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# Standing Committee on Finance

EVIDENCE

**NUMBER 145**

Friday, May 31, 2024

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Chair: Mr. Peter Fonseca





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• (1000)

[*English*]

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

Welcome to meeting number 145 of the House of Commons Standing Committee on Finance.

Pursuant to the House of Commons order of reference adopted on Wednesday, May 22, 2024, and Standing Order 108(2), the committee is meeting to discuss Bill C-69, an act to implement certain provisions of the budget tabled in Parliament on April 16, 2024.

Before we begin, I would like to ask the members and other in-person participants to consult the cards on the table for guidelines to prevent audio feedback incidents from occurring. Please take note that the following preventive measures are in place to protect the health and safety of all participants, including the interpreters.

Use only an approved black earpiece. The former grey earpieces must no longer be used.

Keep your earpiece away from all microphones at all times. When you are not using your earpiece, place it face-down on the sticker on the table for this purpose.

Thank you all for your co-operation.

Today's meeting is taking place in a hybrid format, pursuant to Standing Order 15.1 and in accordance with the committee's routine motion.

Concerning connection tests for witnesses, I'm informing the committee that all witnesses have completed the required connection tests. Everything is good with that.

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

Please wait until I recognize you by name before speaking. For members in the room, please raise your hand if you wish to speak. For members on Zoom, please use the "raise hand" function.

The clerk and I will manage the speaking order as best we can, and we appreciate your understanding in this regard.

I remind you that all comments should be addressed through the chair.

Before I welcome our witnesses, I want to thank our clerks, Alexandre and Ariane, for their great work. In really short order,

they've been able to gather all the witnesses and bring them all before us. Thank you very much for your tremendous efforts.

Now I'll welcome our witnesses.

From the Desjardins Group, we have the vice-president of government relations, Bernard Brun. Welcome, Mr. Brun.

From the Canadian Health Food Association, we have the president and chief executive officer, Aaron Skelton, and Laura Gomez, lawyer and legal counsel. Welcome.

Also with us, from the Mining Association of Canada, is the president and chief executive officer, Pierre Gratton. Welcome, Mr. Gratton.

With that, we'll start with your opening statements. We'll start with Mr. Brun for up to five minutes.

Thank you.

[*Translation*]

**Mr. Bernard Brun (Vice-President, Government Relations, Desjardins Group):** Good morning, Mr. Chair.

Thank you, dear committee members, for this opportunity to speak with you today.

My name is Bernard Brun and I'm the head of government relations at the Desjardins Group.

With assets of over \$420 billion, Desjardins is the largest co-operative financial group in North America and the seventh-largest financial institution in Canada. To meet the diverse needs of our 7.7 million members and clients, our activities cover every aspect of the financial sector, including services to individuals, business services, wealth management, personal insurance and general insurance.

Desjardins supports initiatives that would enable it to provide enhanced financial services to its members and to Canadian citizens. The objectives of the consumer-driven banking framework, commonly known as the open banking framework, would appear to do just that. We therefore support the ultimate objective, which is the implementation of a framework to allow consumers to control the sharing of their data.

Unfortunately, the proposed framework has a major structural flaw. Our current concern stems from the fact that the proposed framework would do more than introduce a common technical standard for all of the country's financial institutions; it would also establish a separate mandatory framework for federal financial institutions, to which provincial institutions could adhere.

As this government admits, the field covered is one of shared or joint jurisdiction. Concretely, it would lead to a dual overlapping framework for the jurisdictions, which would certainly put provincial financial institutions, like *caisses populaires* and credit unions, at a disadvantage. Although adherence to the framework is theoretically voluntary, financial institutions would end up being required to adhere in order to remain competitive and provide proper services to members and citizens, and also because of risk management considerations.

As I was saying, the current bill has a structural flaw that would have a major impact. It needs to be corrected as soon as possible. The government must avoid a false start in terms of consumer-driven banking services to ensure that it covers the entire financial sector and all consumers.

As a systemically important financial institution nearly all of whose activities are subject to provincial regulation, we believe that the inevitable overlap between the federal framework being proposed and the existing provincial framework is counterproductive. It's a barrier to competitiveness.

The adoption of the bill in its current form would undermine consumer and user confidence, when this confidence is crucial to the concept underpinning the idea of open financial services.

A two-tier system would place consumers at a disadvantage and, more to the point, make a consistent consumer experience impossible, while ultimately reducing credibility and innovation.

The Desjardins Group is in favour of introducing a framework that would enable consumers to control how their data is shared. In order to do so, corrective action is immediately needed in terms of governance and structure, if we are to continue to benefit from current favourable conditions and avoid future delays.

Under the circumstances, dear committee members, we asked the government to remove division 16 of part 4 of Bill C-69 and to make it a separate bill so that the proposed framework could be reviewed in depth to allow all of the entities affected and the public sectors, including provincial authorities and governments, to have the same view and understanding of the future system.

Thank you for listening. I'd be more than happy to answer your questions.

• (1005)

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

[English]

We'll now hear from the Canadian Health Food Association. I believe it's Mr. Skelton who will be delivering remarks.

Go ahead, please.

[Translation]

**Mr. Aaron Skelton (President and Chief Executive Officer, Canadian Health Food Association):** Good morning.

[English]

Thank you, Chair and members of this committee, for having me here today. My name is Aaron Skelton. I'm the president and CEO of the Canadian Health Food Association, a trade association representing natural health, organic and wellness products in Canada. I am grateful to have the opportunity to speak before you today on behalf of not just our member companies but also the 82% of Canadians who use natural health products as part of their health and well-being.

The core concern I am bringing to you today is regarding Health Canada's continued abuse of the parliamentary process. Health Canada introduced significant amendments to the laws governing natural health products through budget omnibus bills in 2023 and 2024 rather than following the parliamentary process. This has undone the hard work of prior legislative reviews conducted by previous Parliaments and the House of Commons Standing Committee on Health.

In budget 2024, current amendments to the Food and Drugs Act, as included under division 31 of Bill C-69, has yet again caught an entire industry completely off guard. For the second time in as many years, Health Canada has attempted to evade proper parliamentary process, including scrutiny by the Standing Committee on Health and consultations with industry, to achieve their desired outcome with zero checks or balances. The amendments they seek as part of division 31 are extremely powerful. However altruistically the intentions behind it are framed, the implications of such broad, sweeping changes demand proper study and regulatory rigour.

As mentioned, this same approach was taken in 2023, when division 27 in part 4 of Bill C-47 shockingly changed the definition of "therapeutic products" to include natural health products—with no scrutiny, public analysis or industry consultation. The lack of transparency and the unintended consequences that came from a blatant disregard of due process resulted in a private member's bill, Bill C-368, that just this week passed second reading with support from all opposition parties to repeal this amendment. While a step in the right direction to course-correct a sneaky tactic, once an amendment has passed, it is no easy feat to undo what was inappropriately done.

The need for industry and consumers to voice their concerns on important regulatory and legislative matters is paramount, a requirement that is crucial to the development of fair and appropriate regulations. The potential impact of unchecked powers is not a hypothetical one. The current cost recovery proposal for NHPs, the outcome of such ministerial powers, has already created a staggering and untenable situation for companies across our sector.

Today we are back to ask this committee to not let history repeat itself. To be clear, we represent the natural health products industry. We do not represent any smoking cessation or tobacco products. We are here because over the course of the past two years, our trust in Health Canada has been eroded. We have faced multiple regulatory and legislative changes that have serious consequences on an industry and on Canadians.

If Bill C-69 passes and this amendment goes through, health products, natural or otherwise, will be left to face broad, sweeping powers from a minister who will have the ability to issue orders without following the Statutory Instruments Act. As it is a first of its kind, we have no visibility into the evidence required to support an order, and we will be left in the dark as to whether or not these powers can override department-issued licences, such as those granted by the natural and non-prescription health products directorate.

As an industry, we continue to support regulation and legislation that protects Canadians and is developed in a transparent, responsible and appropriate manner. Regulatory amendments pushed through omnibus bills do not reflect this value.

Today we ask this committee to consider removing division 31 from this act. This committee amended the budget in 2017, and we urge you to consider this precedent here. The restrictions placed by division 31 on health products, including natural health products, have consequences beyond what the current Minister of Health has communicated. With the power of this and no due process, Health Canada has made itself the judge, the jury and potentially the executioner. We cannot overstate the need to approach regulatory changes of this nature and this magnitude in the proper way—with study, analysis and consultation.

I thank you again for your time and I am happy to answer any questions you may have.

• (1010)

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

Now we will now hear from Mr. Gratton from the Mining Association of Canada, please.

**Mr. Pierre Gratton (President and Chief Executive Officer, Mining Association of Canada):** Thank you, Mr. Chair.

I want to begin by acknowledging that we are gathered on the unceded territory of the Algonquin people.

