educated than men across the population. It's a problem for Canada if women can't have the same kind of labour force attachment as men.

Mr. Peter Fragiskatos: Thank you very much.

I'll go to Ms. Doucet because of your expertise in gender.

Prof. Andrea Doucet: I'd like to hear from the two pay equity experts as well.

It is one of the most complex problems in terms of trying to figure out why it occurs, but I agree with you that structural barriers are extremely important. There is a well-documented motherhood penalty that occurs for women across all countries after they give birth to a child. There is also something called the fatherhood premium in wages after the birth of a child.

After a family has a child there is a moment at which the pay equity can diverge, with women earning less and men earning more. Some of it is that we do not have in place high-quality, affordable, accessible, universal child care, which I and many other people would have really liked to see in the gender equality budget, or good parental leave policies that actually encourage men to take time off work.

I've seen a study from the Swedish labour department that links fathers taking parental leave with women's rising wages.

The other thing I'd like to say is sort of a counterpoint to the earlier argument by my colleague here. An OECD report came out in May 2018 at a social policy forum hosted by Minister Duclos. It demonstrates that 50 years of family-friendly policies in the five Nordic countries are leading to higher levels of gender pay equity and gender equality, increased growth, higher women's employment and an increase in the GDP of 10% to 20%.

We need to start seeing things like care work, motherhood, parenting, supporting maternal employment and fathers' involvement in care work as part of a prosperous economy.

Mr. Peter Fragiskatos: If I understand you correctly—and I appreciate that you put so much on the table—you're saying that in terms of looking forward and creating the conditions for greater economic growth, pay equity is central to the conversation.

Prof. Andrea Doucet: Pay equity is absolutely essential. Your government has laid out really well why we need women in the labour market.

Mr. Peter Fragiskatos: To the Equal Pay Coalition, again, I'll read to you the quote from the Macdonald-Laurier Institute:

The reasons for the pay gap between men and women are not particularly new. Women tend to be clustered in fields that traditionally pay less than the ones that men choose, and in occupations that pay less as well.

Do you agree with that?

Ms. Fay Faraday: The framing of that is incorrect. It suggests that this is a matter of individual choice. It is, in fact, a structural problem.

Pay equity only addresses one element of the structural problem, which is that the more gendered work is, the more it is devalued and the less it's paid, particularly in female-dominated workplaces like care, etc. The more female it is, the lower the pay. It's recognized as an entirely discriminatory valuation of women's contributions to the economy.

That gap we've talked about exists right across the economy, in every sector. Of 500 occupations tracked by Statistics Canada, women are paid less in 469. This suggests there are other structural drivers, such as lack of access to child care, the difficulty of

unionizing in female-dominated workplaces, precarious work, the ways in which women predominate in precarious work, etc.

There are a number of different drivers that need different responses. The pay equity act addresses one aspect—gendering of jobs and low pay—and this is an opportunity to strengthen that act. This isn't a matter of getting rid of it, but amending it so it's actually effective.

● (0955)

Mr. Peter Fragiskatos: I don't mean to interrupt, but I would like to hear from Mr. Cross.

The Chair: We are out of time on this round. I will let Mr. Cross come in at some point maybe, but we are way over time.

Mr. Poilievre.

Hon. Pierre Poilievre (Carleton, CPC): Ms. Decter, I was happy to see you mention the challenges faced by women in medicine and the compensation levels for women in that field.

I was surprised that you did not point to the recent tax changes that are discriminatory against women in medicine. The government has brought in changes to the treatment of incorporated doctors. As you know, many—if not most—doctors are incorporated, and incorporation is particularly important for female doctors because it allows them to save for maternity leave within their company.

In Ontario, doctors are not employees. They are typically contractors for hospitals, clinics and other medical facilities. As a result, they don't have government pensions, government sick leave or government maternity leave. Instead, they have the ability to save within their companies, so that when the time comes for maternity leave they can draw from those savings and cover their family expenses in the meantime.

The government has brought in new penalties that raise taxes on people who save within their companies. Female doctors and other female professionals have told us this is a direct attack on their ability to save for maternity leave, sick leave and other expenses they may face.

Why did you not raise that as a concern when you testified about the structural challenges women face in the professions?

Ms. Ann Decter: It's an interesting framing of the question: why I didn't raise something that I didn't raise.

I would say that our focus at the Canadian Women's Foundation is to move women out of violence and into empowerment and economic security. Women who are physicians are highly paid and we don't do a bulk of research on what goes on in that field.

Hon. Pierre Poilievre: Thank you.

It's just that you did raise physicians as an example.

Ms. Ann Decter: Across the—

Hon. Pierre Poilievre: So that is an example. It is true that the government has penalized female physicians in a way that is discriminatory, as a result of their penalties for professionals who are trying to save for maternity leave, professionals who have no other way to save for maternity leave in the system.

I find it very interesting that witnesses who claim they are in favour of advancing social equality have not spoken more in favour of these women who are facing this discriminatory tax policy, which the government introduced in this budget.

So—

Ms. Ann Decter: Not to interrupt, but the maternity benefits that exist within EI are available to women in the medical profession and strengthening them would be an excellent plan.

Hon. Pierre Poilievre: Yes, but that doesn't help if you actually have to pay for your practice to stay up and running. Do you think you can keep a medical practice running for what EI maternity pays?

• (1000)

Ms. Ann Decter: My father was a doctor and he raised six of us in comfort, so yes.

Hon. Pierre Poilievre: Did he take maternity leave?

Ms. Ann Decter: Of course not.

Hon. Pierre Poilievre: Okay, well I am talking about females who have the necessity to take maternity leave—

Ms. Ann Decter: This is why we need strong social programs.

Hon. Pierre Poilievre: —and to suggest that you could keep a medical practice going—

Ms. Ann Decter: Yes, I think we're done here.

Hon. Pierre Poilievre: —with \$25,000 or \$30,000 a year in EI maternity benefits, when you have to pay four or five employees, you have to pay rent and you have to pay other costs associated—

Ms. Ann Decter: This argues to the strengthening of the EI system.

Hon. Pierre Poilievre: So it's just—

The Chair: Let's not have a debate here. This is a hearing for questions and answers.

Mr. Poilievre, go ahead.

Hon. Pierre Poilievre: Right. We'll hopefully get some answers from the next witness, Mr. Cross.

