



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

---

# Standing Committee on Finance

EVIDENCE

**NUMBER 113**

Thursday, November 2, 2023

---

Chair: Mr. Peter Fonseca





## Standing Committee on Finance

Thursday, November 2, 2023

• (1105)

[English]

**The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)):** I call this meeting to order.

Welcome to meeting number 113 of the Standing Committee on Finance.

Pursuant to Standing Order 83(1) and the motion adopted by the committee on Thursday, June 8, 2023, the committee is meeting to discuss the pre-budget consultations in advance of the 2024 budget.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

I'd like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mike. Please mute yourself when you are not speaking.

Interpretation is available. For those on Zoom, at the bottom of your screen you have the choice of English, French or floor audio. For those in the room, you can use the earpiece and select the desired channel.

Although this room is equipped with a powerful audio system, feedback events can occur. These can be extremely harmful to interpreters and can cause serious injuries. The most common cause of sound feedback is an earpiece worn too close to a microphone. We therefore ask all participants to exercise a high degree of caution when handling the earpieces, especially when their microphone or their neighbour's microphone is turned on.

In order to prevent incidents and safeguard the hearing health of the interpreters, I invite participants to ensure they speak into the microphone into which their headset is plugged and avoid manipulating the earbuds by placing them on the table away from the microphone when they are not in use. Please also keep any papers, hands, etc., away from the microphone.

As a reminder, all comments should be addressed through the chair.

For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

In accordance with the committee's routine motion concerning connection tests for witnesses, I'm informing the committee that one witness is still being tested as we speak. The rest have completed the required connection tests in advance of the meeting.

Members, before we go to witnesses, I want to provide you with an update. The Deputy Prime Minister and Minister of Finance has reached out to the clerk. She will be available to appear before the committee, along with officials, on the housing study for one hour on December 7, with officials remaining for an additional hour afterwards.

I would now like to welcome our witnesses.

We have, from the Canadian Centre for Policy Alternatives, Mr. Hadrian Mertins-Kirkwood, senior researcher. Welcome.

From the Canadian Chamber of Commerce, we have Mr. Alex Gray. Welcome back to our committee. He's the senior director of fiscal and financial services policy.

From the Tourism Industry Association of Canada and no stranger to this committee, we have Ms. Beth Potter, president and chief executive officer.

From the Université du Québec, we have Céline Poncelin de Raucourt, vice-president, teaching and research. Along with Céline, we have Maxime Colleret, government affairs officer.

We have Wealthsimple Investments joining us. Jessica Oliver is head of government and regulatory relations.

We also have Oceans North. This is the witness who is now being tested just to make sure everything is working in terms of audio, video and the interpreters. Amy Nugent is the associate director of marine climate action.

In terms of opening remarks, Oceans North will come in at the end, so they have enough time to get tested and be prepared to go.

On that, we are going to open up with the witnesses and their opening statements of five minutes.

We'll have Hadrian Mertins-Kirkwood from the Canadian Centre for Policy Alternatives, please.

**Mr. Hadrian Mertins-Kirkwood (Senior Researcher, Canadian Centre for Policy Alternatives):** Thank you for the introduction, and thanks to the committee for the invitation.

Every year, the Canadian Centre for Policy Alternatives produces an alternative federal budget, which we do in collaboration with dozens of organizations and experts across the country. Our 2024 edition was released in August, and I'm excited to be able to share some of our recommendations with you.

In particular, I'm going to focus my remarks on my own areas of expertise, which are climate policy and green industrial policy, but I'm happy to address questions about the federal budget more broadly.

For context, green industrial policy is something our biggest allies and competitors are already engaged in. The U.S., the EU, China and others are putting the weight of government behind a cleaner economy, and that means that the playing field in growth industries is not level. If we want to compete in a global economy that is moving away from fossil fuels, we need government to play a larger role in the market.

To be clear, this transition is not optional. The Canada Energy Regulator forecasts an 83% decline in oil sands production in its global net-zero scenario. The International Energy Agency recently forecast a 76% decline in global oil demand under a similar scenario, so we need to start planning now for what our post-oil economy will look like in the coming decades, whether we like it or not.

The federal government has started to experiment with green industrial policy. Budget 2023, as you know, included investment tax credits worth tens of billions of dollars, but this approach of trying to incentivize the private sector to do the heavy lifting of transitioning Canada to a greener economy has limits.

First, there's no guarantee that the market will buy in. That was made very clear by the Canada Infrastructure Bank's inability, under its original mandate, to attract private capital. For projects of vital national importance—for example, things like tripling the capacity of our national electricity grid, which underpins basically everything else we do on climate—we can't afford to wait and hope that the private sector steps up.

Second, if the credits turn out to be too generous, they will effectively pad the profits of private investors without leading to any actual increase in green investment, and that's just a waste of money that could be better spent on public goods.

Third and perhaps most importantly, this market-led approach to green investment will not resolve the regional dimensions of transition. Much of the public money that's been allocated to clean industry is going to flow into corporate headquarters in Toronto and Calgary and not into the often rural communities that really need investment and economic diversification.

Those are the problems. What are the alternatives?

In the alternative federal budget, we call first of all for a comprehensive national green industrial strategy. This government has published a lot of strategies for critical minerals, emissions reductions and so on, but they don't all share a single, coherent vision for the economy. We cannot be a climate leader that meets its emission goals while also being an exporter of oil and gas, either practically or morally. We need a whole-of-economy strategy that starts from the end point, which is an economy free of fossil fuels by 2050, and

works backwards to what that means for policy today in every sector.

When it comes to spending, we call for direct public funding—not financing and not corporate incentives—in a number of key sectors, including \$5 billion per year to decarbonize and expand the electricity grid, as I mentioned, and \$15 billion per year for energy efficiency retrofits of homes and buildings. The federal government is already spending in these and other strategic areas, and that's good. The issue is that we simply need more capital, given the urgency of the climate crisis.

We call for new public interest mandates for both the Canada Infrastructure Bank and the Canada growth fund. Instead of trying to de-risk private investment, these institutions should be offering funding and low-cost loans to governments and to communities, especially those most affected by the transition to net zero. In other words, we'd like these institutions to function more like public banks that can support community-led, public-interest initiatives.

We also call for \$1 billion per year for more aggressive workforce development policies. It's no secret that we're already facing large skills shortages in key sectors in the clean economy, and that problem is only going to get worse in the coming years. Training and retraining workers for these jobs will not only enable us to build the green economy we want but also help to ease the transition away from fossil fuels for affected workers in an equitable way.

These are just a handful of recommendations from our alternative federal budget. As I mentioned, the full document includes hundreds of recommendations across 26 chapters in every area of federal policy, so I strongly encourage you to take a look. We've provided copies in English and French to the clerk.

Thank you again for your time, and I look forward to your questions.

● (1110)

**The Chair:** Thank you, Mr. Mertins-Kirkwood.

Now we're going to hear from the Canadian Chamber of Commerce and Mr. Gray, please.

**Mr. Alex Gray (Senior Director, Fiscal and Financial Services Policy, Canadian Chamber of Commerce):** It is my privilege to represent the Canadian Chamber of Commerce and deliver a simple but alarming message. Canada's economic competitiveness is slipping. Ultimately, it is economic growth that underpins our standard of living and our ability to provide the services Canadians require. Absent a vibrant economy, future generations will not enjoy the same quality of life and the same quality of opportunity that we around this table have.

To remedy this, Ottawa must turn its focus to nurturing growth driven by the private sector. As we have outlined in our official submission, Ottawa can enact immediate change to improve the fundamentals of our economy. Measures like simplifying the tax code, undertaking regulatory reform and removing internal barriers to trade need not be expensive but will generate abundant growth and investment. Reducing the barriers that prevent the private sector from capitalizing on our strategic economic advantages must be at the forefront of government policy.

It is a common refrain in this committee and among the economic commentariat that poor productivity is Canada's most pressing economic issue. Indeed, the matter is urgent. Canadian productivity is no longer stagnant but declining. Correcting this trend requires encouraging both private sector innovation and capital investment. Regrettably, we have historically been at pains to promote ourselves as an attractive destination for capital, and this has stymied our standard of living.

To deliver the shot in the arm our economy badly needs, we must avoid pitfalls such as new business taxes that repel investment. Canada should strive for a tax environment that encourages rather than deters investment. A streamlined and efficient tax system, based on best practices from around the world, is not only a priority but a necessity. Indeed, our creaky tax system is a hindrance to investment, hence our repeated call for simplifying the tax code.

We also call on the government to avoid imposing new taxes on the business sector, as it currently intends to do in the case of the digital services tax, or DST. As it stands, Ottawa intends to enact a retroactively imposed DST on certain online platforms' revenues. This is despite Canada's participation in international negotiations in which nearly 140 countries, including our largest trading partner, have agreed to delay imposing such taxes.

Our objections are numerous, but I'll outline just a few for you today.

First, we strongly object to the principle of retroactivity that robs businesses of the certainty they need to make productive investments in innovation and growth. Second, we oppose any measure that will increase the costs for businesses and consumers at a time of such economic precarity. Finally, we must sound the alarm that successive administrations in Washington have stated that enacting a DST would provoke damaging trade retaliation, potentially against key sectors of the Canadian economy. For the benefit of all Canadians, we urge the government to immediately stand still on its plan to enact the DST and allow the OECD process to complete.

Another tax quandary that Ottawa could quickly rectify at minimal cost is the scientific research and experimental development

tax incentives program. As they stand, Canada's tax rules provide Canadian-controlled private corporations with access to its incentives that are not available to publicly listed companies, thereby creating an artificial barrier to growth.

The mention of publicly listed companies typically conjures images of large multinationals, yet, in Canada, two-thirds of TSX-listed companies are SMEs. This is a unique feature of our capital markets relative to the rest of the world and should be accounted for in crafting policies that encourage innovation. In Canada, preventing these publicly listed SMEs from accessing incentives that encourage more spending on research and development is weighing down our economic potential.

Budget 2024 presents an opportunity for decisive action. We urge Ottawa to adopt pro-growth policies that will invigorate Canada's economy. As ever, we stand ready to facilitate collaboration between policy-makers and the business community to make this happen.

Thank you.

● (1115)

**The Chair:** Thank you, Mr. Gray.

Now we go to the Tourism Industry Association of Canada and Ms. Potter, please.