I appeared before the Senate Energy, Environment and Natural Resources Committee on Tuesday as part of its pre-study of amendments to the Impact Assessment Act contained in this bill. The MAC's Senate committee brief has been submitted to your clerk for distribution, so expect that soon.

Today I will focus my remarks on two aspects. The first is the proposed clean technology manufacturing investment tax credit, which even as an acronym is a mouthful.

The mining sector welcomes the government's efforts to build a critical minerals value chain and sees what has been described as a generational opportunity for Canada. The tax credit, if expanded and implemented correctly, could secure Canada's place as a reli-

able, responsible critical minerals supplier to our trading partners and the North American supply chain that is a getting built.

In its current form, however, it falls short of properly tackling the major challenge facing industry, which is having enough critical mineral supply to feed the various supply chains. It will thus not achieve our national objectives to attract the necessary significant capital investment to support our energy transformation and security.

We have seen lots of news about new investments in battery plants and electric vehicles. We have read a lot about Canada's and the west's exposure to China's market dominance in metals and how critical minerals are needed to fight climate change and support the energy transition that is under way; however, unless we secure the right conditions to enable the industry to produce additional tonnages of nickel, cobalt, copper, lithium and rare earths, as well as find, permit and build new mines, we will fail to address both challenges.

In fact, the new automotive investments we have attracted to Canada will be forced to rely on foreign imported feed sources, leaving Canada at greater risk of increasing its dependence on China. The past two decades have seen a sharp decline—

• (1015)

**The Chair:** Mr. Gratton, the bells are ringing. We'll have to suspend for a few minutes.

• (1015)

(Pause)

• (1015)

**The Chair:** We're back.

I apologize, Mr. Gratton. Please continue if you want. Go back a little bit. We did stop time, and we'll even add time if needed.

Go ahead.

**Mr. Pierre Gratton:** Thank you.

I was just at the point of talking about what's happened over the last 20 years in the metals business.

I think it's important to note that we've seen sharp declines in Canadian production of key battery metals, including nickel and cobalt. Nickel is down 60% in the last 20 years. We used to be the one of the top two producers in the world, and we're at sixth.

Our only lithium mine is Chinese-owned, though we do have projects advancing in the country. New graphite projects are advancing as well, so there is new activity.

Our copper production has also dropped by 40% in the past 20 years. We clearly need to turn this around. The tax credit could help. My members, which include global leaders in critical mineral production with Canadian operations, are readying their respective project portfolios.

I would stress to the committee that it's a tax credit, not a subsidy. ITCs function like rebates and they apply only after investments have been made. These potential investments would create jobs and economic activity to benefit employees, communities and indigenous rights holders where they operate, as well as Canadian suppliers.

We have two concerns with the CTM-ITC as proposed. First, it's too narrow in scope. It will cover certain vehicles and equipment purchases, which on average only account for 10% to 15% of new mine expenditures. You have to keep in mind that where we need to increase production in the short term is at existing mine sites. They already have fleets of equipment in place, so the benefit of this tax credit in the short term is much reduced.

We encourage the Department of Finance Canada to expand the ITC to include all costs related to mine development. Mine development expenses are not a blank cheque; they are laid out specifically in the tax code. They require the private sector, not taxpayers, to invest billions to get more critical minerals out of the ground and then get a credit for it. This will help industry in Canada turn the dial and get the necessary critical minerals into our supply chains in the short term.

Just to illustrate, one of our members has said that it has three potential new nickel project expansions that, if built, would increase its total Canadian production by 60%, which is huge. One project is likely to proceed regardless. However, the value of having an enhanced tax credit would put the second and third projects into play.

We thus welcome the decision by the finance department to continue to consult on this proposed tax credit over the course of this summer. It's an indication, we hope, of some openness to get this right and make sure that the tax credit does the job it is intended to do, which is incentivize the development of not just equipment but of new and critical mineral mines.

Our second concern was an original proposal to limit eligibility to projects containing 90% or more of critical mineral production. Canada is blessed with polymetallic deposits, which means we typically find copper with molybdenum and gold. Neither of these metals is on the list of metals eligible for the tax credit. The vast majority of copper mines and projects, including some of the most advanced, like Galore Creek in British Columbia, have less than 90% copper.

Finance has listened to us and budget 2024 has proposed a change to eligibility to 50% or more of the financial value of the output that comes from critical minerals. We welcome this news.

Last, I want to comment on the renewal of the mineral exploration tax credit, the METC.

Unfortunately, while renewed in late March, the increase in the inclusion rate for capital gains in budget 2024 significantly weakened the value of the METC. I have a feeling many of you are not aware of that. The METC raises 83% of all equity for exploration and development. Charity flow-throughs represent 89% of that 83%, or \$1.2 billion in 2021, most of which was directed towards critical mineral exploration. The junior exploration sector is thus almost entirely dependent today on the METC. If the rules introduced in the budget are not changed, we estimate a significant drop, possibly as high as 75%, in exploration and development investment, starting on June 25 when this comes into effect.

We have raised these concerns with the finance department and are providing them with the information they need to conduct an analysis of the impacts and possible remedies. We believe there are solutions, and conversations have been positive. We are hopeful that finance will act on this matter very soon, so we don't compromise this year's exploration season. If not, budget 2024 will deliver a major blow to mineral exploration at a time when we and our allies are counting on us to find more mines.

I hope we can count on this committee's support for the issues I've raised today.

Thank you. I'm happy to take any questions.

● (1020)

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

I'm sure the members have many questions for all of you.

For the first round, each party will have up to six minutes. We are starting with MP Calkins for the first six minutes, please.

**Mr. Blaine Calkins (Red Deer—Lacombe, CPC):** Thank you, Chair.

My question is to the Health Food Association. Thank you for your presentation.

I just want to be clear about one part of your presentation. You said that Health Canada snuck these changes in Bill C-47 and Bill C-69. Actually, when officials from Health Canada appear at Parliament, they sit exactly where you're sitting right now. It would be the health minister advising the finance minister to put these changes into this piece of legislation. Health Canada wouldn't be able to table any legislation at all. It's MPs and ministers and the government that tables these things.

I want to talk a little bit about the health minister's defence of using Bill C-47 and now Bill C-69 and claiming that Health Canada needs powers to stop, I think, a particular example of a product that they're talking about. I want to go through the current set of powers that Health Canada has.

Does Health Canada currently have the power to issue a stop sale on any natural health product in Canada?

**Mr. Aaron Skelton:** Thank you, Chair, for the question. I will pass that to my colleague, Laura Gomez.

**Ms. Laura Gomez (Lawyer and Legal Counsel, Canadian Health Food Association):** Yes, Health Canada has the power—

**Mr. Blaine Calkins:** I have a lot of these, so it's just yes or no. Do they already have the ability?

**Ms. Laura Gomez:** Yes.

**Mr. Blaine Calkins:** Do they have the ability to stop personal use imports at the border if they want to, through CBSA?

**Ms. Laura Gomez:** Yes.

**Mr. Blaine Calkins:** Do they have the ability to seize any product that they deem necessary in order to carry out their duties and functions?

**Ms. Laura Gomez:** Yes.

**Mr. Blaine Calkins:** Do they have the ability to revoke a site licence for a manufacturer of natural health products?

**Ms. Laura Gomez:** Yes.

**Mr. Blaine Calkins:** Do they have the ability to revoke a site licence for a packager or labeller of natural health products?

**Ms. Laura Gomez:** Yes. It can be a site licence for a packager or labeller.

**Mr. Blaine Calkins:** Do they have the ability to revoke a site licence for an importer such as a traditional Chinese medicine importer, or anybody else, for that matter?

• (1025)

**Ms. Laura Gomez:** Yes, they do.

**Mr. Blaine Calkins:** Do they have the ability to mandate a label change—for example, adding health warnings to any natural health product?

**Ms. Laura Gomez:** Yes.

**Mr. Blaine Calkins:** Do they have the ability to inspect any site licence for any manufacturer, packager, labeller or importer of natural health products?

**Ms. Laura Gomez:** Yes.

**Mr. Blaine Calkins:** Do they have the ability to inspect any product by taking it off the shelf and sending it to a lab for an analysis?

**Ms. Laura Gomez:** Yes, inspectors have those powers.

**Mr. Blaine Calkins:** Does Health Canada actually approve every natural product, every numbered product, in Canada?

**Ms. Laura Gomez:** Yes, they have a licensing process for all natural health products.

**Mr. Blaine Calkins:** Do they have the ability to revoke any natural product number in Canada?

**Ms. Laura Gomez:** Yes, there are procedures to do that under the natural product regulations.

**Mr. Blaine Calkins:** That is an immense amount of power. Basically, with the list that I've just read here, Health Canada already has the power, and they can request a recall if they want to as well. I'm sure the industry complies whenever that's asked. Is that correct?