We are now running a \$20-billion deficit and this is in an environment that the government admits—through its own financial statements released just two weeks ago—all of the good fortune, all of the luck is going in our favour. We have record-low interest rates, oil prices have doubled, the housing bubbles in Vancouver and Toronto are generating government revenues, the U.S. and world economies are roaring, so all of the factors that are out of the control of the government are going in favour of government revenue. That's why we had a \$20-billion revenue windfall last year.

If, in that environment, we can't come anywhere close to balancing the budget, under what circumstances could the government ever balance the budget?

Mr. Philip Cross: Perhaps you should address the question across the aisle.

The premise is that there are conditions in which deficits are unavoidable—for example, if the economy collapses, like in 2008. Even if you had a balanced budget, you couldn't cut spending fast enough to keep up with the drop in revenues that would occur. I agree with the basic premise that we should be building up surpluses during good times because there will inevitably be bad times.

Hon. Pierre Poilievre: On that point—

The Chair: Sorry, Pierre, we're out of time.

Mr. McLeod, we're into five-minute rounds.

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

This is an interesting discussion. I'm trying to figure out why the Conservatives are upset that the economy is doing well.

My question is for Leona Irons. I heard you talk about your association and the number of people you represent. I think you said 178, but I didn't hear you mention the Northwest Territories, so I take it the Northwest Territories doesn't fall into this.

Ms. Leona Irons: No, we've attempted on two occasions to get a champion there and to form a regional association. This past September, we had our national gathering in the Yukon, in the Kwanlin Dun Cultural Centre.

I believe we are enticing some land managers there to be part of our organization, so we're looking forward to forming a regional chapter in the Yukon. However, at this time in the NWT, we don't yet have a champion to be part of that, but we're always reaching out.

We service them as well. We don't turn them away.

Mr. Michael McLeod: I think there's a good opportunity for them to get involved because there are a lot of things that are moving forward. I think at the beginning of this government we didn't have any discussions going on and now we have 10 sets of negotiations. We had a huge delegation from the self-government organizations here this morning. They are all quite excited about where things are going.

In the Northwest Territories we have different categories of indigenous governments. Some have settled self-government, some have signed on to modern treaties and some are in unsettled areas, and we have a couple of reserves. It's a real mixed bag.

You talked about this initiative as something that is going to advance reconciliation. Could you maybe elaborate a little more on that?

Ms. Leona Irons: Adding land to reserve, expanding the reserves, gives potential for economic development opportunities. It all comes hand in hand, acquiring lands for betterment, for natural resources.... Now when we add land to the reserve it's under the Indian Act at first, so settlement lands in NWT would be different. But it does have the potential to increase the social well-being of our people so that we have access to more lands and natural resources.

• (1005)

Mr. Michael McLeod: This morning I heard one of our grand chiefs talk about signing on to a self-government policy where they had to opt out of the Indian Act. He said it was very nerve-racking. A lot of people were critical and a lot were nervous. I see part of what you're talking about is looking at opting out of 33 sections of the Indian Act. Did you face some of those challenges, some of that feedback from your member organizations where people pushed back on the whole notion of trying to opt out of the Indian Act? There are some people who feel really strongly about that.

Ms. Leona Irons: They do. From a technical point of view it's challenging. It's challenging to manage land under the Indian Act, let alone your own policies and procedures under your code. Ultimately, it's a political decision. In our organization, when politicians make the decision to go that way we just have to find ways to cope and be able to be ready for that from a technical standpoint. I can't address any more on that issue.

The Chair: Thank you. Thank you, all. We're getting tight on time. We'll go to three-minute rounds because that's all the time we have.

We have two more questioners, Mr. Poilievre and Mr. Fergus.

Hon. Pierre Poilievre: As I was saying in my previous questioning, the economic factors the government cites for the strong global economy have nothing to do with government policy. The oil price is global. The interest rates are semi-global, at least continental. The growth in the U.S. and world economies are obviously out of the control of this government and housing bubbles in given jurisdictions are things that governments cannot control. In fact, they could very easily—all of those factors—disappear at any time.

Government members trying to take credit for those factors are like the rooster who takes credit for the sun going up just because he crowed when the sun came up. All of these factors could be gone at any time. If they are and if a recession arrives, as it did suddenly and unexpectedly out of the United States in 2008, what would Canada's fiscal position look like, Mr. Cross, entering that recession, given that we start out under the best circumstances with a \$20-billion deficit?

The Chair: Just before you answer, Mr. Cross, the bells are ringing. We are a long distance away from Parliament this time so I would just suggest, if we get permission, that we run down the clock on this panel and probably go to the vote. We have 27 minutes.

Mr. Cross.

Mr. Philip Cross: Right. I think it's a risky position. On the surface it looks like the debt-to-GDP ratio.... The federal government's debt-to-GDP ratio is at 40% or 50%. A lot of people look at that and think we're in a good position, but if you look at the overall indebtedness of government in this country it's much closer to the U.

S. and the EU, as I was alluding to in my opening statement. Just focusing on the federal government's finances ignores that we have the most decentralized federation amongst the major industrial nations. You cannot look at federal debt in isolation from provincial for reasons I mentioned in my introduction.

Hon. Pierre Poilievre: You're an economist. You were the chief economic analyst for Statistics Canada. I want to ask you about the irony of the government's rhetoric. They use of a lot Keynesian rhetoric, which suggests that they want to engage in countercyclical fiscal policy. Spend more in the bad times, they claim, and then, according to Keynesianism, you're supposed to spend less in the good times.

We've seen how they've been spending over the last two years while the world economy has been going strong. They say their fiscal anchor is federal debt to GDP. If the GDP were to drop as a result of a financial crisis or some other unforeseen problem, and if they were actually going to stick with their so-called anchor under those circumstances, would they not be then in a circumstance where they would be forced, ironically, to cut the deepest during the worst recession?

• (1010)

Mr. Philip Cross: Very much so, and I think that didn't happen in the 2008-09 crisis because the government at that time had a lot of capacity to borrow. As we were watching that crisis unfold, we were aware that there were instances, particularly in Britain—and there was some hesitation even in the U.S.—where the bond market appeared to be balking at financing government debt.

It could happen that in the middle of a recession, just when the government needs to borrow the most, the bond markets could stand back and say, "Whoa, we're not giving you any more money." At that point, governments are going to be in a very difficult situation, as Greece found itself in 2015.

The Chair: Mr. Fergus, you have the last series of questions.

[Translation]

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

As an MP from Quebec, I was very interested in Mr. Cross' comments when he commented on the provincial governments of Ontario and Quebec. I'm not in a position to comment on what I presume happened in Mr. Cross' provincial government. However, I can certainly talk about the situation in Quebec.