**Ms. Beth Potter (President and Chief Executive Officer, Tourism Industry Association of Canada):** Thank you very much, Mr. Chair.

[Translation]

Good morning.

Thank you for inviting me to appear before the committee today.

[English]

I am speaking to you today from the unceded and ancestral territory of the Musqueam, Squamish and Tsleil-Waututh nations, which has been stewarded by them since time immemorial.

Tourism is an important contributor to Canada's economy. Before the pandemic, there was \$105 billion in total spending, contributing 2% of annual GDP and two million jobs. Unfortunately, our sector has faced a prolonged recovery from the impacts of the pandemic.

Canada's borders reopened only one year ago, and international visitors have been slow to return. As of the end of August, we were still three million visitors below where we were at this point in 2019. Other key performance indicators are all still below pre-pandemic levels. Many businesses still face persistent hurdles, including low revenue, mounting debt and struggles to attract an optimal workforce.

The new federal tourism growth strategy sets out ambitious objectives to hit by 2030, including increasing our contribution to GDP by 40% and bolstering our international ranking. To reach these targets, industry and government will need to continue to work together. It will also require greater investment. TIAC has identified key recommendations to help with these targets.

Our first priority is the mounting debt burden faced by many tourism businesses. Loans made available served as a vital lifeline during the height of the COVID pandemic, but operators still face tremendous financial strain, and debt repayments have become daunting. TIAC appreciates the recent revisions to CEBA, but entrepreneurs still require near-term support to alleviate the debt burden, so we recommend the adoption of new measures to help tourism SMEs remain solvent.

Second is the need to rebuild the tourism workforce. A significant labour shortage remains during a critical time of regrowth for the sector. As such, we recommend extending the economic mobility pathways pilot program to those employed in a wide spectrum of tourism occupations, the creation of a dedicated tourism stream with a permanent residency track under Canada's temporary foreign worker program, and funding a workforce strategy for indigenous tourism.

Next is to invest in tourism assets. There remains a pressing need for investment in tourism assets throughout Canada, including airports, ports, accommodations, conference centres and attractions. We recommend that the government adopt a comprehensive approach to expanding Canada's tourism assets, including a tourism infrastructure fund to support major capital projects, a tax credit program to incentivize investment in the creation and upgrading of assets, and an investment incentive to provide airports with the capital to expand and update infrastructure. Such investment will ultimately lead to dividends for the government through increased tax revenue. It would also spur increased private investment, including direct foreign investment.

These investments need not necessarily come from new funding sources; existing programs like the investing in Canada infrastructure program could be fine-tuned with resources earmarked specifically for tourism.

Another key priority is expediting access for visitors to Canada. Application backlogs for visitor visas remain a deterrent for many international travellers. The government could bolster IRCC's special events program to ensure business event travellers do not face visa processing delays. For the cruise ship industry to prosper, we also need to ensure there is CBSA port coverage in all small communities.

Environmental sustainability is also an important policy pillar for TIAC. Government investment is needed for such things as the production of sustainable aviation fuel in Canada. We note that if this was done, Canada could become the global leader in the production of sustainable aviation fuel.

Finally, TIAC is calling on the government to ensure housing affordability in tourism hubs. We recommend the government create a working group to address concerns, assess needs and consider how tourism can contribute to affordable housing objectives.

In closing, I trust that the full submission we've provided will be helpful to you as you consider priorities for the federal budget in 2024.

[*Translation*]

Thank you.

• (1120)

**The Chair:** Thank you, Ms. Potter.

[*English*]

We will hear from the Université du Québec. I believe the time is going to be shared by Céline and Maxime. Is that correct?

Okay, you may begin.

[*Translation*]

**Mr. Maxime Colleret (Government Affairs Officer, Université du Québec):** Mr. Chair and members of the Standing Committee on Finance, we would like to thank you for the opportunity to participate in the pre-budget consultations in advance of the 2024 budget.

Founded in 1968, further to a bill that was unanimously passed by the National Assembly of Quebec, Université du Québec, or UQ, provides francophones across Quebec with access to higher education through its network of 10 institutions and presence in some 40 municipalities.

To date, more than 800,000 students have earned degrees at one of UQ's 10 institutions.

Today, nearly one in three students in Quebec is enrolled at a UQ institution, representing approximately 100,000 students every year. That makes UQ the largest French-language university in the Americas. More students attend UQ than even the University of Toronto.

At UQ, we consider scientific research and university studies pillars of our society. That is why it is important to step up efforts to award graduate scholarships, fund research and support Canada's French-speaking scientific community.

I will now turn things over to my colleague Ms. Poncelin de Raucourt to share our budget recommendations with you.

**Mrs. Céline Poncelin de Raucourt (Vice-President, Teaching and Research, Université du Québec):** Thank you, Mr. Colleret.

I'll start with an issue that concerns every scientific community in Canada. For the past two decades, the value of graduate scholarships in Canada has essentially stayed the same, despite a 30% increase in the consumer price index. What that means on a practical level is that we are forcing our best and brightest, the researchers of tomorrow, to live below the poverty line. That is why we are asking the government for a 50% increase in the annual value of Canada's graduate scholarships and an annual adjustment based on inflation.

Barely 3% of graduate students receive scholarships and fellowships from one of the granting councils. This financial support is, however, known to play an instrumental role in the paths students follow and the success they achieve, not to mention that the brain drain is a real risk. We are already seeing it. We believe the number of graduate student scholarships available through the three councils should be doubled.

Nevertheless, it's important to point out that the current quota system is negatively impacting equitable access to scholarships and regions' ability to build scientific capacity. Currently, the number of scholarships each university gets is based on the value of the research grant funding it receives. This fosters a system of accumulating benefit. A total of 73% of graduate student scholarships go to just 15% of Canadian universities, which tend to be those in very large urban centres. To prevent the concentration of scholarships in the hands of a few universities, the quota system should ensure that every institution, regardless of where in the country it is, receives a minimum number of scholarships in the three research areas.

Furthermore, it's clear that the increasingly large share of research funding set aside for medicine and large-scale competitions, such as the Canada first research excellence fund, tends to favour large universities with medical schools.

However, leveraging the expertise of the entire scientific community is imperative. Why? I'll give you an example. The researchers in our cross-sectoral health research group report that it is impossible to reduce inequities in health care access without tailoring prevention initiatives and the delivery of health care and social services to people's lived realities and living environments. As someone mentioned earlier, it's important to think about rural and remote areas. That means researchers shouldn't all be living and working in large urban centres. Research can't be carried out exclusively in large teaching hospitals. It also has to be carried out in the hundreds of other places where people access care and services on a daily basis.

To harness and build the research capacity that exists in every part of the country and better meet the needs of Canada's population, we have three recommendations.

First, we recommend that the granting councils' total base budgets be increased by at least 10% annually for five years. As the Advisory Panel on the Federal Research Support System highlighted in its report—commonly known as the Bouchard report—research funding over the past 20 years simply hasn't kept pace with the pressures on the research system.

Second, we recommend that this investment go hand in hand with measures to ensure greater funding equity across different disciplines. At the Canadian Institutes of Health Research, or CIHR,

which funds health research, some 60% of funding is allocated to biomedical and clinical research. As a result, a significant proportion of non-medical health expertise is overlooked. This also contributes to the concentration of funding. Some 91% of the funding that flows from CIHR goes to just 15 universities in Canada.

Lastly, we recommend that federal departments be given the budgets they need to support research that addresses the country's priorities, in co-operation with universities.

To conclude, I will say a few words about the place of French in science. As you of course know, English dominates the science realm. Canada must take a stand to ensure the vitality of the French-speaking research community, which is over 35,000 strong across the country. We provided a few examples in our submission.

• (1125)

**The Chair:** Thank you, Ms. Poncelin de Raucourt.

[*English*]

Thank you, Maxime, as well.

Now, we're going to hear from Wealthsimple Investments and Ms. Jessica Oliver.

**Ms. Jessica Oliver (Head, Government and Regulatory Relations, Wealthsimple Investment Inc.):** Thank you, Chair. Thank you to the committee for having me.

My name is Jessica Oliver. I'm head of government relations at Wealthsimple, a financial services company headquartered in Toronto and serving more than three million Canadians. One in five Canadians 18 to 40 years of age are Wealthsimple clients.

We believe Canadians deserve better and simpler financial services. Our products range from investing and trading to free or “pay what you want” tax filing and, more recently, a no-fee chequing account, which offers 4% interest on cash balances, accrued daily, with no strings attached.

A remote-first company, I'm one of about 1,000 employees spread across nine provinces from coast to coast to coast. We're reaching clients in new ways and in underserved segments. Wealthsimple's low-fee group retirement savings plan serves small and medium-sized businesses, 96% of which did not offer any workplace retirement savings before working with us. Since launching our first home savings account in August, we've opened an average of 1,000 FHSAs each day.

Innovation will get you only so far, though, when the infrastructure underpinning financial transactions in Canada is out of date. Access to it is so unequal as to prevent true competition. It's a problem for companies like ours, but it's a much bigger problem for Canadians, who pay some of the world's highest banking fees for outdated and inadequate service.

Last week you heard from Fintechs Canada on open banking, and we fully support their comments on its benefits.

Our submission focuses on a second enabling project, the real-time rail, or RTR. Canada is [*Technical difficulty—Editor*] country without a true RTR. More than 70 countries worldwide are reaping the benefits of real-time payments. The Centre for Economics and Business Research estimates that by 2026, the world's five largest RTR markets will generate an additional \$150 billion in GDP as a result of real-time payments.

Our recommendations call for the implementation of Canada's RTR as soon as possible, and for three features critical to its success. The first is the 24/7/365 settlement, which is an end to the Monday to Friday nine-to-five restrictions.

The second is fair and transparent pricing, where all qualified participants pay the same rate per transaction, regardless of size.

The third is leadership to ensure provincial and municipal governments are prepared to use the RTR and realize savings from day one, including savings identified by Public Services and Procurement Canada on the opportunity to phase out physical cheques, particularly related to distributing emergency relief funds.

Though certain payments in Canada might feel instant, settlement delays behind the scenes make it impossible for Canadians, businesses and governments to manage their finances efficiently.

• (1130)

[*Translation*]

Consider a student beginning their studies at the Université du Québec. Their first tuition installment is due on the same day as payday. Every Canadian university's website states clearly that payments received after the deadline may be subject to late payment fees. Students have to anticipate a delay of two to five working days before the payment is received.