**Mr. Aaron Skelton:** As far as we know, yes, that's correct.

**Mr. Blaine Calkins:** This is a solution in search of a problem. It's clearly not about power, because there's immense power. Health Canada already is the agency, and as you said, the judge and the executioner. They're also the police. They already have the ability to police this industry through all the powers that I just outlined. These are massive powers. It's not about power, because they already have the powers to stop any product from being on the shelf, really, if they want to. Is that true, yes or no?

**Mr. Aaron Skelton:** Yes.

**Mr. Blaine Calkins:** And do they have the ability to stop anything at the border if they truly want to, yes or no?

**Mr. Aaron Skelton:** Yes.

**Mr. Blaine Calkins:** If it's not about power, it's obviously about something else. It's about money, and the self-care framework that is going to follow from this is going to be adding fees to the industry. Can you talk about site licences, product fees and what's coming? What's the plan?

**Mr. Aaron Skelton:** I appreciate the question. I think what you're referring to is the proposal with cost recovery.

What we've seen with cost recovery is an example of unchecked powers from the minister, who has gone forth and proposed a cost recovery plan, when Health Canada did not complete a gender-based analysis and did not complete a risk-based analysis and did not consult with indigenous communities. That is what we are grappling with and what the industry is reeling from today.

The threat of a minister with these powers, who did not go through proper parliamentary process and did not go through proper due diligence, is real for this industry. As I stated at the opening, it's not hypothetical; this industry is dealing with it today, and that is why we have seen the groundswell from Canadians. These are products used by 82% of Canadians. Over 95% of Canadians deem natural health products licensed by Health Canada as safe, and that is why we've seen the success of our "save our supplements" campaign.

**Mr. Blaine Calkins:** Many businesses are claiming that they're going to shut down their operations here in Canada and move to a less regulatory and less expensive jurisdiction. Will that make Canadian consumers safer? Will that do more for consumer protection or less for consumer protection, given Canada's regulatory framework versus where certain products are imported from? What's your opinion on that?

**Mr. Aaron Skelton:** We believe that it is in the best interest of Canadians to have products that are reviewed and licensed by Health Canada. Unfortunately, with all the proposed changes, what they have not addressed is the importation from international markets, all of which are unregulated and unmonitored by Health Canada. Limiting the Canadian production of compliant companies and compliant products is really pushing Canadians to purchase from unregulated and unmonitored markets, which we feel is a detriment to Canadians.

**Mr. Blaine Calkins:** Is this counterproductive to actual consumer protection?

**Mr. Aaron Skelton:** That's correct.

**Mr. Blaine Calkins:** Okay.

Is it true that there are several jurisdictions and states in the United States of America that are currently courting businesses in the natural health product space, knowing that this regulatory change is coming?

**Mr. Aaron Skelton:** We are aware of several states that have reached out to our member companies directly and are proposing reduced taxes and other incentives. At least two of our member companies have made the decision to relocate to the U.S.

**Mr. Blaine Calkins:** Are you familiar with traditional Chinese medicine and other traditional medicines from other parts of the world? What are these organizations, as part of your organization, saying to you?

**Mr. Aaron Skelton:** They're extremely concerned. To be blunt, they're feeling quite hopeless about a future in which they'd see themselves being able to provide these products to Canadians. The conditions are just so detrimental to them that they don't feel it would be viable, moving forward.

**Mr. Blaine Calkins:** Thank you so much.

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

We'll go to MP Baker for the next six minutes.

**Mr. Yvan Baker (Etobicoke Centre, Lib.):** Thanks very much, Chair.

Thank you all very much for being here today.

I'm going to direct my questions to Mr. Skelton. Mr. Skelton and I have had a number of meetings on the topic we're about to talk about. We have spoken about this in my constituency office. Mr. Skelton is a constituent of mine.

Mr. Skelton, it's great to see you again. It's great to have you here in Ottawa from Etobicoke. Thank you for your advocacy.

I want to take a step back for the common understanding of the folks in the room and the Canadians watching this.

Are natural health products sold in Canada safe?

**Mr. Aaron Skelton:** I appreciate the question.

They are safe. The reason we say so is that Health Canada currently has a very robust regulatory framework. All products Canadians see on a shelf with a natural health product number have been reviewed by Health Canada. All the scientific evidence or any concerns about ingredients and contraindications are reviewed and ap-

proved today by Health Canada. At any point in the life cycle of a product, if it's already on the shelf and in the market, Health Canada can request additional information and scientific review, if they so choose. I think, as we've already outlined, they have the tools to remove products if they deem it necessary.

Canadians should have a very high degree of confidence. This is why Canada had been seen as a world leader in addressing and regulating natural health products.

• (1030)

**Mr. Yvan Baker:** Have problems arisen that Health Canada is trying to address here, and that need to be addressed?

**Mr. Aaron Skelton:** I think this speaks to one of the concerns we have.

Health Canada has made some recent attempts to denigrate and demonize the natural health product industry with comments around safety that are yet to be founded in facts. In a recent Standing Committee on Health, they raised some concerns around safety and certain statistics. When we and the committee requested the backup for that information, they were unable to supply it.

There are issues raised by Health Canada, but they're unfounded and have yet to be substantiated.

**Mr. Yvan Baker:** If that's the case, why do you think these changes are being proposed?

**Mr. Aaron Skelton:** I wish I had a simple answer to that.

I'll answer it with a couple of different points.

Our concern is that these changes will lead to unchecked powers for the minister. Those unchecked powers have some significant implications. We're living in that situation through cost recovery right now: Industry isn't being consulted and Canadians' concerns about how they choose to access these products and incorporate them into their lives aren't being listened to. It's resulting in an extremely concerning impact on the small, medium- and micro-sized businesses we represent. The vast majority of businesses in this category are small. Over 80% of them fall into that category.

I think that's why we've seen the groundswell from Canadians who, in the millions, have sent in.... I'm sure many of you here today have received cards from your constituents with concerns about the impact of the changes that have been proposed. That is the basis for the concern.

**Mr. Yvan Baker:** Without getting into the specifics of what's being proposed, I'll take a step back. I know you stated your position on Canada's regulatory regime as it stands today.

My question is this: Is there room for improvement in how we regulate natural health products in Canada?



**Mr. Aaron Skelton:** Even in a world-class system, there should be continued review and scrutiny of improvements that could be applied. I don't think we're opposed to those discussions, but those discussions should be transparent. They should be done through proper analysis and through proper debate at committee, none of which has taken place here.

As an industry, we believe that the safety and the efficacy of these products are of the utmost importance, but achieving improvements is not done through omnibus bills. It's done through proper debate, which has been excluded in this process.

**Mr. Yvan Baker:** Let's say we had the debate that you're describing. I'm not opining on what that debate should look like; I'm just taking your testimony at face value. Let's say we had that process that you're describing. Are there specific things that would make you say, "Okay, look, these are things that can be improved upon, one way or the other"?

**Mr. Aaron Skelton:** There's some work that could be reviewed around the lower-risk categories of products and how those are reviewed. There are some redundancies in the system today, some overlap between different departments and some additional work that could be done on proof of evidence that comes through some of the work done by Health Canada.

There are always ways to streamline the system. There are some inefficiencies currently in the system, which is one of our bigger concerns with the cost recovery process; it doesn't account for the necessity of some of those improvements. Even though we live in a modern world, we're not embracing some modern solutions to some of the administrative work that happens. There will always be opportunities for improvement.

• (1035)

**Mr. Yvan Baker:** Chair, what's my time?

**The Chair:** You have 20 seconds.

**Mr. Yvan Baker:** I'll leave it there.

Thanks very much.

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

We'll now go to MP Ste-Marie, please.

[*Translation*]

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

Greetings to my colleagues.

I'd like to thank all the witnesses for coming, and for their testimony.

We can see that there are very serious concerns about three completely different matters. As my speaking time is limited, my questions will be for Mr. Brun of the Desjardins Group.

Thank you for your blunt testimony. You're merely suggesting the removal of division 16 in part 4 of Bill C-69 to prevent a false start.

To begin with, why do you think it's important to adopt a framework for an open banking system?

**Mr. Bernard Brun:** It's essential because although there are already some open financial services, there's no framework for them. That means that institutions could be open to exposure and thereby expose Canadian consumers to all sorts of risks. That's why it's important to have a framework.

Not only that, but the framework would promote innovation. The Desjardins Group is completely in favour of this kind of innovation and I think that's also the case for the whole financial sector.

Now the success of a framework and its attendant innovation will depend on the adoption of this framework. People will have to adopt this new framework and use it. They will in fact use it if it's secure, if it's accessible and if it provides the best possible conditions. Right now, the foundations as stated in the bill indicate that the framework to be introduced would apply to federal institutions, while remaining optional for other institutions, and possibly create overlapping frameworks for them. That would be totally counter-productive.

Provincial financial institutions will face a major dilemma. If they adopt the federal framework, comply with it, and request accreditation under it, they'll be put at a disadvantage. People often talk about the importance of a level playing field. That's where the issue lies. When the starter's gun is fired, everyone has to be on the same starting line. If the provincial financial institutions decide to start from a few paces back, they're going to pay the price in terms of screen scraping. In other words, without respect for the rules and without a framework, some entities will obtain data from financial institutions that have left themselves exposed to all kinds of risks.