You said that the former Quebec government was made up of people who weren't as capable of managing the economy as those who formed the new government. So I ask you this: what deficit did the previous government inherit in 2014 and what deficit did it leave when it lost in 2018?

I hope you'll recognize that, after one of the worst governments in terms of public financial management, the previous government had to show extraordinary discipline to become one of the best governments in terms of deficit and financial management. However, this government wasn't made up of business people, but of people from all walks of life. Why then did you strongly criticize the former Government of Quebec?

Mr. Philip Cross: I'm sorry if you understood that. I had to say that, compared to the Ontario government, the Couillard government's policies were certainly better and better able to support businesses.

Mr. Greg Fergus: We fully agree on that.

Mr. Philip Cross: At the same time, it isn't just me. Even with a very low unemployment rate and the elimination of the government's deficit, it's the people of Quebec who chose to vote for change. So, why?

Mr. Greg Fergus: I don't dispute that, but you said—

Mr. Philip Cross: I agree that this government has done some good things.

Mr. Greg Fergus: Right. However, in your previous comments you didn't say that it had done good things. I believe you even indicated that it was reasonable to conclude that it was an incompetent government. But it seems that, fiscally speaking—

Mr. Philip Cross: No, no.

I mentioned the two governments, but I must say that I had Kathleen Wynne's government in mind. As I also said, the Couillard government has done some good things, but the people of Quebec have also decided that they want better.

Mr. Greg Fergus: I never question the public's good judgment, but you said that the Couillard government was a government like any other. However, it wasn't. It managed the province's finances well and did an excellent job.

Mr. Philip Cross: That's a very good question.

As an economist, I'm aware that some models suggest that if we do this or that with the unemployment rate or the GDP, we'll get re-elected—

Mr. Greg Fergus: That has nothing to do with it.

Mr. Philip Cross: —and all of a sudden, it doesn't work. It hasn't worked in British Columbia or Quebec, and I don't know why.

[English]

The Chair: We are a little off the budget implementation act, but it is a good discussion. We are just about at the end of this panel, in any event, but we will have to go to the vote.

There's another procedural motion....

Go ahead, Peter.

Mr. Peter Julian: I had one very quick question for Ms. Faraday.

•(1015)

The Chair: If everybody is agreeable to stay for another five minutes, we can do that and go to your quick question. Mr. McLeod, I know, wanted to ask and didn't quite finish his line of questioning.

You go, then Mr. McLeod and then we're done.

Mr. Peter Julian: Thank you, Mr. Chair.

Very quickly, Ms. Faraday, how many sections of the bill need to be changed to make this bill actually do what it was intended to do? How many amendments need to be brought?

Ms. Fay Faraday: We say that there is a dirty dozen of amendments that need to be done. We will submit them to you in writing in terms of the specific amendments. They can be made quite surgically and I think there is time to get that done. I think they're necessary to get done.

I do want to emphasize that this is not just a matter of social policy, as has been characterized. This is actually fundamental human rights.

We've heard, "You have to wait until later." The Supreme Court has told us that equality is central to building a strong economy and that to treat women as the shock absorbers of the economy is discriminatory. It's important to note that studies have shown, and the Ontario government and the federal pay equity task force have demonstrated, that closing the gender pay gap will boost the GDP significantly.

In Ontario, closing it would amount to a 2.5% increase to the GDP, which is the size of the entire auto sector and auto parts sector combined. That's from a report by Deloitte that was done to quantify what it means to fix the gender pay gap.

When we hear our friends saying that the sky will fall, the reality is that putting money in women's pockets, having an economy that works for all, actually boosts the economy. It is not a detriment. It's a matter of redistributing money, for sure, so that the emphasis is on people being able to support their lives, not profits.

The Chair: We'll have to cut you there, Ms. Faraday. We have to take one more question.

Go ahead, Michael.

Mr. Michael McLeod: I had one last question I didn't get to ask Leona. It's about own-source revenues.

I hear all the time indigenous governments talking about, as they move towards self-governing situations and looking after their own people, that they need to have a mechanism to raise revenue. Is this change something that will benefit indigenous governments in terms of own-source revenues?

Ms. Leona Irons: Absolutely. Totally.

The Chair: With that, thank you to all of the witnesses in this panel for the presentations you made and the exchanges we had, sometimes lively, but that's important too. Thank you for that.

To the second panel, we will be back right after the vote, but I understand there's another procedural vote after that. We'll see if we can get everybody on in terms of their presentations and see where we're at.

The meeting is suspended for now.

•(1015) _____ (Pause) _____

•(1055)

The Chair: Okay, I think we'll call the meeting back to order.

We have panel two here. Sorry to disrupt the situation with votes.

As you know, we're studying the subject matter of Bill C-86, the budget implementation act, 2018, no. 2. We think we'll be able to hear from all the witnesses. Try to keep it to five minutes, if you could. It would be nice if we could get one round of questions in, at least one question from each of the parties.

The floor goes to Ms. Durdin, President and CEO, Canadian Credit Union Association.

Go ahead.

Ms. Martha Durdin (President and Chief Executive Officer, Canadian Credit Union Association): Thank you, Mr. Chair, and thank you, members of the committee for the invitation today.

[Translation]

My name is Martha Durdin, and I am the President and Chief Executive Officer of the Canadian Credit Union Association, the CCUA.

[English]

CCUA, our association represents 252 credit unions and caisses populaires outside of Quebec. Credit unions contribute \$6.5 million to Canada's economy, providing deposit, loan and wealth management services to 5.7 million Canadians.

Collectively, credit unions in regional centrals employ more than 29,000 employees and manage \$225 billion in assets.

[Translation]

As their name suggests, financial cooperatives are cooperatives, which means that they belong to the people who do business with them. Having to satisfy our member-owners rather than the major shareholders encourages us to provide unparalleled customer service.

[English]

This year, Canadians once again ranked credit unions ahead of the federal chartered banks for customer service excellence. It was the 13th year in a row.

For rural members on the committee, it is also important to note that in almost 400 communities across Canada, credit unions are the only providers of financial services to households and small businesses.

We would like to congratulate the government on the introduction of this bill, which contains many important consumer protection measures we have advocated for. We support the various measures aimed at enhancing consumer protection in the financial services industry, from naming institutions that run afoul of the regulations to increasing monetary penalties and enhancing whistle-blower protections.

Particularly, the new requirement for financial institutions to disclose the self-imposed codes of conduct that they have adopted is

a positive step forward, representing as it does an acknowledgement by the government of the importance of self-imposed codes.