[*English*]

This common, ubiquitous warning to plan for two to five days for settlement is a solid indication that questions and concerns around settlement timing and the corresponding fees have been raised a few times.

When a student initiates a payment to a university, it disappears from their account immediately, into the ether, until it settles at some unknown point. The student could risk a late-payment fee or may have to access a payday loan to bridge the gap. There are countless examples affecting small businesses, particularly those with just-in-time supply chains, households, non-profits, governments and government agencies.

Last week, RBC's financial well-being survey found that 48% of Canadians and 63% of millennials said that stressing about money

is impacting their mental health. These are real problems affecting real Canadians that the RTR would meaningfully address.

The federal government has supported the development of the RTR since 2015 and given Payments Canada a mandate to build an RTR that promotes fair and open access, enables competition and innovation, fosters fair and transparent pricing, implements appropriate risk controls and considers end-user interests. These are the right policy objectives and must not be compromised. On this, the government has our full support.

I have one final clarification. The stability of Canada's banking system is, appropriately, a great source of pride. However, the absence of modern payment infrastructure that is treated as a public utility and economic enabler, akin to a highway or broadband Internet, has nothing to do with the liquidity or integrity of our banks.

To the best of my knowledge, the RTR has support across all party lines. My hope today is to find advocates across all party lines as well.

Thank you.

**The Chair:** Thank you, Ms. Oliver, for your opening statement.

Ms. Oliver, we found it was a little choppy. Sometimes it's the Internet and sometimes it's the device. One thing you can do is ensure no movement and also speak slowly and clearly. That will help everybody out. Thank you for that.

I also want to let members know that we have Amy Nugent from Oceans North. I think she may be on the screen, or you'll see her on the screen.

Unfortunately, we are having technical difficulties with her headset. Ms. Nugent has submitted her opening statement and her brief to this committee. If members have questions, they can pose the questions. She'll be able to hear them and then she'll get back to our committee with answers to those.

We apologize to Ms. Nugent and to members that we will not be able to hear from her directly here.

On that, we are going to move to the members' questions. In this first round, each party has up to six minutes to ask our witnesses questions.

We are starting with MP Morantz for the first six minutes.

**Mr. Marty Morantz (Charleswood—St. James—Assiniboia—Headingley, CPC):** Thank you, Mr. Chair.



I'd like to thank our witnesses for their opening statements. They were all very interesting.

Mr. Gray, I wanted to touch base on your statement. You said that Canada's "competitiveness is slipping". In your submission, it says that "our international competitors continue to outpace us". I have to say that I agree with you completely.

For example, Robert Asselin was here last week, sounding the alarm bell around the fact that interest rates are outpacing economic growth and that government spending, particularly on social programs that people rely on very much, is not sustainable.

Stats Canada just this week indicated that Canada is slipping into a technical recession. We had the governor of the Bank of Canada at this committee just a couple of days ago. He cautioned the government that its spending is not very helpful.

Interestingly, the BDC just issued a report saying that there are 100,000 fewer entrepreneurs in this country than there were 20 years ago. That is basically a 12% reduction in entrepreneurs.

The OECD published a chart recently on the "fear of failure". It says, "As it turns out, Canadians now lead all G7 countries in citing 'fear of failure' as a roadblock to being an entrepreneur, according to the OECD, having moved up from fifth spot five years ago."

That's higher than Britain, Japan, Italy, France, the U.S. and Germany.

I was reminded when I read this about the writer Paul Wells, who said something recently that I thought was quite apt. He said that in Canada, "if you run a successful business, you are made to feel you have done something wrong."

I have to say, Mr. Gray, that in the context of everything that's going on, I could only characterize this government's management of the economy as nothing short of economic malpractice.

Would you agree?

• (1135)

**Mr. Alex Gray:** I think this government should very strongly consider that over the past eight years, we have said extremely similar things in our submissions, which is about the need for pro-growth economic policy and pro-growth taxation policy.

On the tax point, I believe it was promised in the 2015 platform that tax reform would happen. It has not happened since then. Indeed, it has not happened since the Toronto Maple Leafs last won the Stanley Cup.

It's open for anyone in government to take that upon themselves. We would welcome it. As I mentioned in the statement, it is fundamental to our economic competitiveness. It's partly fundamental to the problem of entrepreneurship, as you said.

I see that failure of entrepreneurship as a microcosm of what we hear from our larger members. They don't see where they can invest responsibly to yield productive returns. For a lot of Canadian entrepreneurs, they just don't see how they can make a go of it.

It is a pressing concern among our membership, for all sizes. We hope some of our recommendations will be duly accounted for in the upcoming budget.

**Mr. Marty Morantz:** You have some constructive suggestions in your report, which I appreciate. For example, you talk about something that we've talked about a great deal, which is credentials for new Canadians; for example, fast-tracking credentials for new Canadians to make sure they're contributing to the economy.

One of the things I really liked about your report—and something I've been harping on about for quite a while—is that this government never seems to want to miss an opportunity to charge people more for a beer. You correctly point out that although they did pause it last year, they made no indication that they're going to do it again next year. Also, the accelerator tax has been a thorn in the side of that industry for years now. Then there's the issue of inter-provincial trade. Could you give your give position on those three?

**Mr. Alex Gray:** Sure. I'll start with the alcohol tax, because that's very simple. The fact that it's an automatic escalator tax means that it eludes parliamentary review. If we want to raise taxes on a thing, it should go to debate. I think that's pretty simple and clear.

As for credential recognition, many of our members, particularly on the smaller side of the spectrum, consistently highlight a lack of skilled talent as a barrier to growth. There are many foreign credentials that are nearly equivalent to the Canadian counterparts, many of them, for example, in health care and in skilled trades, which I think are not only badly needed right now in the Canadian economy, frankly....

**Mr. Marty Morantz:** I have just a quick one for Ms. Oliver. Real-time rail is paused again. Every other G7 country seems to have a version of it.

How much is this costing Canadians, in your view?

• (1140)

**Ms. Jessica Oliver:** I don't have a number to share. In our submission, we referenced the impact on cash flow for businesses. I believe that in 2019 a report by Deloitte in the U.K. found that 63% of businesses hold back capital to mitigate challenges with cash flow, when really, if they were able to count on real-time payments, they could deploy that capital in other ways. Therefore, I think the cost is significant, and I think it spans across individuals, families, small businesses, large businesses, governments at all levels and government agencies.

**The Chair:** Thank you, MP Morantz.

We now go to MP Weiler, please.

[*Translation*]

**Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Thank you, Mr. Chair.

[English]

I want to thank all the witnesses for being here today and for all the great diversity of views that are being brought forward.

I want to start my questions with Ms. Potter, who is in a very familiar place for me, in the ancestral unceded territories of the Musqueam, Squamish and Tsleil-Waututh peoples.

The average hotel rate right now in Vancouver is \$346 a night. That is not the top, but the average. In your pre-budget submission and in your opening statement, you recommended that a tax credit program be put forward to help invest in tourism-related infrastructure. I was hoping you could explain to the committee why the Tourism Industry Association of Canada sees that as necessary and the type of benefits that you foresee in that type of a mechanism being brought forward.

**Ms. Beth Potter:** Thank you very much. It's always great to see you, MP Weiler.

I will say that when we are building hotels, as an example, the long-term gain is far down the road. We have an example right now in Calgary, where we have a new convention centre that has been built, but we don't have any hotel rooms to go with it. The risk associated with building those hotel rooms off the beaten track and tied to a convention centre, which is much needed, is due to the unknown factor of how often that building and those hotel rooms are going to be used. We will need help to incentivize private investment to come in to build those hotels and give us the required rooms in order for us to continue to attract international business events that will then add to the economic prosperity of Calgary.

Just as an example, I can tell you that in other cities we are looking at private development investments in things like the event centre and entertainment district, in the billions. The estimated cost for the Calgary event centre and entertainment district is \$1.2 billion. Being able to leverage that with a tax incentive to be able to attract the right investor to come in and build those hotels, which, as I said, would contribute to the economic vitality of Calgary and help us make sure the right capital is brought in and put in place.

**Mr. Patrick Weiler:** Thank you.

You made a number of other suggestions related to rebuilding the workforce and developing a workforce strategy. I was hoping, first, you'd just give a sense of the number of unfilled jobs right now that you see in the tourism industry.

**Ms. Beth Potter:** We have about 300,000 unfilled jobs at this point in time across our industry and across all types of positions. Just to give you a sense of where that has come from, first of all, prior to the pandemic we were already in a challenging situation when it came to labour. The pandemic heightened that. We immediately lost 1,000,000 jobs right off the hop. We've been building that back, but we are an industry that had been in a growth position for the 10 years prior to the pandemic, and we look to get back to that in order for us to reach the growth targets outlined in the federal strategy.

We are going to need not only to fill the jobs we have, but to add another 85,000 jobs between now and 2030. These are jobs that are year-round. They're full-time and highly skilled. One of the top jobs

we need to fill is for cooks and chefs in order for us to continue to deliver on the culinary experience that visitors to our country have come to expect.

Working with IRCC, we've seen a number of changes to policy over the last few months, for which we are incredibly grateful, but really a long-term strategy is something that is required, specifically for the indigenous tourism sector. We have a challenge there. My colleagues at the Indigenous Tourism Association of Canada tell me that they are going to be in an even more precarious situation as far as labour is concerned.

We need a strategy in place to ensure that we are attracting the right folks to our industry and that we are giving them the tools they need in order to grow within the industry, but also to develop and deliver on the brand promise that Canada has put forth as a destination of choice.

• (1145)

**Mr. Patrick Weiler:** Absolutely. I know that's one area that's identified in the new tourism growth strategy, where we can see some of the greatest potential for the growth of the sector in Canada.

With my remaining time.... You mentioned a recommendation to look at extending the repayment period of the CEBA and HASCAP loans. Given that a large number of businesses in the tourism sector are seasonal, what risk do you see over the next year in terms of challenges for those businesses in having to repay those loans before they have the seasonal business come in?

**The Chair:** Make it a short answer, Ms. Potter, please.

**Ms. Beth Potter:** We did a study with Nanos Research that showed that 55% of tourism businesses had taken on a large amount of debt during the pandemic, and 45% of them told us that if there aren't some changes made to the repayment structure, they could close their doors in the next three years.