That's why it's really important to come up with a framework, but it has to be built on solid foundations.

I'll conclude by asking all the committee members to discuss it with representatives of provincial financial institutions. You certainly have some in your ridings, whether you're in Quebec or another province of Canada. Speak to them and ask for their opinion. Ask them if their financial institutions are in a position to work within a dual framework that would actually benefit their Canadian members and consumers.

**Mr. Gabriel Ste-Marie:** If the framework were to be adopted in the form described by the Department of Finance, what impact would it have on Desjardins members?

**Mr. Bernard Brun:** The government's decision wasn't explained. I know that some representatives of the Financial Consumer Agency of Canada, the federal agency designated by the government, are going to be testifying before the committee. I would suggest that you ask them some questions, including about who decided to assign responsibility for the framework to this agency, which doesn't really have any expertise in cybersecurity or data management. We don't really understand this decision.

Provincial financial institutions, and Desjardins in particular, will find themselves operating within a dual framework. It will negatively affect competitiveness and innovation, and risks will increase for clients and members of these provincial financial institutions.

We believe that the solution is very simple: just remove this proposed piece of legislation from the omnibus financial bill. It is short and covers only 12 to 14 pages. More time should be taken to discuss and agree on the standpoint of the provincial counterparts to ensure that the framework would apply to everyone.

We are definitely in favour of adopting an innovative framework, but it needs to include guidelines and ensure that the overall outcome would be secure. Otherwise, we'd be opening Pandora's box.

• (1040)

**Mr. Gabriel Ste-Marie:** That's very worrisome.

There was a great deal of discussion about governance in Senate testimony concerning this bill. Why is this aspect so important?

**Mr. Bernard Brun:** Governance underpins this system. Governance will determine not only how the standard will be established, but also how security is to be dealt with, and how it will interact with all the financial institutions. Canada is a federal system. This has advantages, but also limitations. At the moment, the approach is actually very limited. It was decided that a framework would be established for federal institutions and that other institutions would be able to join. It's a partial and imperfect framework that exposes people to a high level of risk in the financial system. The foundations have to be very solid before going ahead.

I'd like to remind you that there have been discussions on this for years, at least 6 to 8 years, so another few weeks won't hurt. As we know, a second omnibus financial bill is to be tabled this fall. I believe that it's worth taking the time to do things properly.

**Mr. Gabriel Ste-Marie:** Understood. Thank you.

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

[English]

The time has expired.

We'll go now to MP Davies, please.

**Mr. Don Davies (Vancouver Kingsway, NDP):** Thank you.

At the outset, I would like to note that the witnesses are commenting on an important theme about the problems of omnibus bills and the use of budget bills for omnibus purposes.

Omnibus bills were used extensively by the Conservatives under the Harper government, which brought in very large omnibus bills. This meant the finance committee had to deal with issues on everything from the regulation of waterways to health products. Those issues were not able to go to the right committee, and we couldn't bring in the right stakeholders to fully scrutinize them.

In 2015, I think, the Trudeau government promised it would not use omnibus bills, and here we are today, in 2024, with the same problem. That's an important structural observation that I think needs to be put on the record. Every government of every hue needs to pay heed to this, because it's problematic from a legislative point of view.

Mr. Skelton, I think I got this answer right. I just wanted to ask you if Health Canada consulted with the Canadian Health Food Association or its members on the proposed changes to the Food and Drugs Act in division 31.

**Mr. Aaron Skelton:** No, it did not.

**Mr. Don Davies:** Yesterday at this committee, the associate assistant deputy minister of Health Canada's health products and food branch said that the supplementary rules authority proposed in division 31 is "really for situations in which there's intentional misuse or diversion of a product for use completely outside of health."

I have two quick questions on that. First, does Health Canada not have the power to deal with that situation now? Second, is that how you interpret this section of the legislation?

**Mr. Aaron Skelton:** Thank you for the question.

I will defer to Ms. Gomez.

**Ms. Laura Gomez:** Thank you.

To answer the first part of the question, currently Health Canada does have powers under the licensing for natural health products to include information about the safe use of products. That includes statements such as "for external use only" for a product that is not intended to be ingested or statements for products that should be kept away from children.

On the second part of the question, the interpretation of this section is concerning because of some of the exemptions that have been included in the drafting. While the statements from Health Canada express their intent, that intent isn't written in the legislation itself. The legislation itself is much more broad. It talks generally to unintended use, and then it also allows for an exemption if Health Canada has uncertainty respecting the risk to health and safety about that unintended use. In that case, they can nonetheless still make an order. That takes away a lot of the scientific scrutiny and rigour that would normally be applied to the use of such powers.

**Mr. Don Davies:** Looking at the actual sections of this division, I want to zero in on the test. It says:

Subject to any regulations made under paragraph 30(1)(j.1) and if the Minister believes that the use of a therapeutic product, other than the intended use, may present a risk of injury to health, the Minister may....

Then, of course, it establishes rules on the conditions.

I'm wondering how you feel about the subjective belief test. Do you think that's an appropriate measure to apply to potentially removing products from consumers, or should there be some objective standard imported into that section?

• (1045)

**Ms. Laura Gomez:** Any time there's a subjective provision in legislation, that is problematic, because it is interpreted to be the intent of the legislation to permit someone to make a subjective determination.

In this case, it's particularly concerning because of the exemption for uncertainty. That means that if there is uncertainty as to whether or not there even is a health risk, someone could still make a decision that would have very sweeping powers, such as, in fact, a decision to control or remove a product from the market when that product has already gone through the proper regulatory approval process that is already provided for in the regulations.

**Mr. Don Davies:** Would you support an amendment to the proposed section?

I understand your position is to delete the section. If it were to be there, what if the section were amended to provide a condition of reasonable grounds— for instance, “if the minister believes on reasonable grounds that the therapeutic product”...?

Would that give you more comfort?

**Ms. Laura Gomez:** In that provision, it would, yes.

I also think that the subsection on uncertainty, again, is very problematic, because even if that provision says that there must be reasonable grounds, those reasonable grounds can be based on uncertainty. That uncertainty can mean there is no actual risk to health and safety.

**Mr. Don Davies:** I was speaking this week with traditional Chinese medicine practitioners, who make extensive use of herbal-based compounds. They are also most concerned that these sections are so broadly defined that they could be used to restrict their prescribed treatments.

Have you had any conversations with or input from the traditional Chinese medicine community?

**Mr. Aaron Skelton:** Yes, we have spoken extensively with that community. I think you're representing, similar to our conversations, their deep concern. I think providers of any class of products that are based on such a traditional modality in application and base of use would see these as particularly troubling.

**Mr. Don Davies:** In listening to media and listening to Health Canada yesterday, it appears that Health Canada really wants to get at two things. One is that they want to get at the use of nicotine pouches and the misuse by the tobacco industry. Instead of using them for smoking cessation, they are sort of marketing them or allowing them to be sold to children or young people for recreational use. The second thing is when we had the shortage of infant formula and, I think, of children's pain medication as well.

Would you support targeted amendments to legislation—of course it shouldn't be in a budget bill—that actually speak to those specific situations, as opposed to a broad power that appears to be able to be used against any product in any circumstance under subjective belief and without even requiring certainty?

**Mr. Aaron Skelton:** Yes, I think we would support precision regulation that is directed specifically at the issues.

Again, our concern here is the broad, sweeping powers that are particularly apt to be used in a way that is not appropriate. There are methods and ways to adapt the current regulations to target those issues that you highlighted, and we would be supportive of that.

**Mr. Don Davies:** Mr. Chair, how am I doing?

**The Chair:** That's the time, actually. We've gone over.

We are into our second round. Because we don't have enough time for a full second round, we'll have about three to four minutes for each party to ask questions.

We're starting with MP Morantz for three to four minutes.

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

Mr. Skelton, I want to bring this back to what the direct effect might be on consumers, because we haven't talked about that.

Let's presume that this regulation comes into effect exactly as it is, which is something that you don't want to see. Somebody goes into a store after that to pick up their regular monthly bottle of vitamin C. Maybe they pay something like \$10 for it now. What will all the licensing fees that have to be paid on an annual basis do to the cost of that product?

**Mr. Aaron Skelton:** Not particular to Bill C-69, but in a similar vein to an unchecked ministerial power, that's what we're seeing on cost recovery. I'd comment that through our analysis, we've seen that the impact of several of these regulatory and legislative updates is that at a minimum, one in five of these Canadian brands is looking to exit the country. It's going to reduce the number of Canadian-produced and Canadian-regulated products that are available.