That brings us to us. In CCUA's pre-budget submission to this committee, our primary recommendation was government support for the self-imposed credit union industry market code of conduct currently under development by my organization and leaders of the credit union system. For members, this would be highly preferable to any new prescriptive regulations and would enhance consumer protection in financial services.

We're prepared to work with this committee and the government to establish this market code of conduct in a way that is consistent with the government's regulatory objectives and proportional and appropriate for our credit union sector, given the fundamental distinctions that exist between it and our players in the Canadian financial system.

As we head into the final phase of the review of the financial sector legislation ahead of 2019, we would urge the committee and the government to continue to take into account the specific regulatory needs of our sector, and to craft policy through the lens of a smaller financial institution with a view to enhancing competition.

Our submission to the finance department, as part of its ongoing financial institutions legislative review, included suggestions to improve the Bank Act provision for governing federal credit unions, which we hope will be addressed in the final round of reform next year. We recommend enacting a threshold of 500 members, or 1%, of a federal credit union's membership, for advancing special resolution proposals at an annual meeting of members; ensuring a federal credit union's membership list is protected; amending the Bank Act to only permit disclosure of a membership list to a third party as an intermediary to facilitate communication between a member and the broader membership; allowing electronic voting in advance of the federal credit union's AGM; and several other governance-related recommendations.

Our sector is strong and represents a key component of the Canadian financial system. In a market dominated by a small number of huge financial institutions, we represent the only real competition that exists in Canada. We need regulations and legislation that recognize the unique, important role we play. This bill helps us achieve this, but there is more work to be done.

Thank you for the opportunity to share our perspective. I look forward to your questions.

•(1100)

The Chair: Thank you very much, Martha.

We'll turn to Toby Sanger, from Canadians for Tax Fairness.

Mr. Sanger, the floor is yours.

Mr. Toby Sanger (Executive Director, Canadians for Tax Fairness): Chair and members, thank you very much for inviting us to discuss Bill C-86.

There are many positive initiatives in this bill that we are very supportive of, but we are concerned that too many seem half finished and are not fully developed.

We're glad to see the Canadian gender budgeting act initiative, but the proposed act is just two pages long and the legislation is very general. The reports and the analysis on gender and diversity impacts of the budget of tax expenditures and programs could be so vague and general as to be not particularly meaningful.

I'm also very glad to see legislation for climate action incentive payments to households introduced and the fact that the government is recycling carbon tax revenues in a progressive manner, which is something I've advocated for a decade. I'm very glad to see that. However, there's nothing in the legislation that sets the annual payment amounts or ties them to the revenues raised.

I'm also glad to see the poverty reduction act, but it may be one of the shortest acts ever. I counted up the words. I think there are 51 words. It identifies aspirational targets on poverty reduction, but no definition of poverty. I know the government has a definition of poverty, but it would be good to introduce some of this into the legislation.

At the same time, Bill C-86 includes many amendments to a wide range of taxation and financial industry legislation. These are complicated areas with significant implications and should be accorded adequate time for review.

We appreciate the targeted amendments in part 1 to prevent aggressive international corporate tax avoidance in specific circumstances, but we will also need additional far-reaching measures to reduce aggressive tax avoidance and evasion.

The bill includes 65 pages with amendments to the Bank Act and related acts on financial consumer protection. The issue of protection of financial consumer information is certainly in the news and a reasoned discussion on these issues would certainly be welcome. This section of the bill also includes a provision for the protection of whistle-blowing. One concern is that the definition of "wrongdoing" in this section may be too narrow and just applying to contraventions of the Bank Act and bank policies. There doesn't seem to be any guarantee of follow-up with these reports.

Bill C-86 also includes corrections to previous omnibus budget bills. This indicates to me to a certain extent that pushing through large omnibus bills without sufficient due consideration isn't a wise thing to do, because mistakes can be made.

As you may know, Canada has the weakest corporate transparency regime among the G20 and this makes us a haven for money laundering and tax evasion. I'm glad that this government appreciates the importance of having a registry of individuals with significant control of corporate entities to help prevent money laundering and other criminal activities. However, on pages 134 to 139 of the bill, the amendments to the Canada Business Corporations Act seem too limited and restrictive at this stage. The provisions in this section would result in information that isn't adequate, that could be unreliable because there aren't requirements for verification and may not be timely enough for law investigation and enforcement provisions.

Instead, the legislation should explicitly require corporations to make access available to reporting entities and other parties that require it for regulatory, legal and enforcement purposes—and I believe the committee is going to be reviewing the proceeds of crime legislation, or a report, later. There should be a provision for summary indictable offences and fines, not just criminal convictions. The registry framework also needs to be digital forward to increase efficiency and reduce the costs of compliance. Ultimately, we need a central public registry of beneficial owners for all corporate entities as has been established in the U.K.

In summary, there are a lot of positive and worthwhile initiatives in this bill, but our concern is that a lot has been crammed into one piece of legislation without enough time for reasoned review by the legislature and experts. We'd like to provide some more detailed submissions, maybe, to the committee on specific changes in particular to the Canada Business Corporations Act, if that's possible, later.

• (1105)

Thank you.

The Chair: If you have any further information, send it to the clerk. There is a fairly tight time frame on this one, Mr. Sanger. The committee hopes to table the money laundering report on Thursday of this week.

We'll turn then to Equal Voice and Nancy Peckford, Executive Director. Welcome, Ms. Peckford.

Ms. Nancy Peckford (National Spokesperson and Executive Director, Equal Voice): Thank you so much for the opportunity to be here.

As many of you know, Equal Voice is a multipartisan national organization almost exclusively devoted to the election of more women to all levels of government. To that end, it is very unusual for us to weigh in on matters of policy, but because of the creation of a unique mechanism or mechanisms as per the bill that you are currently studying, we felt it was appropriate to take a few minutes to share our analyses.

There is no doubt that for many years the House of Commons Standing Committee on the Status of Women, both under the current government and past governments, have taken a hard look at how to better equip the federal public service, and I think governments in general, to advance the gender equality agenda.

I was part of a seminal research study about 10 years ago, led by a different government, where a unanimous report was created and advanced to look at gender equality budget mechanisms as well as providing autonomy and more strength to our current department, the Status of Women Canada.

Obviously, those discussions, combined with a gender-parity cabinet among other things, have led you all to ensure that this budget will produce an independent department that will equip the Status of Women under a different name and with a strengthened mandate to deliver on some key priorities for Canadians.