**The Chair:** Thank you, Mr. Weiler.

Now we go to MP Ste-Marie.

[Translation]

**Mr. Gabriel Ste-Marie (Joliette, BQ):** Thank you, Mr. Chair.

Like Mr. Weiler, I would like to welcome the witnesses and thank them all for being here.

Ms. Nugent, rest assured we will read your brief carefully, as well as any submissions the committee receives. You will get just as much consideration as the other witnesses.

I found that last discussion between the member and Ms. Potter especially interesting. It was about the risks stemming from the current challenge facing tourism businesses.

Ms. Potter, I want to assure you that we will keep urging the government to be more flexible, so that these important businesses can keep their doors open.

My questions are for Ms. Poncelin de Raucourt and Mr. Colleret.

Thank you both for being here. It was very nice speaking with you on the Hill a while ago.

Ms. Poncelin de Raucourt, you talked about how a handful of universities received the bulk of the grants provided by the councils. Can you talk more about that?

**Mrs. Céline Poncelin de Raucourt:** I should start by saying that the three granting councils and the Canadian Foundation for Innovation do a wonderful job when it comes to the vast majority of the grants they provide and the programming they offer to support investigator-initiated research. However, a look at the data from 2000 to 2021 shows that an increasing share of the research funding we receive comes from the Quebec government. It's about 26%, which I would say is proportional in terms of the number of researchers at our institutions versus the total number of researchers in the province. Conversely, the proportion of research funding Université du Québec receives from the federal government has shrunk to 11% of UQ's total research funding.

One reason is the significant amount of funding allocated to medical disciplines—and no doubt the pandemic amplified that trend—and the increasing share of federal funding going towards large-scale competitions like the Canada first research excellence fund. That tends to favour very large universities, which have sizable teams and the capacity to carry out these types of major projects.

Earlier, I gave the example of CIHR, which funds health research but focuses heavily on biomedical and clinical research. What that means is the bulk of grants go to universities with medical schools. The institutions in our network are very active in the health sector. I mentioned our cross-sectoral health research group, which has more than 200 scientists and nearly 900 students who focus on studying living standards, detection and vulnerability. They are very active in Quebec's regions. They have trouble securing funding, because the model is still very much geared towards medical research.

As you can see, the concentration of research grants is due to a few factors. I also talked about quotas earlier. What we're observing is that the more grants a university receives, the better its chances of being successful in all kinds of competitions or receiving grants. The way the system works, more and more funding gets allocated to a few universities.

• (1150)

**Mr. Gabriel Ste-Marie:** Thank you. That gives us a better sense of the inequities, a situation that can hopefully be rectified.

Moving on to a different issue, I'd like to talk about the grants available to students. If I understood you correctly, simply giving out more graduate student scholarships isn't enough.

Do I have that right?

**Mrs. Céline Poncelin de Raucourt:** Yes, that's right.

I would say two things about that. The first has to do with the quota system, which I just talked about. Simply increasing the number of scholarships without changing how they are awarded would likely widen the equity gap. Also, as I said earlier, the regions need a solid ecosystem that takes into account local and regional reali-

ties. Other witnesses talked about how important that is in relation to tourism and the green economy.

The concentration of funding, which we regularly criticize, jeopardizes the richness of the research ecosystem across the country. Since 15% of universities already get 73% of the grants, doubling the number of grants will just give a handful of institutions a few more grants, at the end of the day.

For example, the Alliance of Canadian Comprehensive Research Universities represents all small- and medium-sized universities, so 56% of university students. However, it gets nowhere near its share of grants. The current system doesn't take into account the diversity of the country's universities, some of which serve distinct populations with distinct financial needs. In UQ's case, nearly half of our students are what we call first generation students, meaning they are the first in their families to attend university. Research grants enhance the training opportunities that lead to a highly skilled workforce.

Having a system that gives these students access to scholarships is paramount because excellence isn't confined to one place. It exists in every region. Quotas are needed so that, at the very least, all universities receive a certain number of grants that they can allocate across the main areas of research to build local scientific expertise in response to the challenges identified by local organizations.

**Mr. Gabriel Ste-Marie:** Thank you very much.

[English]

**The Chair:** Thank you, MP St-Marie.

Now we go to MP Blaikie, please.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Thank you, Chair.

I will echo the thanks to all of our witnesses for being here today.

That's including Ms. Nugent. We're sorry that technical difficulties are preventing you from participating in the meeting, but I do look forward to reading the opening comments and brief that are on the way.

I wanted to ask Ms. Potter for some further clarity.

Would you like to see a recommendation from the finance committee to the effect that the repayment period, including for the forgivable portion of the CEBA, be extended?

**Ms. Beth Potter:** In a short answer, yes, we would.

The repayment changes that were made earlier this year just don't go far enough to give tourism businesses the time to pay back the loan and to realize the forgivable portion.

• (1155)

**Mr. Daniel Blaikie:** Thank you for the numbers that you shared with us earlier.

Mr. Gray, I'm wondering if you're hearing from your membership about the impact of the upcoming deadline for CEBA loans.

Do you agree that those deadlines should be extended, including for the forgivable portion?

**Mr. Alex Gray:** The extension of 18 days is quite a short extension, frankly. It just seems like a half measure. If you're opening to extending it, why not actually extend it?

**Mr. Daniel Blaikie:** Do you think it should be extended?

**Mr. Alex Gray:** Yes, I think that's broadly supported at this point.

It's been a couple of years, and businesses are still struggling. The economy looks a lot different than it did at the beginning of the pandemic. I see very little downside.

**Mr. Daniel Blaikie:** I know that kind of extension appears on the government ledger as a form of spending.

Are you concerned that would be inflationary?

**Mr. Alex Gray:** I think that given the scale of the program and the consequences of possibly not extending it, i.e., the closure of further small businesses, I think the effect is probably minimal.

**Mr. Daniel Blaikie:** Thank you very much for that.

Mr. Mertins-Kirkwood, I wonder if we could come back to some of your recommendations.

You talked about workforce development. One thing we know is that there is churn in the labour market. Employment insurance, particularly as we start to talk about entering recession territory, is a really important stabilizer, both for the economy and for individual households in a time of economic churn.

I'm wondering if you could talk a little about the importance of the employment insurance reform that the government's been promising for eight years now, as well as the importance of reinvesting in EI training programs as one component of a workforce development strategy.

**Mr. Hadrian Mertins-Kirkwood:** I don't know too much about the EI reform process. Certainly EI is important. It's an important part of our social safety net. Every time a region goes through economic turmoil, we see how inadequate EI is. It can work in general, but often when we're in crisis, EI is insufficient.

We've had governments at the provincial level and the federal level step in with top-ups, like in the case of coal, for example, or other resource transitions. We haven't seen any of that recently in the government's sustainable jobs agenda. It's great that we are moving forward with this, which would otherwise be called the "just transition" agenda, but there doesn't appear to be any money in there that would actually support workers in a meaningful way.

What we're concerned about, though, is that EI is only one part of the equation. EI is sort of a parachute for workers who need it in a crisis. That's not the same as providing a new job at the end of the day.

We see that a lot in resource communities, historically. We're worried about it in the case of coal, oil and gas, where you can support a worker for six months or a year, but if there's no job at the end of the road, then you haven't really helped them transition. That's why we've argued for more proactive economic investment in those communities.

**Mr. Daniel Blaikie:** How do you think government should tie skills training to creating those new job opportunities, so that Canadians who may be losing work in one sector are prepared to bridge into retirement, take a job in a new sector or transpose some of their existing skills to something similar but different?

**Mr. Hadrian Mertins-Kirkwood:** That's a great question. The most important thing is having some clarity about which direction we're headed in.

We saw that with the coal transition. We gave a deadline. We said, "We aren't going to be burning coal by  $x$  year." That allows workers, the corporations that are affected and the communities that are host to the coal industry to plan for that transition. They have a runway.

Right now we don't have that in oil and gas. If you're a high school kid in Calgary right now, what is your economic future? You have people in one ear telling you that your best bet is oil and gas. People in the other ear are telling you that you need to be looking at different kinds of careers.

There's no clarity, and that means those communities and those industries can't plan for the future. We need greater clarity about our economic direction first. That basically underpins all of our workforce development.

Then we also need to be proactive. This is certainly the case in a lot of the building trades, where not only do we have skill shortages now, but we can see enormous skill shortages in 10 years. That's about as long as it takes to train someone up from start to finish for a lot of skilled trades.

That's why government in particular needs to be leading on that. We need to train these workers so that we have them when we need them. We can't wait until we have shortages and then hope we can retroactively train workers quickly to meet those needs.

• (1200)

**Mr. Daniel Blaikie:** In the example of investment tax credits, one of the things that are unique about this—which New Democrats pushed for—was to have prevailing wage conditions as well as apprenticeship conditions attached to those ITCs. Do you think mechanisms like that are important to build in some of the workforce development and ensure that some of the wealth generated by these investments finds its way back to workers, who are actually producing that wealth, as opposed to just the capital that is behind the project?

**Mr. Hadrian Mertins-Kirkwood:** Absolutely. We were very happy to see the labour conditions in the most recent budget. We don't think they went far enough. You could go further—not just requiring a small share of apprenticeships, but also looking at other kinds of economic benefits.

We support the use of community benefit agreements more broadly to ensure that the benefits of investment are widely shared, and we're looking at other concerns in terms of workforce development, because it's not just about bringing apprentices in. We also want to diversify that workforce. How can we bring more women into the fold, more immigrants, more racialized Canadians? How can we diversify that workforce? Using conditions on federal funding is one way to do that.

**The Chair:** Thank you, MP Blaikie.

Members and witnesses, we're moving into our second round. Timings are a little different in this round.

MP Richards is up for five minutes.

**Mr. Blake Richards (Banff—Airdrie, CPC):** Thank you. I have a couple of questions for Beth from TIAC.

I want to start with a question on labour. A Liberal member, Mr. Weiler, asked you about this earlier, but I don't know if he really asked the right question, so I'd like to touch on it again.

Labour shortages for many tourism and hospitality businesses are a big issue right across the country, but I think it's particularly acute in communities like those that I represent in Banff and Canmore, in communities like Mr. Weiler is supposed to represent in Whistler—places like that, where they're remote, tourism-based economies. They are the places people are the most attracted to, but they're also where it's most difficult to get the labour.