The companies that do remain are going to be reducing the assortment of products, because they just won't be financially viable anymore. The selection of products will be reduced for Canadians. The products that remain will have an increased cost burden that will be extremely different from products in other countries. We'll see an increase in cost of those that remain. Therefore, there will be less Canadian compliance, less assortment and increased costs for those that do remain.

● (1050)

**Mr. Marty Morantz:** Someone could walk into the store—let's say it's cold and flu season, and echinacea works for them—and find out that echinacea is no longer available, for example.

**Mr. Aaron Skelton:** They may find some of those products unavailable. Those that remain could be impacted by upwards of 20% to 40% on the shelf.

**Mr. Marty Morantz:** What's the reason for this legislation? How much in fees and revenues does the government expect to collect, assuming that this legislation comes into place?

**Mr. Aaron Skelton:** The cost-recovery proposal is estimated at about \$51 million, which is a complete recovery of the existing budget. That's what the cost-recovery plan has been based on.

**Mr. Marty Morantz:** This year the entire federal budget has just reached \$500 billion for the first time. I haven't done the math yet, but \$50 million is like a rounding error for the government, and the inconvenience it causes to consumers would be huge. Am I correct in that assessment?

**Mr. Aaron Skelton:** Yes, I think that's a fair assessment. The budget that Canada uses to regulate natural health products is the largest budget anywhere in the developed world to manage natural health products. We already have the largest bureaucracy overseeing the regulation of natural health products.

**Mr. Marty Morantz:** The result of this will be \$50 million to the federal government, less product availability for consumers and higher cost to consumers for the products that remain.

**Mr. Aaron Skelton:** I think that's a fair conclusion.

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

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

MP Thompson, go ahead, please.

**Ms. Joanne Thompson (St. John's East, Lib.):** I believe that my colleague is before me.

**The Chair:** Yes, we have PS Turnbull.

**Mr. Ryan Turnbull (Whitby, Lib.):** Thanks very much.

Mr. Gratton, I'm going to ask you a couple of questions with my limited time. I think I have about four minutes. Is that what you said?

**The Chair:** You have three to four minutes.

**Mr. Ryan Turnbull:** I want to ask you about the indigenous loan guarantee program, because I think that this is going to make a significant contribution toward ensuring that first nations, who have often been kind of sidelined when it comes to natural resources and natural resource projects, specifically in the mining sector. They haven't been able to get access to competitively priced capital to participate in those projects in a meaningful way that achieves economic returns for their community members.

Can you speak to how the indigenous loan program included in budget 2024 will further encourage, enable and support that participation in the mining industry?

**Mr. Pierre Gratton:** In my time-limited remarks, I focused on two other issues, but certainly the indigenous loan guarantee program or fund is something that we strongly support and encourage the government to proceed with.

I would, though, like to challenge your preamble a little bit. Participation of indigenous peoples in the mining sector, including in business procurement, is extensive already. I could take the example of Voisey's Bay, where I think 90% of all procurement is with indigenous-owned businesses. It's huge in the territories, at 30% or 40%. There's a lot of participation in mining, but there could be more—

**Mr. Ryan Turnbull:** I don't mean to be disrespectful, but I have limited time, and I do have another question for you.

In terms of equity, ownership and shares in those projects, I'm sure that we can all agree that first nations haven't been able to par-

ticipate to the same degree that they can participate now, with this indigenous loan program in place.

**Mr. Pierre Gratton:** That is true, and that is a welcome development.

I'd also emphasize what we like about the program. It's not just exclusively the opportunity to become part owners in mines but also all of the ancillary activities, whether it's a power line or a road. There's lots that goes into the building of a mine that they can have a direct stake in through this program, and that's a very positive development.

● (1055)

**Mr. Ryan Turnbull:** Thank you.

I want to ask you another question. It's a bit of an aside, but I'm contemplating how we can link programs like the initiative for responsible mining assurance. Are you aware of that program? It's an international one that looks to certify socially and environmentally responsible mining projects.

How many projects in Canada would qualify for the IRMA currently?

**Mr. Pierre Gratton:** Zero, because in Canada we have another program, called Towards Sustainable Mining, that was developed by our association. It's a condition of membership and is applied at all of our member mine sites in Canada and many around the world. It is the largest sustainability initiative in mining in terms of its application globally. We have 12 other countries in the world that are currently applying that standard.

**Mr. Ryan Turnbull:** Okay.

There are two investment tax credits in this bill that apply to the extractives industry mining projects in general. There's the clean tech manufacturing tax credit and there's the mineral exploration tax credit, the METC.

Both of those, I would assume, are welcome developments, notwithstanding some of your comments at the beginning about some design issues that you have with those perhaps being worked out. Do you see those tax credits as positive developments in budget 2024, enhancing not only mining exploration but also the development of new mining projects in Canada?

**Mr. Pierre Gratton:** The clean technology manufacturing tax credit is definitely a welcome development. It addresses a gap in the value chain that existed within the critical minerals strategy, so it certainly will help to support new mining development, and we applaud it. We do think it needs to go further in terms of what it applies to.

The METC has been around for 20-odd years. The government renewed it in March, but this year's budget, from what I can gather, actually inadvertently put a spike through it, and that needs to be fixed.

**The Chair:** Thank you, Mr. Turnbull. That is your time.

We'll now go to MP Ste-Marie, please.

[Translation]

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

I would first like to comment on the portion of the bill that addresses the open banking system. What we're seeing yet again is Canada's finance department introducing a system that benefits Bay Street and its major banks at the expense of credit unions, *caisses populaires*, and all provincially-based financial institutions. Am I surprised? No. I've sat for too long on this committee to be surprised. Nonetheless, I find it unacceptable.

Mr. Brun, would recognizing the provincial frameworks provide equity and consistency for all consumers in Canada?

**Mr. Bernard Brun:** Yes it would. That's more or less part of the solution.

The minister appeared before your committee, and also in the Senate. I recall that there was considerable emphasis on having a consistent experience for all consumers. That brings us back to the fact that harmonization with the provincial frameworks is essential to avoid duplication and to provide a consistent experience for everyone.

**Mr. Gabriel Ste-Marie:** As you said, everyone has to be on the same starting line, but under the proposed framework, the major Bay Street banks have a long head start, with institutions like yours and the credit unions starting from farther back with their shoelaces untied. That's not even close to a consistent experience and reciprocity between the standards.

Are there any other points you'd like to bring to our attention?

**Mr. Bernard Brun:** Yes. Thank you very much for giving me the opportunity to explain in further detail.

As I mentioned earlier, open banking services and increased competitiveness are issues that have been around for years. It's important not to lose sight of this goal, which is to offer more services. That's why I've been talking at length about the importance of a solid foundation to ensure that financial institutions can all begin to expand at the same time.

We are now talking about consumer-driven banking, but we'll soon be talking about payment information and initiation. It's clear that services are going to be extended to the insurance sector. Having a solid base that enables institutions to develop is the only way to ensure success.

• (1100)

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

Mr. Chair, I don't think Mr. Sorbara can hear us, because his microphone is still on.

[English]

**The Chair:** MP Sorbara, could you check that your microphone is on mute?

You may continue for another question, MP Ste-Marie.

[Translation]

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

I was very surprised when I found out that the Financial Consumer Agency of Canada had been chosen to handle the framework. To my knowledge, it's not a very large organization, and its commissioner is there on an interim basis. Not only that, but the agency's activities mainly pertain to education.

Do you have concerns about this organization's regulatory capability? You mentioned that earlier. Does this agency have the required expertise to manage the risks involved in security, cybersecurity and data management?

**Mr. Bernard Brun:** That's an extremely important question, because what's at stake is the stability of the financial sector. We are limited in Canada; the fact that there might be slightly fewer players in banking contributes significantly to stability. Though the aim now is to open up the banking system, it shouldn't be done at the expense of the system's security and stability.

I have to admit that we too were very surprised by the choice of this agency. There's been talk of an open banking system or open financial services for years now. But no one has ever thought that these supervisory powers would be entrusted to a federal consumer agency that has never managed data and has no expertise in that area. It has told us that it would develop this expertise, but just imagine the complexity of the issue, the rigour required, and the attendant exposure to risks? We have serious doubts about this decision.

The major problem is that it sends out a peculiar signal given that consumer protection is, of course, an area of provincial jurisdiction.

So the problem we are facing is twofold: on the one hand expertise needs to be developed, and on the other, federal-provincial harmonization needs to be established in a consistent manner in order to get all the parties to buy in.

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

**Mr. Bernard Brun:** Thank you.

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

[English]

Our final questioner for this panel will be MP Davies. You have three to four minutes.

**Mr. Don Davies:** Thank you.

Mr. Skelton, we've touched on this a bit. I want to be clear: Canadians are currently permitted to bring a personal-use quantity of a natural health product into the country without requiring special licences for the import. They often do that over the Internet, with Amazon delivering that sort of thing.

Do you expect that consumers will be more likely to import products from foreign jurisdictions if the regulatory changes proposed by Health Canada go through in this budget?