I caught some of the last round of debate and I wanted to read into the record why I think it's so important that we ensure that the Government of Canada is well equipped to advance gender equality. I know that some people are stressed about expenditures that may appear to be frivolous but are the contrary.

To give you two examples with the limited time I have: investments in women in leadership and investments in gender budgeting. These are conversations that, as an advocate in this sector for 15 years, I have had across party lines. In my view these are not partisan investments. They are good sense investments.

A widely cited McKinsey Global Institute study suggests closing the gender gap in women and leadership generally but particularly in the labour force. That means ensuring that women can work to the degree they wish to in a full-time capacity and also that the composition of employment generally is gender-balanced. This would add 12% to 25% of global GDP by 2025.

That means huge gains to our economy by ensuring that governments across the globe are partners with the private sector in advancing women in leadership, not just in the labour force but in society in general. That's the combined economies of China and the U.S. alone, so major dividends are to be gained here.

The other thing that's interesting is that when I was doing a little research, a growing body of research documents the many ways that women contribute value to each link of the business value chain as suppliers, leaders, employees, customers, brand creators and community members. Again, I think that's a really important reflection as you move forward with this bill.

Finally, a group of academics, both women and men, wanted to put their heads together around trying to monetize what happens when you have a critical mass of women participating in the corporate sector. They found that when women comprise a significant proportion of female executives or female board members you see the greatest advancements.

That's important because it juxtaposes findings where if you had a female CEO and a largely male-led executive body, those gains were not as significant and in some cases were negligible. They did not produce in the ways we might anticipate.

All of this is to say that obviously from Equal Voice's perspective, closing the women-in-leadership gap across society, both within our economy and other key leadership sectors, is critically important. I think the mechanisms that are introduced as part of this bill are really meaningful and a great leap forward and are the culmination of discussions that have been ongoing in this sector for decades now.

I salute what I hope is common ground here in advancing this piece of the legislation because I think women on all sides, regardless of partisan orientation or where they're located, see the value we all want as Canadians. I'll leave it there.

●(1110)

Thank you.

The Chair: Thank you very much, Nancy.

We now have, with Imagine Canada, Mr. Schaper, Director of Public Policy.

Go ahead.

Mr. Bill Schaper (Director, Public Policy, Imagine Canada): Thank you, Mr. Chairman and members of the committee, for giving us the opportunity to be here today.

As the national umbrella for the charitable and non-profit sector, our comments are limited to those portions of Bill C-86 that propose changes to how charities are regulated through the Income Tax Act. Clause 17 of the bill proposes to place a renewed and welcome emphasis on registered charities fulfilling a charitable purpose with specific ramifications for an organization's public policy activities.

As members of the committee may be aware, much of how charities in Canada are regulated dates back to laws passed in the era of Queen Elizabeth I and judicial interpretation of those laws in the centuries since. Organizations can be deemed charitable if they fall under one of the four so-called heads of charity and if what they do furthers their charitable purpose.

The Income Tax Act establishes the conditions under which charities can be registered for the purposes of issuing tax receipts to donors and for other benefits that registered status provides them. The Canada Revenue Agency, through the charities directorate, enforces the requirements of the ITA.

The system is far from ideal as we try to apply 400-year-old rules to modern circumstances. Over the years, the Income Tax Act and guidance issued by the CRA have attempted to keep up. The result has been increasingly complicated attempts to define and establish parameters for the individual activities in which charities might engage. We have guidance on issues as broad as fundraising, investing assets, business activities and until now, so-called political activities by registered charities.

In many cases, ITA provisions and the associated guidance have moved away from the jurisprudence that focuses on organizations fulfilling a charitable purpose and has placed an emphasis on whether individual activities taken in isolation are themselves charitable. This leads to inconsistencies between the common law and the Income Tax Act. Bill C-86 specifically supports charities' engagement in public policy work.

Charities have long engaged in public policy development and dialogue. They're often in a unique position to recognize the impacts of government policies, or the lack thereof, on the populations they serve. Because they are legally required to work in a non-partisan way towards purposes that are deemed for the public benefit, they play a key role in advocating for change in that they can take a long-term view of those issues.

A number of significant policy advances achieved under governments of all stripes have been due, in part, to charities identifying issues before they become mainstream, proposing solutions and advocating for change. Just a few examples include the work that MADD has done in shifting public and legislative attitudes towards impaired driving. Environmental charities worked with the Mulroney government to successfully combat acid rain. The work done by the Canadian Cancer Society, the Heart and Stroke Foundation and many other health charities led to workplace smoking bans and other reductions in exposure to second-hand smoke. Charities were also at the forefront advocating important social policies like the original national child benefit or registered disability savings plans.

A few years ago, a focus was placed on charities' involvement in public policy debates, specifically, their so-called political activity. New reporting requirements were implemented and an audit program was announced in a federal budget and carried out by the CRA. This created uncertainty for those charities who play a role in working with governments on public policy issues.

Last year, the consultation panel appointed by the Minister of National Revenue made a number of recommendations. Included in those was one to remove the distinction between the types of policy work carried out by charities and to remove the hard limit on portions of those activities. Bill C-86 would legislate the changes recommended by the panel.

We know that there are concerns in some quarters about making these changes, so we want to emphasize a few points. Charities must still work exclusively to fulfill a charitable purpose, that is, a purpose that meets the requirements of the common law and is in the public benefit. Bill C-86 just allows them greater flexibility in how they do so.

Organizations that have a political purpose remain ineligible for registration as charities. The CRA has always applied this test, rooted in common law, in registration decisions and will continue to do so. Organizations that exist solely to seek changes to laws and regulations would fall under this category. Finally, charities must still operate in a non-partisan manner.

- (1115)

We note these changes are also in line with reforms that have already occurred in countries like the United Kingdom, Australia, Ireland and New Zealand, all of whose charity laws share the same origins as ours and all of whom have undertaken fundamental and wide-ranging modernization efforts in recent years.

We support the Income Tax Act changes proposed in Bill C-86 as they pertain to registered charities and we hope that it is only the first step in what we believe is a much-needed conversation about modernizing charity law and regulation in Canada more broadly.

Thank you.

The Chair: Thank you very much, Bill.

From the National Association of Women and the Law, we have Ms. Beavers.

Ms. Suki Beavers (Project Director, National Association of Women and the Law): Good afternoon, and thank you for the opportunity to speak on the subject matter of Bill C-86 on behalf of the National Association of Women and the Law.

I think most of the members of this committee are familiar with NAWL, which is an incorporated, not-for-profit feminist organization that promotes the equality rights of women in Canada through legal education, research and law reform advocacy. We work on our own and in collaboration with other women's and equality-seeking organizations to impact public policy on a wide range of issues.