You mentioned a need for long-term solutions. I think you could put it another way—that this is really a permanent problem for which the government has a temporary solution. We obviously need to see long-term, as you mentioned, more permanent solutions.

Could you speak to those solutions and what you see them needing to be? What can the government do to remove some of the barriers to the success of the industry in the way of being able to get labour to fill the positions we need to fill?

**Ms. Beth Potter:** I will say that there are two pieces that I think government has a role to play in with respect to assisting the industry to attract and maintain a healthy workforce.

The two destinations that you just mentioned, Banff and Whistler, are prime examples of affordable housing not being avail-

able for workers. If you add to that their location, transportation to the location is also challenging. I can take that to a different community. In Ontario, with regard to the towns of Collingwood and The Blue Mountains, workers have to live an hour away, because that's where the houses are that they can afford. It's become such a great destination that it's driven up the cost of housing within the local community.

In order to have people live where they work and work where they live, the government needs to turn its attention to more affordable housing builds, some specific incentives to building more rental housing, and also working with the provinces, territories and cities around building more transportation infrastructure. That's one piece there.

From an immigration standpoint, we've seen some movement on making getting into the country easier for folks who have the skill sets that we need, but a lot more work is needed in that space. We need changes to which NOC codes get priority for entry into Canada, and we also need to have a program dedicated to tourism, especially understanding that there are seasonal requirements that we have.

Again, I'll go back to your neighbourhood of Banff. A lot of folks who work within the ski industry actually follow the ski industry globally. It's a global workforce. Having temporary foreign workers who can come in for the season and then leave but come back the next year without having to go through the LMIA process and the expenses attached to that is incredibly important.

Recently, the trusted employer program was announced for the temporary foreign worker program, but you have to have two years with the program to be noted as a trusted employer. We had two years, at least, in which employers were not using the program. I've asked if the temporary foreign worker program could give the tourism industry a reprieve out of 2020, 2021 and maybe even 2022, so that, if they were a trusted employer prior to the pandemic, they could pick up that status now. Unfortunately, that's not something we've been able to move the needle on at this point.

• (1205)

**Mr. Blake Richards:** I'm glad you raised that. That certainly is going to be a huge barrier to the industry with regard to being able to utilize this program that's supposed to be there to help the industry. It will do nothing, unfortunately, so thank you for raising that.

**The Chair:** Thank you, MP Richards.

Now we're going to MP Dzerowicz, please.

**Ms. Julie Dzerowicz (Davenport, Lib.):** Thank you so much, Mr. Chair.

Thanks to all of the presenters for their outstanding presentations. I wish I had time for all of you, but I do not.

Ms. Potter, I will not be asking you questions, but you made excellent recommendations, particularly around a tourism stream where you could bring in some newcomers. That's very much something that I know there's a lot of discussion on, as is the thing that you just talked about in terms of a trusted employer. I think that's something that we're very much also discussing. Visa processing has been the bane of all of our existence. I really appreciate your mentioning those.

I'm going to be directing most of my questions to Mr. Gray.

Mr. Gray, a million thank yous to you for making some very productive recommendations around how we tackle the productivity issues. You were quite clear around simplifying the tax code and following best practices globally. You talked about modifying regulations. You also talked about internal barriers and eliminating them. This committee knows very well that I've been pushing a motion to try to get it to consider that we study how to start tackling those internal trade barriers.

My question to you is this: How do we get started on it? I think it sometimes feels like it's an overwhelming thing. How do we get started? What would be your recommendations on how we get started on that?

**Mr. Alex Gray:** Federalism is a tricky thing. It's the bane of all of these recommendations that we put forward.

I think the role of the federal government is twofold. Primarily, it is to serve as a convener for the provinces and in some cases municipalities, to set the stage for that dialogue. It's laying out the costs of these internal trade barriers to Canadians and attempting to reconcile between some provinces or other provinces why they exist, what the costs and the benefits are, and trying to smooth that out, if you will.

The other thing that we've recommended before and that I would still like to see is a public registry of what these internal barriers to trade are and what they cost. Some of them are quite ludicrous, like certain tires being on certain trucks and that kind of thing.

That grabs headlines, politically speaking. That's what people will pay attention to, and that's what people will read. They shouldn't exist.

It's a good starting point. Obviously, that's a simple issue. Truck tires won't fix the internal trade barriers, but work is needed and we'd love to see it happen as quickly as possible.

**Ms. Julie Dzerowicz:** I think that's an excellent recommendation. Sometimes you need to see the full list. Sometimes we get caught with some of the bigger items, like beer and wine. If you take those off the table and see the million other irritants, like the tire conditions or that the material is different in Nova Scotia versus Quebec, you're sitting there thinking that this is crazy.

Anyway, that's a great recommendation.

I'm going to move on. We talked about productivity. I'm going to talk about business investment.

Business investment is very low in Canada. Even though this isn't happening now, we used to have very low interest rates. Even at that time, business investment continued to be low. There was

low money in terms of investment, equipment and training. We're talking a lot about training right now.

The federal government has actually put a colossal amount of extra money into training or retraining. We've sent it down to the provinces, which is where they design the programs, but our businesses need to invest as well.

Do you have any recommendations about how we can incentivize business investment into equipment and training?

• (1210)

**Mr. Alex Gray:** We've recommended extending capital cost allowances, for example, to make it more attractive for businesses to invest in the capital that makes them more productive.

When we talk about productivity as an issue, I think it sometimes comes across as thorny to people. They think, "I'm working 12 hours a day; I don't stop, and you're telling me I'm not productive," whereas the substance of the matter is that the people are not as productive because their businesses don't necessarily invest in the tools, capital or software that could make them more productive.

For example, some people at smaller companies get bogged down in filing their quarterly expenses. There's probably better software out there that would allow them to file it more quickly, but it's an investment. It's not necessarily something all businesses can afford, so they stick with the older system. It costs employees time.

**Ms. Julie Dzerowicz:** For anything beyond the CCA, if you have any recommendations, kindly submit them to us. I think we are looking for the best ideas.

For the last thing I want to talk about, I know Mr. Morantz is very concerned about our entrepreneurs. I think we all are. We want to make sure that they feel supported.

As someone who's spent a lot of time with entrepreneurs, I can say that we have excellent funding at the regional level, like Fed-Dev Ontario. There is a lot of money through Futurpreneur and through ISED programs.

There's a lot for Canadian innovators in the first and second stages. Where they get stuck is when they're trying to build their company at the third or fourth stage.

One thing we learned at committee is that only 4% of our Canada pension plan is actually invested in Canadian businesses. It's 50% in Australia and 75% in the United States.

Do you think we should be making some adjustments to our Canada pension plan in order to make investments in our entrepreneurs and innovators?

**The Chair:** Please give a very short answer, because we're well over time.

**Mr. Alex Gray:** Sure. It's very common in other jurisdictions to do that. Four per cent is startlingly low.

**The Chair:** Thank you, MP Dzerowicz.

Now we go to MP Ste-Marie, please.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair.

Today, my esteemed colleague and the Bloc Québécois science and innovation critic, Mr. Maxime Blanchette-Joncas, is at the Quebec City Convention Centre to attend the Semaine mondiale de la Francophonie organized by the Quebec government in cooperation with the Agence universitaire de la Francophonie.

Mrs. Poncelin de Raucourt or Mr. Colleret, in your opinion, what types of initiative can the federal government take to ensure the vitality and promotion of research and scientific production in French, in Quebec and in francophone communities outside Quebec?

**Mrs. Céline Poncelin de Raucourt:** Thank you very much.

I've just arrived from this wonderful week. Speaking of which, I urge you to read an article in this morning's *Le Devoir* by Quebec's chief scientist, Rémi Quirion. Dr. Quirion celebrates science in French and talks about what's being done right now and what more could be done. I believe he can rely on the excellent cooperation and support of Canada's chief science advisor, Mona Nemer.

The place of French in science must be defended. It is losing ground in a major way in the scientific community. In his article, Dr. Quirion states that almost 90% of the world's scientific articles are now published in English, compared with 60% in the mid-1950s. French and the plurality of languages are important, firstly to enable researchers to have a career in their natural language, and secondly to give people and entrepreneurs access to the latest knowledge in the language in which they are most accustomed to working.

Now more than ever, we must support the French-speaking scientific community to show that French has its place in science and that it is possible, and even desirable, to have a scientific career in French. To achieve this, researchers need to be able to do their research in French, apply for grants in French and publish in French as well.

For example, we need to support the various science popularization initiatives such as *Québec Science* magazine, the Savoir média organization and the media organization La Conversation Canada. Science must be accessible in French to promote the discoverability of scientific content.

There are also services, like the Service d'aide à la recherche en français established by the Association francophone pour le savoir, or Acfas. I'd like to point out that the federal government has made an investment through Canadian Heritage. Through these initiatives, we believe that we must also support francophones living in minority communities.

It's about making sure that grants are equally accessible to those who want to research in their language, making sure that they have instruments for disseminating research in their language and making sure that we support the whole industry and all the mechanisms for simultaneous translation so that plurilingualism is celebrated.

• (1215)

**The Chair:** Thank you, Mrs. Poncelin de Raucourt.

[*English*]

I'm sure there'll be other opportunities for you to expand on that. Thank you.

Now we're moving to MP Blaikie, please.

**Mr. Daniel Blaikie:** Thank you very much, Mr. Chair.

Mr. Gray, a curious thing happened on Monday. I was in the House for debate on the Conservative leader's housing bill, and my colleague, Jenny Kwan, who is our housing critic, asked him a question about the importance of building more social housing. Of course, we know that Canada is in a housing crisis, and we need housing at various ends of the spectrum. She cited a number from a Scotiabank study, actually, which is that Canada's social housing stock is about 3.5% of Canada's housing stock right now. Scotiabank has said that we need to at least double it in order to be within the OECD average.

In response to my colleague's question, which was why the Conservative leader never talks about building social housing, he said, "We do not need a Soviet-style takeover of housing." Do you agree with the Conservative leader that Scotiabank is recommending a Soviet-style takeover of housing in Canada?

**Mr. Alex Gray:** I believe it's the report by Rebekah Young. I think it has very important fiscal implications that everyone from all parties can appreciate, which is that if we don't create more social housing, if we don't lower the cost of housing, the cost of government transfers will necessarily have to go up, because that's a big part of people's expenditures.

The report is absolutely correct. We do need to increase that stock.