**Mr. Aaron Skelton:** I do think it's a reasonable assumption that in the current economic environment, Canadians will seek to use the Internet, given that the impacts of the changes will be less choice and increased costs. It is the modern age. People are seeking information on the products they buy, the products themselves. Our concern is that without addressing that import piece, we'll be leaving Canadians to procure products that don't have the regular oversight that Canadian-made and Canadian-licensed products have.

**Mr. Don Davies:** Thanks.

Ms. Gomez, you touched on this point as well. Besides the three major provisions, which would give the minister—if he has the subjective belief that there's a problem with off-label use or with products that are approved for use for animals being used for humans—the ability to exempt products completely, there is this section that says, “The Minister may make the order despite any uncertainty respecting the risk of adverse effects that the use of the drug, including a use other than the intended use, may present.”

What kind of test or provision would you prefer or suggest should be in legislation like this, or do you think that this uncertainty test is appropriate?

**Ms. Laura Gomez:** The uncertainty test is extremely broad, and it avoids the scientific rigour that is already in place for products that are licensed in Canada through the health regulatory-making process.

For that standard, the similar standard that would be appropriate would be for the other powers that are already in the Food and Drugs Act: that there is a “serious or imminent” health risk, that there is a “risk of injury to...health”, or that it may have a “risk of injury to...health”. That drafting is reasonable, and there may be stakeholders and other parties that are concerned about that from past experience.

However, I think the addition of this uncertainty clause really takes away from the basic requirement that there be an actual risk to health and safety before the minister can take action to remove a product from the market or make other changes.

• (1105)

**Mr. Don Davies:** Thank you.

Mr. Brun, as you pointed out, the government wants the Financial Consumer Agency of Canada to be the body that implements the open banking provisions. The U.K. created a fit-for-purpose entity called the Open Banking Implementation Entity, and I've spoken to some stakeholders in the industry who believe it's more appropriate to have a fit-for-purpose entity created to implement open banking provisions. Is that something that you would support?

[*Translation*]

**Mr. Bernard Brun:** Thank you for the question.

[*English*]

In fact, yes, it's absolutely something that we would support, because open banking is clearly quite transversal and covers a lot, and it's hard to make it fit.

Clearly, the government looked around at what was already in place and what was available to host that, but I think it's not neces-

sarily the best way. Your suggestion absolutely provides that the federal government and the provincial regulators could step in and pitch in at the same time. It's the way to go.

**The Chair:** That is the time. Thank you, MP Davies. I know it goes fast.

We want to thank our witnesses for joining us here in Ottawa. It's a beautiful Friday morning. Thank you for coming before us on Bill C-69. We really appreciate your testimony. We wish you the best for the rest of the day. Thank you very much.

On that, we're suspended, members, as we transition to our second panel.

• (1105) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1110)

**The Chair:** Members, we're back.

We have our second panel with us now, and we're looking forward to hearing from them.

With us we have the Canadian Teachers' Federation and its president, Heidi Yetman. Welcome, Ms. Yetman.

From the Financial Consumer Agency of Canada, we have with us the deputy commissioner for supervision and enforcement, Frank Lofranco. We also have the deputy commissioner for research, policy and education, Supriya Syal, and the interim commissioner and chief financial officer and assistant commissioner of corporate services, Werner Liedtke.

Our third witness group here is from the University of Ottawa. We have Stewart Elgie, professor in the faculty of law. Welcome, Professor Elgie.

On that, we are going to start with the Canadian Teachers' Federation and its president, Ms. Yetman, please.

**Ms. Heidi Yetman (President, Canadian Teachers' Federation):** Thank you very much.

Good morning, everybody. Good morning, Mr. Chair.

Thanks for having the Canadian Teachers' Federation here to speak to Bill C-69 and bring the perspective of teachers in Canada to the study of the legislation.

The federation is an organization that represents over 365,000 K-to-12 public education teachers and education workers in Canada. We proudly represent members in every province and territory.

I'm here to speak to the positive things for education in Bill C-69.

As the cost of living crisis continues to hit Canadians hard, teachers and their families are no different. That's why, when we met the Minister of Finance earlier this year to discuss issues of affordability and cost-saving measures that would benefit teachers and their families, we had three clear asks. These were the creation of a national school food program, federal loan forgiveness for teachers and more resources for mental health.

The pandemic has negatively impacted the mental health of students and young people, and students' academic success is linked to their well-being. This budget has more resources dedicated to addressing mental health concerns within youth communities in Canada. We know that sadly, mental health is becoming a more prevalent cost for families. We called on the federal government to find a way to make sure the government seeks to alleviate barriers to mental health supports, especially for those who find them inaccessible. We are pleased to see that the government pledged \$500 million over five years for a new youth mental health fund designed to help younger Canadians access health care.

With student mental health issues on the rise, classrooms are becoming more complex. As a result, working conditions are deteriorating. Consequently, teachers are leaving the profession. In addition, student populations are growing and, unfortunately, fewer people are enrolling in education faculties and universities. This has resulted in a retention and recruitment crisis in education in this country, especially in remote and rural communities.

The federation pointed out a way that the federal government could make entering teaching a more enticing and viable career path by using loan forgiveness. This initiative would mean the loan forgiveness of thousands of dollars for teachers in communities that already have a difficult time recruiting. I cannot state strongly enough how significant an investment this is into public education and into making the lives of teachers and their families more affordable.

Did you know that in 2022, one in four Canadian children were food insecure in Canada? That really is something, if you think about it.

We asked for the creation of a national food program, which is a program that we have long called for and felt was long overdue. After a decade of advocacy, we are thrilled and relieved to hear the announcement of an investment of \$1 billion over five years.

This is wonderful news for us and many other organizations that have advocated a food school program for years. Taking pressure off parents and families by providing nutritious meals for school-aged children at school is something that Canada, collectively, should be excited and proud about. This will have a life-changing impact on the lives of children and families living in Canada. Putting food on the lunchroom table at school will improve student physical and mental health, improve their ability to fully participate in their education and improve relationships at school. Research shows that universal food programs provide a 2.5 to 7 times return in human health and economic benefits.

I'm really pleased that Bill C-69 has made investments into each of these three key areas that will have an impact on education. Edu-

cation is the foundation of a healthy and prosperous society. Spending money on education and youth is not a cost; it's an investment.

Thank you very much.

• (1115)

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

Now we'll hear from the Financial Consumer Agency of Canada. I believe Mr. Liedtke will be delivering remarks.

[*Translation*]

**Mr. Werner Liedtke (Interim Commissioner, Chief Financial Officer and Assistant Commissioner, Corporate Services, Financial Consumer Agency of Canada):** Thank you, Mr. Chair.

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

My name is Werner Liedtke. I am the Interim Commissioner of the Financial Consumer Agency of Canada, or FCAC. I am joined by Frank Lofranco, Deputy Commissioner, Supervision and Enforcement, and Dr. Supriya Syal, Deputy Commissioner, Research, Policy and Education.

FCAC is an independent federal agency that protects the rights and interests of consumers of financial products and services.

At FCAC, we are happy that the financial well-being of Canadians is such an important part of Budget 2024.

Budget 2024 contains several important initiatives of note for our agency, including a new role and an expanded mandate to oversee, administer, and enforce Canada's Consumer-Driven Banking Framework. FCAC is a leader and innovator in financial consumer protection and is well positioned to take on this new responsibility.

• (1120)

[*English*]

We are working closely with the Department of Finance to advance the consumer-driven banking framework, which prioritizes innovation and includes strong and consistent protections for Canadians who will use consumer-driven banking. The new framework is guided by three objectives: safety and soundness; protecting the financial well-being of Canadians; and advancing economic growth and international competitiveness.

While the Department of Finance leads on policy and legislative or regulatory development for this framework, budget 2024 proposes providing \$1 million in 2024-25 to FCAC to support preparation for its new responsibilities. This funding in the budget will also allow us to prepare for a consumer awareness campaign.

Over the coming months, we will support the Department of Finance in its engagement with the financial sector and other stakeholders on the development of the remaining elements of the consumer-driven banking framework. FCAC has deep operational knowledge of how the banking industry in Canada functions through our work as an industry regulator.

Consumer-driven banking complements existing financial services. FCAC's suitability for oversight of consumer-driven banking also extends from our knowledge of consumer trends and issues, and from our long-standing consumer education mandate.

We conduct research to better understand consumer needs and behaviour, including how financial decisions are made. We also collaborate with organizations across the financial ecosystem, including financial service providers, consumer advocacy groups and provincial and territorial regulators. These factors position the agency to effectively protect consumers while overseeing an innovative and competitive framework that benefits all parties.

Budget 2024 also includes other initiatives to benefit and protect consumers, such as the low-cost or no-cost bank account commitment originally announced in 2014. FCAC is working with banks to update this commitment and expand the features of low-cost accounts to reflect modern banking, and expand the accessibility of no-cost accounts to more Canadians. Our work to update the commitment is another example of how our understanding of consumer needs complements our regulatory mandate.