I'd like to begin my comments today by congratulating the government for prioritizing action to advance women's rights and gender equality in Bill C-86, particularly in relation to division 18, which establishes the department for women and gender equality; the pay equity act, included in division 14; and the Canadian gender budgeting act, included as division 9.

I'll just say a few words very briefly on the pay equity measures that are included in Bill C-86. We've been calling for pay equity legislation for decades and simply want to reiterate that pay equity is a human right and the government has international and domestic obligations to eliminate the pay equity gap. However, as NAWL is a member of the Equal Pay Coalition that you heard from earlier this morning and we support all the positions taken by that coalition, I'm going to focus my comments today on the establishment of the department for women and gender equality.

We welcome the creation of a full department. Feminist groups have been calling for the elevation of Status of Women to a full department for decades now. We applaud the decision to include a strong preamble in this act that highlights Canada's international and domestic obligations to respect, protect and fulfill the rights of all women in Canada. The retention of women as a primary focus of this elevated department is an important recognition of the ongoing impacts of the historical and systemic sex-based discrimination that women in Canada continue to experience in all aspects of our lives. We applaud the explicit adoption in this bill of an intersectional feminist analysis and approach to advancing substantive gender equality for women in all of our diversity.

I want to turn now, though, to our two key points, which are about the importance of ensuring there will be an adequate and appropriate funding guaranteed to ensure the full implementation of the gender equality components included in Bill C-86, which includes funding for the independent women's movement and the need to ensure more meaningful consultation in the law-making process with independent women's groups.

As members of this committee will no doubt be aware, after the change in the mandate of Status of Women, which was introduced by the previous federal government, NAWL and many other feminist and equality-seeking groups were defunded. Many, including NAWL, were forced to close their operations. These were very challenging times for feminist and equality-seeking groups. We faced not only defunding, but prohibitions on advocacy and challenges to our charitable status. Many feminists and equality-seeking organizations faced similar fiscal and organizational challenges and the landscape of feminist and social justice work was eroded significantly, with severe consequences for women and equality, including the dismantling of significant achievements and knowledge.

I reiterate this because it is not just history. The impacts of those cuts remain significant today. However, the good news is that we are beginning to recover and rebuild our capacities and our feminist networks, but this will take time and investment—and I focus on investment. Many organizations, including NAWL, remain underfunded. We cannot yet meet the demands for our feminist legal expertise, or that are required to rebuild feminist legal capacities and advocacy in other feminist organizations, and rebuild our coalitions.

We're very appreciative of the project funding that Status of Women Canada is now providing and the new capacity-building grants that have just opened up for women's groups; however, these do not and cannot replace the need for a restoration of core funding to independent women's groups. We urge the new department for women and gender equality to include core funding in its fund modalities, as was recommended in the 2005 report of the FEWO committee, "Funding through the women's program: Women's groups speak out".

• (1120)

On the topic of funding, there is no question that this new department must receive additional funding to implement what is clearly an expanded mandate. This is not a change in name only. This is a new mandate.

The gaps in funding and capacity of women's groups, when coupled with the incredibly short timelines for engagement, make it nearly impossible for meaningful engagement in law-making, including in relation to this bill. For example, as you all know, Bill C-86 was tabled on October 29. We received an invitation to appear before this committee on Friday afternoon, and here we are this morning, on Tuesday. This is clearly an insufficient period of time to analyze such a complex bill. Even if the legislation to establish the new department had been tabled on its own, rather than as part of this really complex omnibus bill, this would have been insufficient time.

On the issue of meaningful consultation, we are also advocating for the establishment of an independent advisory body comprising

groups that lead on critical women's rights issues and gender equality issues to provide advice and feedback to the department of women and gender equality.

I'd like to finish by saying that it's been a pleasure to appear before the FINA committee again, after more than a decade. We look forward to this committee's facilitating of the reinstatement of core funding for feminist and equality-seeking groups and to an expansion of the time frames and the mechanisms provided for engagement in law-making processes. Both are required for meaningful engagement by feminist and equality-seeking groups in law-making processes such as this one, which are critical for the future of our country.

Thank you.

• (1125)

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

We're turning to Oxfam Canada, with Ms. Sarosi, Policy Manager.

Go ahead, Diana.

Ms. Diana Sarosi (Policy Manager, Oxfam Canada): Thank you so much.

Dear committee members, thank you for the opportunity to present Oxfam's views on Bill C-86.

At Oxfam Canada, we put women's rights and gender justice at the heart of everything we do, both here at home and in our work with some of the poorest communities across the planet. As such, we know that women are vastly overrepresented in the bottom rank of the economy. Nowhere in the world do women earn as much as men for work of equal value. Women shoulder three to 10 times more unpaid care work than men do, and they are disproportionately represented in the lowest paid and least secure jobs.

This is true in Canada as well. Women make up 70% of part-time, casual and temporary workers, and 60% of minimum wage earners. The gender wage gap persists, hovering at 32% on average, and as high as 45% to 55% for indigenous women, racialized women and women with disabilities. Women do two to three times more unpaid care work than men do, and the labour force gap between men and women remains close to 10 percentage points.

Federal budget 2018 saw some major investments and measures meant to advance gender equality. Bill C-86 now ensures that the budget announcements translate into legislative action. I would like to offer thoughts and recommendations for two acts covered in the bill: the new department for women and gender equality act and the Canadian gender budgeting act.

There are many more measures in the bill I could address; however, the nature of omnibus bills is such that it makes it difficult for stakeholders to review all elements in detail and provide substantive comment. This has serious potential to stifle democratic engagement and should be considered in light of the government's desire to meaningfully engage civil society.

On the department for women and gender equality, Oxfam congratulates the government for turning Status of Women into a full department. Canada has a way to go to close the gender gap, and a full department mandated to do just that is a significant step in the right direction.

We are pleased that the department's mandate includes a strong intersectional lens, recognizing the full range of diversity in sexual orientation and gender identity or expression. At the same time, we must not lose sight of women's particular challenges and barriers in fulfilling their social, political and economic rights. We hope to see the department retain the strong focus on advancing women's rights.

Considering the current political climate around the world, this legislation is timely. The women's rights movement remains underfunded and too many organizations are scrambling to provide services, without having access to core funds to sustain their operations. Project-by-project funding is not sustainable in delivering quality programming. Whether advocating in favour of comprehensive sexual health education in Ontario, or standing behind women's rights advocates in Saudi Arabia, a department that will dedicate resources to supporting the strength of the women's movement is an excellent investment. We encourage the new department to consider how it can learn from and help Canadian organizations connect to the global women's rights movement, recognizing the universality of challenges women face the world over.