**Mr. Daniel Blaikie:** You don't feel that the report is the thin edge of the wedge for a Soviet-style government in Canada.

**Mr. Alex Gray:** No. I didn't quite read it that way.

**Mr. Daniel Blaikie:** Thank you very much.

Mr. Mertins-Kirkwood, do you have any thoughts on this matter? Do you want to talk a little about the importance of building more social housing in Canada?

**Mr. Hadrian Mertins-Kirkwood:** I'd be happy to. Thank you.

We've heard a lot about productivity so far today, and housing is a huge drain on productivity. We heard that, in the tourism context, if people can't live where they want to work, it's hard to get the workers we need; it's hard to attract the workers we need.

Housing is a huge issue, and social housing is the answer for a lot of reasons. One is that it's actually affordable. It's one thing to just provide more market-based supply, which is going to be more high-end housing that people can't afford. It's another to provide actual affordable housing, especially publicly owned housing. It also makes a lot of sense fiscally, because if governments are building housing, they own assets, and it's not necessarily a net cost to the government. That's really important.

It is also an opportunity to build more green housing, thinking more about how we design our cities in a more thoughtful way than just allowing sprawl, which is not going to solve many of our problems.

**Mr. Daniel Blaikie:** Thank you very much.

**The Chair:** Thank you, MP Blaikie.

Now we have MP Richards again.

**Mr. Blake Richards:** I'll go back to you, Ms. Potter.

I mentioned that I have a couple of questions for you. We have time for one, but that's okay. I was able to steal some more time here, so we'll get to the second one that I wanted to ask you about.

One challenge for industry in Canada, at least in some parts of the country in particular, is trying to lengthen out our season. We know that often, for some parts of the country in particular, the summer season is so critical. If we can lengthen out the season, of course that helps.

One way to get a longer a season and to get some business during the shoulder season is some of the convention business. I think you referenced it a bit earlier, but I wonder if you can just speak to it a little.

I know the challenge can often be that this business books two, three or five years out. We've had a bit of a bump coming out of COVID, but I'm hearing from many in the industry about concerns over the next few years in terms of the amount of business that will be booked or is booked.

I wonder if you can speak a little to the impacts on your industry of some of the uncertainty that was created by things like our country's being one of the last to remove border restrictions coming out of COVID. People felt... Would the border be open or would it not be? There were things like how difficult visas have been to get and some of the chaos we saw at our airports last summer.

These are all challenges that have been created because of our current government.

I wonder if you can just speak a bit to some of the impacts that this has had on the ability to attract that convention business over the next few years. What kind of impacts will we see on that? Maybe even speak to how important that business is to the industry in attracting people.

• (1220)

**Ms. Beth Potter:** Business events and business travel represent 40% of our industry. That would be the equivalent of the entire tourism industry in Ontario. If we took Ontario out of the equation, what would that look like for our industry here in Canada?

Business events book out several years in advance—in fact, up to 10 years in advance. The business events that have been on the books coming out of the last few years are events that were re-booked because they had been booked during the pandemic. Looking forward in our calendars to 2025, 2026, 2027 and beyond, we are very thin on the bookings here in Canada.

Part of that is reputationally related. Is Canada still hard to get to? Are we still a difficult country to get into?

We've been working very closely with IRCC on visitor visas for business events and trying to get that system streamlined, but it is still causing a challenge.

We've been working very closely with CBSA on their CARM initiative and making sure that a regulation that was meant for new product coming into the country didn't adversely affect product coming into the country on a temporary basis.

It is an important part of our business in that it's extending the shoulder season, as you correctly said. Business events tend to take place in the fall—I'm in Vancouver today because I am attending a business event—and in the spring. These are the months when hotels would typically be slower than they would be in the high season of the summer.

They're an incredibly important part, but they also contribute to the wealth and well-being of the local communities they come into. They are vital for helping to keep businesses like restaurants and retail open and profitable.

Not only do we need to continue to market and promote Canada as a destination of choice for business events, but we need to make sure that the processes around how those delegates come into the country are streamlined and working properly.

Modernization at our border and access into our country is another area where we would like to see technology become more a part of the process for getting folks into and out of the country. Things like biometrics and digital passport controls are technologies that are being used in other countries around the world and in some places within our own competitive set. It would certainly help to elevate Canada as a destination for business events in the future.

**The Chair:** Thank you, MP Richards.

We'll now go to PS Bendayan, please.

[*Translation*]

**Ms. Rachel Bendayan (Outremont, Lib.):** Thank you very much, Mr. Chair.

I'd like to ask the Université du Québec representatives a few questions, and the first one is about student loans.



Last year, our government stopped charging interest on Canadian student loans. We transferred funds to the Quebec government so that interest on Quebec student loans could also be eliminated.

Would you like to see the Quebec government eliminate student loan interest for our Quebec students?

**Mrs. Céline Poncelin de Raucourt:** Thank you very much for your question.

First off, I can tell you that we're very sensitive to this issue. I am on the Quebec Minister of Higher Education's advisory committee, the Comité consultatif sur l'accessibilité financière aux études, or CCAFE. The committee regularly makes presentations to the government to raise awareness of the challenges of student financial accessibility, and of the fact that loans and bursaries are an essential strategic tool. Student debt is something to be carefully monitored.

Given the number of students we have at Université du Québec, we welcome any measures to alleviate this barrier related to the affordability. I don't wish to get involved in political relations, but I do know that long ago Quebec made important choices to make education as accessible as possible.

I believe that Quebec's loans and bursaries program is forward-thinking and very generous. Obviously, we can always improve it and promote greater accessibility to education.

• (1225)

**Ms. Rachel Bendayan:** Thank you very much, Mrs. Poncelin de Raucourt.

[English]

I'll move now to Mr. Gray and the Canadian Chamber of Commerce.

Mr. Gray, one of your members, the Calgary Chamber of Commerce, has questioned Danielle Smith's proposal to withdraw from the Canada pension plan, really questioning the true benefits for Albertans.

The Calgary chamber president, I believe, has stated, "We've benefited from being part of a bigger pool. That means the expenses are shared, the risks are shared." She also added that the province cannot rely on the strong investment performance that the national fund enjoys.

Is that something you're hearing as well, Mr. Gray?

**Mr. Alex Gray:** I think the two threats I'm hearing most from businesses are concerns about labour mobility in terms of retirement funds being applicable across provinces, and how that would affect business operations. Any business that operates in Ottawa and Gatineau can tell you that moving employees across the border, even temporarily, is a tax nightmare and not necessarily worth the squeeze.

I take note from the absence of any mention in the throne speech and from the desire to not push forward to a referendum until a firm, final number is apparent and clear and decided upon, that there will be very little progress on this in the near future, which I think is something we're grateful for. Again, uncertainty in the business investing environment across provinces is not something that the Canadian Chamber of Commerce ever advocates for.

**Ms. Rachel Bendayan:** However, you're aware, of course, of the Calgary Chamber of Commerce's position.

**Mr. Alex Gray:** Oh, absolutely. Yes.

**Ms. Rachel Bendayan:** Do you share the Calgary Chamber of Commerce's position?

**Mr. Alex Gray:** Yes. I think that's right.

**Ms. Rachel Bendayan:** Thank you, Mr. Gray.

Mr. Chair, how much time do I have left?

**The Chair:** You have one minute.

**Ms. Rachel Bendayan:** Mr. Chair, I would like to put the following motion on notice. I will read it into the record:

That the chair of the committee immediately report to the House that the committee:

1. Celebrates the Canada Pension Plan as the foundation of a secure and dignified retirement for tens of millions of Canadians and a pillar of Canada's economy;
2. Recognizes the important contribution of the Quebec Pension Plan, which was established independently at the same time as the Canada Pension Plan; and
3. Stands with the majority of Albertans who are opposed to Premier Danielle Smith's dangerous plan to withdraw from the Canada Pension Plan, which threatens the pensions of millions of seniors and hard-working Canadians from coast to coast.

I understand, of course, that putting this on notice today means that we will be able to vote on it at a future meeting.

Thank you, Mr. Chair.

**The Chair:** We can vote on it in 48 hours, yes.

That is your time, PS Bendayan.

Now we are on to our third round, members, and this will be our final round.

It will be MP Morantz, please, for five minutes.

**Mr. Marty Morantz:** Thank you, Mr. Chair.

I would like to turn the mike over to Mr. Hallan for a moment. He has a couple of motions he would like to introduce.

**Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC):** Thanks, Marty.

Mr. Chair, I would like to move two motions quickly. I don't want to take up too much time, so—

**The Chair:** Are you moving or are you giving notice?

**Mr. Jasraj Singh Hallan:** I'm giving notice.

**The Chair:** Okay. We heard the word "move", but it is giving notice.

**Mr. Jasraj Singh Hallan:** Mr. Chair, I'd like to give notice of two motions today.

The first notice is of the following motion:

That the committee concur in and report to the House the comments made by the Governor of the Bank of Canada at his appearance at the finance committee on October 30, 2023, when he admitted that Trudeau's carbon tax is inflationary and that if it were repealed it would slow inflation by "0.6%".

The second one I'd like to put on notice is the following:

That given recent media reports that the Public Health Agency of Canada lost \$150 million dollars on an unfulfilled contract last year and won't say why, and given that the finance committee is empowered to consider and review budgetary policy, including government spending, the committee undertake a study of the Canada public health agency's unfulfilled contracts, including the lost \$150 million in taxpayers' money for an unfulfilled contract with an undisclosed vendor; that the witness list include, but not be limited to, the President of the Public Health Agency of Canada, the Parliamentary Budget Officer, the President of the Treasury Board and the Minister of Health; that the study take no more than four meetings; that the committee report its findings to the House; that the committee send for all documents and emails related to the \$150-million unfulfilled contract; that the unredacted documents and emails be received by the committee no later than one month following the passage of this motion; that any redactions of the documents or emails due to privacy be made only by the Office of the Law Clerk and Parliamentary Counsel of the House of Commons; and that these documents be posted on the committee's web page.

Thank you.

I'll turn it back over to my colleague.

● (1230)

**The Chair:** Thank you.

Go ahead on a point of order, Mr. Ste-Marie.

[Translation]

**Mr. Gabriel Ste-Marie:** I thank my colleagues for their motions, but the interpreters have pointed out to us that these were not the version of the motions distributed to them. Therefore, the interpretation could not be done correctly. I understand that this is a notification issue and that we will have time to receive them in writing in both official languages. We can then take them into account.