I will end there. I look forward to your questions.

Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. Liedtke. I'm sure there will be many questions.

We're now going to hear from Professor Elgie of the University of Ottawa.

[*Translation*]

**Prof. Stewart Elgie (Professor, Faculty of Law, University of Ottawa):** Thank you very much, Mr. Chair.

Good morning, everyone.

I'm here today to discuss the Impact Assessment Act and the need to address the matter of trans-border environmental impacts.

I'm going to give my statement in English, but I can answer any questions you may have in French if you wish.

[*English*]

I'll start by saying that, as a parent, I agree with everything Ms. Yetman said. That's the end of my expertise on that subject matter.

I do have a bit of expertise, though, on the environment and the Constitution. I teach it and research it. On the side, I've litigated all the major cases in the Supreme Court of Canada since 1990 on the

issue, except for the last one, where the court struck down the Impact Assessment Act. We were in France that year. I've also been involved in the development of every environmental impact assessment bill since 1992. I'm proud to say that the first one was introduced by the Conservatives and has enjoyed support by all parties in the House ever since then, for the last 30-plus years.

For today, I'm going to focus on the changes brought in to address the Supreme Court's decision. That's the purpose of the revisions in this bill. You have slides from me, by the way. If you don't like what I'm saying, there's a small slide deck in English and French that you can follow along.

The court really did two major things, but I'll only talk about one of them. The first thing they talked about was distinguishing between federal projects and provincial projects. The act more or less has that right. The second thing the court said was about making sure that assessments involve only "effects within federal jurisdiction". That's the defined term in the act.

The court said that the definition was a little bit too broad and it needed to be tightened up. In particular, the court said that the federal government does not have jurisdiction over all aspects of cross-border environmental harm, such as greenhouse gas emissions. It doesn't have comprehensive authority over everything. It focused on saying that the act should limit itself to things that cause "significant...effects within federal jurisdiction" for cross-border impacts.

In the slides, which you can look at later, I've set out how this act defines "effects within federal jurisdiction" and compared it with the previous bill, which was the way the Harper government defined it in 2012. You may find it surprising that the Harper government defined it more broadly. In addition to fish and federal lands and migratory birds, which everyone agrees on, the previous version said that all cross-border pollution, everything that crosses a provincial or national border, is a federal matter, which intuitively makes sense.

This bill has narrowed that to just cross-border water pollution and marine pollution. It's just those two. It's gone far further than the court required by doing that. In effect, it's abandoned long-standing federal authority over cross-border environmental effects except in regard to water. As you will know, a core responsibility of the federal government is to deal with pollution problems that don't respect borders, that affect other provinces and other countries. If they didn't have that, it would undermine the ability of provinces to protect their own environment from upstream or upwind pollution.



I won't get into an in-depth lecture on constitutional law in two minutes and 30 seconds, but let me just say this: There is clear constitutional authority, recognized by the Supreme Court, to address international and cross-border environmental effects. The Supreme Court of Canada in 1997, in upholding the Canadian Environmental Protection Act, said the federal government can regulate pollution that causes “serious harm” and “move[s] across interprovincial or international borders”.

In upholding the Greenhouse Gas Pollution Pricing Act in 2021, the court again said that Parliament may regulate over “serious extraprovincial harm” to the environment. In fact, Canada signed a treaty more than 30 years ago legally requiring it to do environmental assessments of any activity that may cause significant transboundary environmental harm. That's a treaty obligation and an international law obligation.

When I read the amendments, I was surprised to see that the act would cover cross-border water pollution but not cross-border air pollution. It seemed a little bit absurd, to be honest. Parliament has been legislating over cross-border air pollution since 1971. It's been regulating over greenhouse gases since 2010. Those regulations were brought in by the Harper government, and then again in 2012. They've been operating in this area for over 30 years.

I can't explain why such a cautious approach was taken, but it really leaves the Government of Canada unable to deal with a problem that can only be addressed at a federal level, which is pollution problems that move across national or provincial borders.

If you need any convincing, on the last slide I've given you some quick summaries of why cross-border air pollution is a big deal. There are 15,300 premature deaths each year in Canada from air pollution. The economic cost is \$114 billion.

That's it.

• (1125)

[*Translation*]

Thank you very much.

[*English*]

**The Chair:** Thank you very much, Professor Elgie. I'm sure there will be many questions, which we will begin right now.

For the first round, each party will have up to six minutes to ask the witnesses questions.

MP Williams, you have the first six minutes, please.

**Mr. Ryan Williams (Bay of Quinte, CPC):** Thank you, Mr. Chair.

Good morning to everyone in Ottawa.

Mr. Liedtke, I'll start with you, sir, if I can. I'd like to talk about open banking. Canadians have been waiting with bated breath to see legislation for open banking. They want to see open banking implemented, and alongside it instant payments. We have some reports that CEBR says the delay from instant payments is costing the GDP up to 2.7% a year. That would be almost \$500 million or a little bit more than that.

I'll start with the government's conversations with you. Congratulations on being named the regulator.

What is the timeline the government is giving you, the clear timeline, for the implementation of open banking in Canada—or have they given you one yet?

**Mr. Werner Liedtke:** Thank you for the question.

We don't have a full timeline at this time. What we are looking at is that the legislation asked us to commence the preparation of our regulatory activities, which we're in the process of doing. That's what we'll use the million dollars in the budget to do.

We're supporting the Department of Finance from a policy perspective and a research perspective as they continue the development of the legislation, which will include those full timelines.

**Mr. Ryan Williams:** Just to give everyone at home a clearer lens, you've always been more involved with consumer regulation. You'll be doing the same consumer regulation. Something that open consumer-led banking is going to implement as well, though, is B2B, which is business-to-business.

How do you intend to look at business-to-business and shift gears—it's not just the consumer—and what are you specifically looking at to take care of those concerns from businesses?

• (1130)

**Mr. Werner Liedtke:** We actually see business-to-business being a nexus to the financial consumer as well, because one of the benefits of consumer-driven banking is that consumers will have a safe and secure way to have their data transferred. As we create a framework that allows business-to-business to share the data, they'll become accredited. By default, by addressing their issues, we will be protecting financial consumers at the same time.

To answer to your specific details of how we're going to engage the business-to-business, that's still to be developed as the next part of the framework.

**Mr. Ryan Williams:** How long do you see that implementation being? Will you have any consultations with business groups? Are there going to be any consultations at all on the business side?

**Mr. Werner Liedtke:** The next phase is to continue with the elements of identifying the accreditation standards, the liability issues of privacy and the security issues. We will be supporting the Department of Finance in these consultations with industries and applicable stakeholders.

**Mr. Ryan Williams:** Do you support amendments that allow us to look at business-to-business as part of what the regulation should look like?

**Mr. Werner Liedtke:** It's too early in that stage.... I need to see the rest of the legislation on how that will impact. I don't have insight into what that will be in order to give you an opinion on that.

**Mr. Ryan Williams:** Okay. Thank you.

Speaking of its being early right now, we've started to see the implementation of the administrative monetary penalties, AMPs, within the bill, with maximum penalties of up to \$10 million for violations by registered entities. That's more than some fintechs have in total revenue for a year.

I'm wondering why we have these AMPs being introduced prior to the legislation being introduced by the government. Would you support that perhaps we should see these AMPs removed until the legislation is presented...?

**Mr. Werner Liedtke:** My understanding is that there's a large part of the AMP section that is just to have penalties that are very similar to the Bank Act's, especially for companies that are misrepresenting themselves. I think there is an advantage to protecting financial consumers by having these potential penalties at the outset to ensure there's proper behaviour.

**Mr. Ryan Williams:** Are you aware that some of these AMPs are larger than the AMPs for FINTRAC, so that, for some companies that actually perform fraud, these are higher penalties?

**Mr. Werner Liedtke:** I wasn't aware of that, but certainly the Department of Finance would have done their studies to determine the appropriateness of the AMPs.

**Mr. Ryan Williams:** Given that in your opening round you said that FCAC is playing such an important part—and we agree that we need regulation and we need to get open banking going—is the \$1 million allocated to your organization really testament to playing such an important part in this regulation in this first phase of study?

Just to compare, the U.K.'s open banking implementation entity, which is OBIE, was established, and they were funded with 60 billion pounds to start the same phase. Do you think that being provided only \$1 million is enough?

**Mr. Werner Liedtke:** The million dollars we're receiving is just for the remaining of this fiscal year in order to do the preparatory work that we're going to do between now and the end of March. We will go back to the government in the fall to put in a full funding request for what we will need for our structure and our consumer awareness campaign and what the cost will be to sustain this operation. The million dollars is just for the next nine or 10 months or so.

**Mr. Ryan Williams:** There have been reports.... This government keeps promising industry that it will have legislation implemented as soon as it can. It keeps kicking it down the line. Do you see this legislation coming in fall 2024?