At the same time, the department must continue to build the capacity of all departments to deliver policies and programs based on gender analysis, and work to advance gender equality. While capacity is growing, it is important that gender analysis is grounded in the reality of women, and particularly the most marginalized ones. It is important that capacity building includes hearing from a diverse range of women and ensuring they have access to policy-making processes.

It is for these reasons that Oxfam would like to see a significant increase in the department's resources, to an amount of \$100 million a year, with a significant amount of the department's budget going directly to resourcing the women's rights and feminist organizations, and core funding for these organizations.

On the Canadian gender budgeting act, Canada is long overdue for gender-budgeting legislation. Oxfam applauds the government for finally legislating gender budgeting, ensuring that no budget plan will ever be tabled without a robust gender analysis of all the measures in the plan.

We are pleased that the gender analysis of the budget will be made public and that gender budgeting will apply to both the taxation as well as the spending side of the budget, including transfers to other levels of government.

●(1130)

We recognize that it will take some time to meet the gold standard of gender budgeting. We therefore recommend that the government work closely with civil society to strengthen its capacity and ensure greater participation of women in all their diversity in the budget process. The government should strive to apply a feminist approach to gender budgeting and ensure that women's voices and experiences are at the heart of budget and decision-making processes. Gender budgeting is not merely a technical tool to assess differential impacts but a means to promote gender equality in both process and outcomes. We call on the government to establish an advisory council on gender budgeting that includes diverse representation from women's rights organizations and non-binary persons.

I also want to remind committee members of the recommendations we made earlier as part of Oxfam Canada's budget submission. We hope the finance committee will also take leadership to ensure that pre-budget consultations strive to advance gender equality. This can be done by ensuring that at least 15% of witnesses are women's rights organizations and by providing guidance to encourage that all budget submissions to do their own gender-based analysis.

In closing, I would like to highlight that Oxfam endorses the views presented earlier today by the Equal Pay Coalition on the pay equity act.

Thank you again for the opportunity to present today.

The Chair: Thank you, Diana.

The bells are ringing, which means we have a vote in about 29 minutes. I would suggest that we go to four questioners for four minutes per round. That would get four questioners on.

Mr. Sorbara, you have four minutes.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Mr. Chair. I'll get right at it.

To the Canadian Credit Union Association, we as a committee undertook a study on bank and financial institution sales practices. That was followed up by a report by the FCAC. I know that most credit unions in Canada are regulated at the provincial level. Nonetheless, they serve Canadians from coast to coast to coast.

I want to get your feedback on the division within the BIA ensuring that Canadians know that their financial institutions have sound banking practices and, more importantly, sound sales practices.

Ms. Martha Durdin: We support the direction in which the bill is going in that regard and the work that FCAC is doing. We're also in the process, as I mentioned, of putting in place a self-imposed consumer code that credit unions would adhere to. It would include things like access to basic banking services, acceptable sales practices and business practices, a third party complaint-handling process, and governance and accountability measures. Those are the kinds of things credit unions would adhere to and would be in line with where the government is going on consumer...

Mr. Francesco Sorbara: Thank you, Martha.

To Nancy at Equal Voice, I've been blessed for the last two years to have an Equal Voice daughter. I actually have two daughters of my own, so I guess this is the third one; she's been working with us.

In this BIA legislation, we have a department that's been set up for women. We have pay equity for the first time, with legislation coming forth. We heard last night at committee that currently in the federal public service, the gap is 6¢ or a little bit less, at 94.1¢ and it's 88.5¢ for federally regulated workers in various sectors.

I think we are making a ton of progress. I was actually surprised by the earlier committee participants and their lack of enthusiasm for a lot of the measures contained in the BIA, because I think we're making a darned amount of progress. If you look globally and compare us relative to a lot of countries, I think we are leaders in this file. There are others who are sometimes first movers, but we are definitely leaders nonetheless.

I want to get your comments on the material contained in this BIA that we have produced for moving the feminist lens and gender equality file forward.

• (1135)

Ms. Nancy Peckford: Obviously I think you are signalling to so many young women out there that by virtue of establishing a new department for women and gender equality that you're really elevating the focus. I think the concern historically has been that the previous, the outgoing department, if you will, did not have the kind of capacity to provide appropriate public service direction. Advice to cabinet itself was beleaguered, in terms of being able to effectively champion gender equality across the board. I think the elevation of the department is huge.

I echo the concerns around making sure that the investment is there, so that it can be the most tenacious champion possible. We're obviously extremely encouraged by the efforts and by the investment.

On the gender budgeting act, I was just reviewing the committee report from 2008. There was a very comprehensive report undertaken by the House of Commons status of women committee. They outlined seven steps to undertaking gender budgeting, as discerned from global learning. I would recommend that you take a close look at some of those measures.

Obviously the focus on women in leadership and closing the gap, including the pay equity gap, signals to a whole new generation of women that anything is possible, and that their participation across the economy will be both welcomed and leveraged to its fullest extent possible. I know that the Daughters of the Vote's first cohort is

watching very closely as to what their prospects are in the coming years and decades ahead.

I would also say that the investments in the women's programs specifically allow for some of that not-for-profit collaboration that is required. It is true that some of the administrative and operational pieces remain not fully covered under this current arrangement, but I would see that as a work in progress. From our perspective, we are very encouraged that the mechanisms we've all recognized were absolutely necessary and waited for over time are now in the process of being fully realized.

The Chair: We'll have to cut it there, Nancy.

Mr. Francesco Sorbara: Thank you.

The Chair: Mr. Kmiec, the floor is yours.

Mr. Tom Kmiec (Calgary Shepard, CPC): Thank you, Mr. Chair.

A few witnesses mentioned that you had difficulty appearing on such short notice. I truly regret that.

There was a programming motion that was passed by the other side that basically cuts us off by November 20 for the clause-by-clause. If I hadn't mentioned it, Mr. Julian would have done it, so I thought I would do it too.

It is a very big omnibus piece of legislation. Both Mr. Julian and I have different ways of dealing with it. I have a binder. I think he uses elastics, because it's the only way to bring it around. There are many different parts.

I will focus on Canadians for Tax Fairness. You said "digital forward" design. We had department officials yesterday and the committee has been taken with this issue.

Could you tell me a bit more about your view? What are you thinking about with digital forward design?