I wanted to point out what the interpreters had told us.

Thank you.

**The Chair:** Thank you, Mr. Ste-Marie.

[English]

Please, members, when you present anything that may be detailed and we want to capture that language, make sure that you're clear and concise with your information, so the interpreters can capture that.

If you can, please submit those to the members and to the clerk. That would be appreciated.

MP Morantz.

**Mr. Marty Morantz:** Mr. Chair, how much time do I have left?

**The Chair:** You have two minutes and 20 seconds.

**Mr. Marty Morantz:** In that time I want to give Ms. Oliver a chance to talk about real-time rail.

One thing I'm interested in, Ms. Oliver, is that in your brief you say, "We share the concerns of former Bank of Canada Governor David Dodge that 'Canada's apparent complacency in bringing key elements of its financial system into the digital age is a result of a lack of political will'".

Could you comment on your concerns in that regard vis-à-vis the federal government?

**Ms. Jessica Oliver:** Sure. We did include that in our submission, and I noted that my counterpart at Questrade, who presented last month, also shared that quote, so it very much represents a shared sentiment across our sector.

A global review of real-time payments that was undertaken by ACI and looked across the globe is reported to have found that "government mandates are almost a basic requirement for banks and payments firms to move to real-time payments, and governments are realizing that real-time...can help boost their economies."

I think it's supported by the U.S. Federal Reserve moving forward with FedNow, despite the presence of privately-owned payment rails. They project that FedNow, their version of RTR, will help reduce \$10 billion dollars of late and insufficient fees that individuals and businesses face.

**Mr. Marty Morantz:** I just want to highlight one other thing in your brief. It says:

The end result is that Canadians and small businesses continue to face high fees—some of the highest in the world—every single time they make a payment. At a time when budgets are stretched for both consumers and small businesses, these costs are difficult to bear and inequitable.

That's a very strong statement, and I'll go back to my initial question. I know there are only a few seconds. In terms of cost-efficiency for consumers, what would this policy mean if it were implemented?

**Ms. Jessica Oliver:** It would mean that when money is moved, it would land in real time. It would be data-rich payments that would provide end-to-end traceability, which can help reduce fraud and better enable investigations. When you look at the delivery of emergency relief benefits by government, for example, or even just transactions between businesses through supply chains, it would mean that businesses and individuals could put their money to work immediately upon receiving it.

The reality is that RTR—its efficiencies and level-playing-field pricing, regardless of the size of the host financial institution—will come at a cost to large incumbent financial institutions.

Delayed settlement means that the institution that's moving the money accrues interest or is able to otherwise utilize funds when the settlement is delayed. If I send you something at 6:00 p.m. on a Friday and there's a holiday Monday, that money is not going to land until Tuesday morning at 9:00 a.m. When you compound each of those transactions, it's a significant amount and a significant barrier to co-operation.

● (1235)

**The Chair:** Thank you, Ms. Oliver and MP Morantz.

Now we'll go to MP Thompson, please.

**Ms. Joanne Thompson (St. John's East, Lib.):** Thank you, Mr. Chair.

I'm sorry that I'm not there in person today, but I am quite grateful for the opportunity to join you online.

Thank you to all of the witnesses. I really appreciate what you have been able to bring to this pre-budget session.

I'll begin with you, Ms. Nugent. I'm sorry that, because of the technical difficulties, we can't hear your responses to the questions today, but I do appreciate that you're going to follow through.

I want to note that Oceans North is involved in very important research in Atlantic Canada. Of course, I'm coming to you from St. John's East. It is alarming for me to note that this past summer, in August in particular, we saw the highest temperatures recorded in the Grand Banks, which you may know and the others in the room may or may not know is a significant fishery ground, an important part of the marine ecosystem.

Clearly, Ocean North, Ms. Nugent, has done tremendous work on strengthening the link between ocean and climate. Would you respond to the committee on the importance of climate change data in fisheries management? That I would appreciate, and I look forward to that response.

I'll switch now to Mr. Mertins-Kirkwood on child care.

I'm also pleased to note that Newfoundland and Labrador—even though, population-wise, we're quite small—has been able to reach the target of \$10-a-day child care two years ahead of schedule. I think that's quite important to note. Even with that significant accomplishment, obviously there are still challenges in this province and, I believe, across the country in child care, through a lack of both infrastructure and workforce. I believe that compensation is an important part of recruitment and retention within the sector.

Could you speak to the provinces and territories that are moving forward on compensation, specifically wages, for early childhood educators? Apart from the wages, what are some of the other challenges that provinces and territories are encountering in being able to ensure that the needs within the provinces and territories meet the demand for child care spaces?

Thank you.

**Mr. Hadrian Mertins-Kirkwood:** It's definitely something that's near and dear to my heart. I have three young kids, so I'm well acquainted with child care in Canada.

That being said, this is not my particular area of expertise. I would be happy to have our child care expert follow up with you, but I'm not comfortable commenting on that.

**Ms. Joanne Thompson:** Thank you. I would really appreciate the follow-up.

If I could ask you about housing.... Actually, before I move into the question, are you comfortable with a housing question, or do you want me to ask and then have follow-up?

**Voices:** Oh, oh!

**Mr. Hadrian Mertins-Kirkwood:** Yes, I can talk about housing.

• (1240)

**Ms. Joanne Thompson:** I'm sorry. I wasn't being facetious there. I just didn't want to waste the time I have.

Housing supply obviously is key to tackling inflation and affordability in the country, and we hear this repeatedly in the committee. We've certainly heard this over the last few weeks, with some key recommendations: reviving incentives for purpose-built rentals, providing support for vulnerable households, increasing social housing, and revising local zoning and permitting systems, as well as re-evaluating regulations. Of these recommendations, could you provide some insight on the structural issues we're currently encountering in this housing crisis?

**Mr. Hadrian Mertins-Kirkwood:** Sure. There are a lot of issues. We know that the housing crisis we're dealing with today has been building for decades. It's not the responsibility of any one government, at any level. It's everyone's responsibility that we let it get this bad.

We did hear earlier about how we've stopped investing in social housing. That's one dimension of this problem, but we've decided to try to let the market solve this problem, and it hasn't. We need government to take a stronger role.

That's of course true at all levels. You mentioned zoning. It's a huge barrier at the municipal level, and that's a tricky thing for the federal government to engage in. The federal government has recently started getting back into the game of building housing—or at least supporting housing—and that's absolutely the right direction. We'd like to see more of that and certainly more money moving towards that.

As I mentioned earlier, it's worth noting that when governments build housing, they are building assets, and as long as we retain ownership of those assets, it's not a net cost to the government. That's worth noting on the balance sheet of the government.

**Ms. Joanne Thompson:** Thank you.

**The Chair:** Thank you, MP Thompson.

Now we'll go to MP Ste-Marie, please.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair.

Mrs. Poncelin de Raucourt, when we think of research, we often think of granting agencies. However, you place particular importance on the ability of government departments to support research to meet needs.

What role do you think government departments should play?

Also, how can we protect the independence of universities that enter into partnerships with government departments with respect to carrying out research work?

Thank you very much.

**Mrs. Céline Poncelin de Raucourt:** Thank you very much.

Government departments do fund research, which is generally of an applied nature, according to their priorities. I would refer you again to the Bouchard report, which clearly explains the difference between research that is freely decided upon by researchers and that which is directed. These are really two important components of the scientific ecosystem.

Universities have particular expertise that can help government departments. For example, the government department might fund research into the restoration and protection of fish habitats affected by mining activities in northern environments, or research into the challenges facing the tourism industry in terms of providing adequate support for small or medium-sized businesses and nonprofit organizations in that sector.

How can this research be made independent?

We must trust in the ethics of researchers. Whatever the origin of the request, whether it comes from them, the community or government departments, they apply ethics in terms of research independence. They are there to analyze the facts, as well as provide conclusions and disseminate them.

We also have mechanisms right now to guarantee what we call academic freedom. These mechanisms are there to ensure that, regardless of the origin of the request, the research remains independent and is carried out fully aware of the freedom of the researcher who is going to provide their conclusions.

**Mr. Gabriel Ste-Marie:** Thank you very much.

Can you talk to us about funding awards and honours secretariats?

Thank you.

**Mrs. Céline Poncelin de Raucourt:** This proposal, which we mention in our brief, is related to the raising the profile of scientific careers in French and the need to legitimize them. We attach a great deal of importance to promoting our researchers across Canada. We want to encourage them to submit applications for awards and honours, and promote research excellence in Canada.

In many small and medium-sized establishments, and even in large French-language establishments, teams are needed to work with researchers to help them put together dossiers and present them to such institutions as the Royal Society of Canada. Representatives of this society told us that some large English-language universities submit up to 48 dossiers in a single year, while other universities submit none, or one or two. Having a secretariat to help researchers put together their dossiers is a game changer in terms of the ability to submit dossiers to prestigious institutions and therefore showcase and promote research excellence.

We therefore suggest that grants be set up to enable institutions that don't have a secretariat of this kind to create one so that they can compile and submit dossiers and raise the profile of French-language research in Canada. We could work on this issue with Canadian Heritage or other stakeholders.

• (1245)

**Mr. Gabriel Ste-Marie:** Thank you very much.

[English]

**The Chair:** Thank you, MP Ste-Marie.

Now we'll go to MP Blaikie.

**Mr. Daniel Blaikie:** Thank you very much, Mr. Chair.

Mr. Mertins-Kirkwood, there's a lot of talk on Parliament Hill about the carbon tax, obviously, and not enough talk about the profits of oil and gas companies and the sizable increase in profit they've seen over the last couple of years.

New Democrats have proposed a windfall tax. It's something that's being done in other jurisdictions and across the ideological spectrum. There's a Conservative government in the U.K., for instance, that brought in a windfall profit tax.

I wonder if you can speak to the impact of large oil and gas profits on Canadian household budgets and how a windfall tax might be used to remedy some of that situation.

**Mr. Hadrian Mertins-Kirkwood:** Yes. First of all, the windfall tax is something that we support. We've included it in the alternative federal budget. We think it's necessary. As you point out, oil and gas companies are raking in record profits, at least over the last three years.

Production is at an all-time high even as employment is down from 2014, so more and more of that money.... We heard earlier, actually, about this issue of productivity. We have the corporate sector—and the oil and gas sector is perhaps the best example of this—sitting on more cash, not investing it in productive assets, not investing it in people, not investing it in training and paying it out as dividends. It's a huge issue, not only from an equity perspective and not only from a climate perspective, but certainly from an economic perspective.

We're at a point where oil and gas profits are contributing to inflation at least as much as the carbon tax is—as much as people like to harp on about that—and we could use that money for more productive things.

**Mr. Daniel Blaikie:** Thank you very much.

Is it fair to say that the oil and gas sector sees itself as a leader in the Canadian economy but isn't living up to the requirements of leadership when we talk about business investment in Canada?

**Mr. Hadrian Mertins-Kirkwood:** Yes. The oil and gas sector is one important part of the Canadian economy, but it's only part of the Canadian economy. It's often overblown, I think, how big the oil and gas sector is in Canada. It plays an outsized political role, certainly, but that sector is certainly not helping us when it comes to our climate obligations, and again, as I point out, on a dollar-invested basis, contributes far fewer jobs and community benefits than many other sectors of the economy, despite those enormous profits.

**Mr. Daniel Blaikie:** One of those other important sectors, obviously, is the care economy. Could you speak a bit to the importance of the care economy in Canada and the value of investing in that sector?

**Mr. Hadrian Mertins-Kirkwood:** Yes. The care economy is super important for two reasons. One is that care work is low-carbon work, and that's important. We know that we need to move to a cleaner economy, and for people working in health care, in teaching and in all kinds of services—often public services—that's low-carbon work, and that's great. That's how we get economic growth without using more resources.

The other reason it's important is that you can create a lot more jobs in care work than you can for the same amount of money spent in oil and gas, which is extremely capital intensive. It's not very job intensive. Despite the size of the oil and gas industry, we don't need to make up 100% of that industry in other sectors to retain the total amount of employment. We can create far more jobs in the care economy and other sectors for the same amount of investment.

**The Chair:** Thank you, MP Blaikie.

Now we go to MP Lawrence, please.

**Mr. Philip Lawrence (Northumberland—Peterborough South, CPC):** Thank you very much.

It's always a pleasure to be at committee. We have great witnesses today. Honestly, I wish I could ask all of you some questions, but my questions will be for Ms. Oliver and will focus on open banking.

This is a question I asked a representative from another fintech company: First of all, do you know what time of year it is?

**Ms. Jessica Oliver:** It's fall.

**Mr. Philip Lawrence:** Do you know when the government said they would have open banking legislation...?

**Ms. Jessica Oliver:** I believe they made a commitment in their platform for open banking in 2023.

**Mr. Philip Lawrence:** Yes, in 2023. I believe it was January. We're now nine months past that.

Maybe you could also share with the committee where Canada is falling with respect to regulations and framework—just anecdotally is fine—and also why open banking is an important part of modernization that must happen to Canadians' financial framework or we'll fall even further behind, knowing, of course, that we are nearly last in productivity in the OECD right now.

• (1250)

**Ms. Jessica Oliver:** Thank you for the interest in open banking.

Yes, certainly. Several countries have introduced open banking. For example, the U.K. is now in its second iteration and others are in their third.

With both RTR and open banking, there is not a single country in the world that has introduced them and then removed them, and we take comfort in that. Last spring, the U.K. reported 12 billion pounds saved by individuals and 6 billion pounds saved by businesses thanks to open banking. Last week, the U.S. Consumer Fi-

ancial Protection Bureau, which focuses on protection, proposed a rule to introduce open banking in the U.S.

Canada has unique circumstances, which were communicated by the advisory group. We have been very pleased to participate in the implementation working group, in the actual work into the merits of open banking and important considerations. That work has been done and was conclusive. The last step is the implementation plan, and we have seen a lot of interest from all parties in moving that forward.

When you look at just the FHSA, we had over 14,000 clients on a wait-list before we even had a product in market. We've opened an average of 1,000 FHSAs a day since we put the product on the market, and we're approaching 100,000 accounts.

The reason I mention this is that open banking and RTR will make it easier for consumers to shop around, to figure out if there is a smaller institution that has been able to drill into their unique circumstances—newcomers, renters, gig economy workers—and help de-risk them, because they may not currently fit into a box that gets them a competitive rate for a mortgage, a line of credit or a student loan. There are products all over the world that use open banking to de-risk those clients so that they are offered a more competitive rate.

**Mr. Philip Lawrence:** Thank you very much. That was some fantastic testimony. Maybe I could summarize that and then ask you a question to build on it.

I'm aware of the U.K. example. You said it's 18 billion pounds between businesses and consumers. I cannot remember the conversion rate off the top of my head, but I imagine that's around \$30 billion to \$40 billion Canadian in savings for businesses and consumers. We're introducing competition in the financial services market in a very competition-deprived area and sector of our economy, for one, and we are driving down costs for consumers and businesses.

The last part, which I thought was very interesting as well, is that you're going to allow individuals who may not otherwise qualify for credit to get credit, because there's additional data that can be provided with respect to open banking, allowing individuals who maybe couldn't get a mortgage before to qualify, or those who couldn't even get a place to stay to qualify for rent. We're going to help the most vulnerable. We're going to help businesses. We're going to help consumers. We're going to restore and input a bit more competition into the market.

Have I said anything incorrectly, or would you say that was fair?

**Ms. Jessica Oliver:** Yes. The data from the U.K. is based on their 2019 data and, yes, it was 18 billion pounds across individuals and businesses.

It's exactly as you said. One of the best Canadian fintechs, Borrowell, allows renters to build their [*Technical difficulty—Editor*] or build credit by demonstrating proof of on-time monthly rental payments. At the moment, your on-time payment of your phone bill has a bigger impact on your credit score than paying your rent, so that is the kind of product that could be improved and delivered more broadly through open banking. They've long been advocates on that, and we've been proud to work with them.

**The Chair:** Thank you, MP Lawrence.

This will be our final questioner for our session today, and it's MP Weiler, for five minutes, please.

**Mr. Patrick Weiler:** Thank you, Chair.

I would like to continue the questioning with Mr. Mertins-Kirkwood.

These are questions that will be squarely in your wheelhouse as well.

Both yesterday and today, there's an event in Ottawa, the Sustainable Finance Forum, where, among others, the sustainable finance action council is present. This group was set up in 2021 to provide advice to the Minister of Finance on how to build a sustainable finance system. Part of that is the development of a taxonomy that could be utilized across the sector.

We know from other countries that have brought this in, for both transition finance and green finance, that it's had a big impact. We heard yesterday that Japan has had about \$20 billion of investment in the transition space in the wake of bringing that in.

I was hoping you could explain to this committee the importance of Canada's adopting such a framework, both to crowd in investment as well as to deal with issues like greenwashing in Canada.

• (1255)

**Mr. Hadrian Mertins-Kirkwood:** The issue with greenwashing is that it's easy to say any investment can be green in some way, and that's a real risk. We've seen in a lot of climate policy in Canada historically that you get a tiny little bit of reduction in emissions, but there's no structural change. Having a robust taxonomy that can make it clear to investors and to governments what kinds of firms and sectors are making a meaningful contribution to long-term emissions reductions is very important. Otherwise, we crowd investment into short-term solutions that can reduce emissions

maybe in the next five years but actually make it more costly to reduce emissions in the long term.

Unfortunately, we see that a lot with, for example, coal-to-gas conversions and a lot of investments in blue hydrogen or carbon capture. These are the sorts of investments that might reduce emissions at a very high cost over the next five to 10 years but actually make it more expensive to get to net zero in the long term. Having a credible taxonomy can make sure that our investments are aligned with our long-term goals.

**Mr. Patrick Weiler:** Thanks for that.

You mentioned in your opening, as part of the alternative federal budget, a recommendation for further investments in cleaning the grid. Of course, in the budget this year we provided for tax credits to invest in that, so we can build on the fact that 85% of our grid is non-emitting. Obviously, we need to double or maybe even triple that to reach our net-zero goals.

I was hoping you could explain to the committee why we need this additional investment on top of the tax credits that are already there, especially considering that this is an area within the provincial jurisdiction.

**Mr. Hadrian Mertins-Kirkwood:** Thank you. That's another great question.

First of all, the tax credit, the electricity credit in particular, is very good, because it's mostly going to be useful to provincial utilities that need to build out that capacity. That's a good thing. It's a good thing for eligible Crown corporations to use that.

The reason that the federal government needs to get involved is one of the biggest limitations and also opportunities in electricity, and it's interprovincial ties and regional ties. As soon as you're crossing borders, immediately this is a federal concern. The more we can build out this grid between provinces—including between provinces and the U.S., where applicable—and between different communities, the more we can build out the connective tissue of the electricity system, the more other institutions can plug into it. There are lots of private investors who want to build wind farms, to build solar farms—it looks good and it's exciting—but they need to plug into something. If we can't provide that grid to plug into, it's going to really hamstring our ability to decarbonize.

**Mr. Patrick Weiler:** Thank you.

I'd like to turn to Mr. Gray along the same vein here.

I was hoping you might be able to explain, from the position of the chamber and your members, the potential for growth and wealth creation that you see in the transition to a net-zero economy.

**Mr. Alex Gray:** Sure. Very much along those lines, the taxonomy is clearly important, and the other thing is disclosure, frankly. Investors deserve to know where exactly their money is going, what exactly it's going to yield and at what level of risk. We don't have that yet.

I think concurrent with that is helping small businesses understand their own exposures. Not every family restaurant is going to have a data scientist on staff, are they?

I think there's a lot of work that could be done on this. We, as the Canadian Chamber, have called upon the government to make good on its promises to the climate data analytics centre to invest that, so that investors can have a fulsome understanding of their exposure to climate-related risk.

**The Chair:** Thank you, MP Weiler.

We want to thank the witnesses on behalf of all the members of this committee and all the staff—everybody who helps makes this possible for your testimony for our pre-budget consultation in advance of our 2024 budget.

I want to apologize again to Ms. Amy Nugent. She listened to all the testimony we heard from others, and if members have more questions for Ms. Nugent, please send them to her. I'm sure she will get us some answers back.

We thank you for that. We will receive your brief and your opening statement, and that will be part of our report. Thank you very much.

With that, members, we are adjourned.

---







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

---

### SPEAKER'S PERMISSION

---

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

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

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

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

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

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

---

### PERMISSION DU PRÉSIDENT

---

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

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

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

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

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>