Mr. Toby Sanger: In terms of the amendments to the Canada Business Corporations Act, some of the language suggests that the registry would just be held by the corporation, and that any replication of it in other forms would not necessarily be verifiable in that way.

We've had some conversations with law enforcement and financial industry experts. There's been quite a lot of progress in terms of developing a digital format for that. If this could be done in a digital way, so that it could be shared also in terms of the financial industry with the reporting entities on it, then that would reduce the compliance costs and presumably make it more efficient as well.

There are other provisions in the BIA that allow digital signatures in these ways.

• (1140)

Mr. Tom Kmiec: You also mentioned having greater access for different regulators. Who do you imagine should be added in terms of gaining access to the registry?

Mr. Toby Sanger: This legislation is silent in terms of sharing that information with reporting entities, and the reporting entities are largely in the financial industry. There's the question of whether that would be possible or not, and there's the question of which legislation has precedence on that.

I think the committee is going to be discussing this later in terms of the proceeds of crime act, but it would be good if that were explicit in terms of how this information can be shared with those other reporting entities in that way and how it can be shared in digital formats and not just in terms of a record that's kept with the corporation.

Mr. Tom Kmiec: Okay.

Finally, you mentioned the poverty reduction act. We spent quite a bit of time on it yesterday with officials. I think you said that there are 51 words. It's a short little piece. It almost looks like a news release.

Have you had time to look at its contents and its enforceability in any way? If this were a government goal or if they wanted to make it an actual document... I think the words used yesterday by the official were that it was a concrete way for parliamentarians to keep government accountable. I asked him what in here makes it a concrete way to keep them accountable, because they use the word "aspires", which is unusual in legislation.

I don't see any enforceability, do you?

Mr. Toby Sanger: Yes, there is an enforceability. I absolutely applaud the government for bringing forward the more detailed plan that they had before on this, but once you get to.... I also applaud the initiatives in the last budget in these areas. I think it was an historic budget.

My concern is that the legislation is extremely short and very thin and that future governments or other governments could interpret this in any way they want. It would be good to have something more concrete in the legislation in terms of what the targets are and how the reporting is done, not just in this area but also in terms of the gender budgeting.

The Chair: Thank you. We'll have to end it there.

Greg, you may get one question.

Mr. Julian.

Mr. Peter Julian: Thank you, Mr. Chair, and thanks to our witnesses.

What I gather from your testimony, which is very important, is that you are raising broad concerns about the scope of this omnibus legislation—which is in direct contradiction to what Mr. Trudeau promised back in 2015—in that there's not enough time for a reasoned review.

Ms. Sarosi, you mentioned how this stifles democratic engagement. I think the committee certainly is hearing you. This is absolutely inappropriate in terms of how the government is trying to ram this through, even more so when we come back to the very disturbing testimony we heard this morning around the pay equity provisions of the budget bill.

I'd like to go to Ms. Beavers and Ms. Sarosi on this. This morning we heard that what this actually does is put forward unconstitutional provisions. We were told that women will have to go back to the courts because this bill has been badly botched in its present form, and that for women who work in part-time or temporary situations—

precarious work—it actually lessens the provisions that existed prior to the bringing forward of this omnibus legislation.

Do you share the concerns we heard from the pay equity coalition this morning about how deeply flawed this bill is? Do you believe that we should take the time to fix all the provisions in this bill that are flawed?

Ms. Diana Sarosi: Thank you, Mr. Julian.

Yes, as I mentioned, we endorse the views of the pay equity coalition, and we share their concern on the ways that some of the provisions within the bill are not reflective of the spirit of what we're trying to achieve.

With that, I also want to say that it's taken us so long to get here. It's been a really long uphill struggle. We want to see pay equity legislation, and we want it to be as strong as possible. As the pay equity coalition mentioned, we are very happy to work with the committee in making some adjustments to the bill, but ultimately it's time to have a pay equity framework in place.

•(1145)

Ms. Suki Beavers: Thank you.

We are also part of the pay equity coalition and support all the positions that were put forward by the coalition in terms of the concerns with some of the specific provisions, but we also applaud the measures to finally introduce pay equity legislation after such a long period of time.

I have nothing further to add, except to say that some of the specific concerns that were raised by the pay equity coalition we think can be adjusted during the remaining process that we have before us. In particular, I'd like to turn the committee's attention to the importance of ensuring that an intersectional analysis is included in the pay equity bill. This would allow for consideration of the ways in which women experience multiple and intersecting forms of discrimination, how this results in pay equity gaps for them, and how these gaps can be rectified in the bill.

Mr. Peter Julian: Thank you very much. That is important testimony.

Mr. Schaper, I'd like to go to you. We've been examining the bill. Some people have raised concerns about the definition that is yet to be clarified with CRA around any indirect support for or opposition to a political party. Of course, that transgression would end the charitable status of a charity. Some people have raised concerns around what that could mean in terms of an environmental charity objecting to the Liberal government's purchase of a pipeline, for example.

The CRA has clearly not acted in the public interest on the disability tax credit and on benefits. Do you share any concern at all that until we get a very clear definition from the CRA, this may actually boomerang against charities that are actively working on behalf of the causes they champion?

Mr. Bill Schaper: We need to remember that the existing provisions in the Income Tax Act also include language about direct and indirect partisan support. The concept itself isn't new, and it's been in the guidance before.

That being said, there has been an increased emphasis on making sure charities are acting appropriately when they engage in public policy activities, and it is probably reasonable to expect that with the 10% limit taken off, there may be that.

The consultation panel actually advised removing the references to indirect partisan activity. I have the quote here, if you'd bear with me for one second. The language they used was "removal of the prohibition on 'indirect support', given its subjectivity". We think what's in the bill is significant progress, but if members wanted to look at that bit about indirect support—

The Chair: Thank you very much.

We will have one question from Greg, and then we're done.

Mr. Greg Fergus: I would like you to continue your thoughts on that, Mr. Schaper.

Mr. Bill Schaper: I was just going to say that from our perspective there is significant progress in the bill as it stands right now, and in its proposals, but if members wanted to take up that issue of the indirect support, that would be welcomed. As things currently stand, we'll need to be involved in the development of guidance on that and in making sure that guidance is very clear.

Guidance, of course, could never cover every possible circumstance that we might face.

The Chair: Okay, on behalf of the committee, I want to thank all the witnesses. Sorry for the hasty conclusion.

Members, you have 10 minutes and no more to get to the vote.

We'll see you all at 3:30.

The meeting is adjourned.

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