**Mr. Werner Liedtke:** I don't have insight into the full legislative calendar. That would be under the responsibility of the Department of Finance.

**Mr. Ryan Williams:** Thank you.

Mr. Chair, do I have any time left?

**The Chair:** That's the time, but thank you.

Now we'll go to MP Thompson for the next six minutes.

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

Welcome to the witnesses.

I need to start with you, Ms. Yetman.

Thank you for your comments; it's really nice to hear the positive. I quite agree with you that the attention on teachers is incredibly important. I thank you again for the link to food insecurity and the importance of the school lunch program.

In my province, in conversations that I'm having within the community, there is tremendous support for this and for the need to ensure that we have a cultural lens on how we present the program so that rural communities are very much part of this program and it doesn't just end up in urban areas—which is clearly where we've had more strength in programs in the past—but is about every child. I look forward to working through that going forward.

Even though my children are outside of the school system now, the shortages of teachers have been coming for quite a period of time. There's no doubt that rural communities see this more intensely than urban areas. There was the pandemic with the challenges of switching to remote learning, although I do think that what happened was phenomenal. Educators stepped up and really did so much to try to ensure that the children moved forward in their educations.

We saw a significant number of senior educators leave, which has just exacerbated the problem. Again, to your point, loan forgiveness is a really helpful way to encourage young educators to move to rural areas and begin to address the challenge. Would you comment on that and what you're hearing from teachers across the country?

Certainly, please give any additional comments you have on this and what we need to do moving forward to ensure that we really mitigate the shortage as much as we possibly can in the short term and build strengths going forward, so we don't end up in this place again.

• (1135)

**Ms. Heidi Yetman:** As you know, education is a provincial jurisdiction, and one of the things that has been happening over the last 10 to 20 years is systemic underfunding of education, unfortunately. That systemic underfunding has created, like I said in my opening statement, fewer resources for students and much more difficult working conditions.

If we look to the north, I was really lucky. I got to visit Nunavut this year to talk to the teachers up there. Teachers in the south, if you would like to call that the south, when there were no jobs in the south, would move up to the north. Some of them stayed because the north is quite an interesting place to work and an interesting place to live, like the Yukon and Northwest Territories. Now not as many people are going up north, and the reason is.... You just have to look across the country. In the fall of 2023, Quebec announced 8,500 teachers missing from the system.

In Ontario, for example, there are about 37,000 teachers who are part of the College of Teachers, but they're not in classrooms. Where have they gone? During the pandemic, as you said, teachers realized that they could do other things. They started exploring other job opportunities that were perhaps less stressful, and they didn't have to bring as much work home on the weekends and in the evenings, etc.

We are seeing a retention and recruitment crisis across Canada, and it's going to get worse because retirements are going to start going up. That's why the loan forgiveness program for the north is really important. If we want to attract teachers to the north, it's no longer what it was before where there were no jobs, and let's go to the north and see. I met teachers up there from Newfoundland and New Brunswick who have stayed their entire career up there. They went there as young teachers because there were no jobs in the south, and they stayed up there.

It's a really important little piece. I know that loan forgiveness is already there for nurses and doctors for that same reason, to gravitate people to remote communities and rural communities. Yes, unfortunately, education in this country is going through a bit of a crisis right now. These three things that I talked about—mental health, loan forgiveness and the universal school food program—are all going to be very helpful.

Even just speaking about the universal school food program, we know that classrooms are becoming more and more violent, unfortunately. Believe it or not, they are the little ones in kindergarten and grade one who lost two years of socialization. There was research in Toronto that showed that a food program brought down violence in schools. I think this is going to be good for classroom complexity as well.

I could go on. I like to talk.

• (1140)

**Ms. Joanne Thompson:** No, that's wonderful.

I have friends who went to the north for a year when they graduated and they're still there, to your point.

I want to touch on the students. They were absolutely impacted by shortages and I agree with you on the pandemic. I can't begin to imagine how difficult it is for students to have lost those couple of years, especially the little ones, but I think it's all the way through.

I agree that nutrition makes a difference. It makes a difference in someone's ability to just have attention, but also on behaviour.

I also want to link in the supports that we're talking about, certainly in government, around mental health, drug use and the role that teachers play in being able to detect when a child... I understand it's often in elementary when a child begins to disengage and there's that separation from focus and attention. Then they become incredibly vulnerable to outside influences and to becoming part of drug usage. It's very early when that happens.

How can we support educators so that we work across departments and, together, have eyes on young people to really assist in all ways to keep them focused and in the school system?

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

You'll have to hold on to that because we're well over time. Maybe you can get to that answer in the second round.

We are going now to MP Ste-Marie, please.

[*Translation*]

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

I'd like to welcome all the witnesses and thank them for their testimony.

Professor Elgie, I really appreciated some of the points you raised. Amendments to that effect will certainly come up in the course of the debates that will be held during the clause-by-clause study of the bill.

My speaking time is limited and I'd like to ask the FCAC representatives some questions.

Mr. Liedtke, thank you for being here with some members of your team.

First of all, can you tell me how the decision to entrust your organization with responsibility for the framework on consumer-driven banking services came about?

**Mr. Werner Liedtke:** Thank you for the question.

[*English*]

The decision came from government. The Minister of Finance and the Department of Finance chose us to be the regulator.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Okay, thank you very much.

We all know that the sharing of financial data involves serious cybersecurity risks. What expertise does FCAC have in this area?

**Mr. Werner Liedtke:** Thank you for the question.

[*English*]

Currently, we don't have a lot of experience in cybersecurity ourselves, but certainly we will be developing that as part of our regulatory function and through the accreditation process.

Right now, if there are any cybersecurity issues within the financial system, OSFI plays a role in that and we participate as a financial partner.

[*Translation*]

**Mr. Gabriel Ste-Marie:** Given that financial technology companies are not banks, they are not subject to federal authority. To your knowledge, did the government obtain agreement from the provinces, and particularly from Quebec, which has its own statutes under the Civil Code, before tabling this bill?

**Mr. Werner Liedtke:** Thank you for the question.

[*English*]

Currently, under the framework, the provincially regulated entities can opt in. They're not subject to our own market conduct activities.

That's why we're creating a completely new entity under the senior deputy commissioner for consumer-driven banking. It's to have that separation from our normal market conduct. They will still be under the jurisdiction of the provinces, but the very specific details with the provinces and the agreements are still being negotiated by the Department of Finance.

[Translation]

**Mr. Gabriel Ste-Marie:** I was, of course, talking about financial technology companies and not financial institutions subject to provincial regulation, but I'll move on to that now.

Some officials briefed us on the notice of ways and means with respect to this bill. My understanding is that if a financial institution subject to provincial regulation wishes to adopt the open banking system, it would have to adhere to the federal framework. To do so, the province would have to give its consent and waive its own framework for the activity linked to the open banking system.

Is that your understanding of the situation?

• (1145)

**Mr. Werner Liedtke:** Thank you for the question.

[English]

What I meant to say was that the collaboration that is now taking place for the next stage of accreditation is taking place with the provinces and the Department of Finance to identify the specific rules for all enterprises that are going to be engaging in the framework. That collaboration and consultation is commencing now.

[Translation]

**Mr. Gabriel Ste-Marie:** Thank you for your clear reply.

So the government is providing a strictly federal framework, which would lead the provinces to waive some parts of their areas of jurisdiction. Moreover, the consultations have only just begun. So the work hasn't been done upstream and that's causing serious problems.

Can you tell us, on the basis of the framework presented here, which provincial statutes would have to give way to the federal legislation?

**Mr. Werner Liedtke:** Thank you for the question.

[English]

The issue of the provincial-federal relations is under the purview of the Department of Finance, so I would defer that question to them.

[Translation]

**Mr. Gabriel Ste-Marie:** Okay. Thank you.

Can you tell me who would handle the certification of technology companies? Would it be you, the federal government, or provincial regulatory organizations like the Autorité des marchés financiers?

**Mr. Werner Liedtke:** Thank you for the question.

[English]

The specific issues of accreditation are still being finalized, and the consultations are taking place with the provinces. Our expectation, based on the current framework that was published, was that we would be the accreditation authority, including those entities that opt in.

[Translation]

**Mr. Gabriel Ste-Marie:** Will Quebec's Consumer Protection Act be applicable to open banking system activities?

**Mr. Werner Liedtke:** Thank you for the question.

[English]

Once again, that continues to be part of the ongoing consultations that are taking place between the Department of Finance and the provinces, so those decisions haven't been made available to us.

[Translation]

**Mr. Gabriel Ste-Marie:** In cases of fraud or damages, will it be possible to bring a lawsuit or a class-action suit against a financial technology company under the Civil Code or Quebec's Consumer Protection Act?

**Mr. Werner Liedtke:** Thank you for the question.

[English]

Once again, those details of the policies and the legislation are under the purview of the Department of Finance.

[Translation]

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

Mr. Chair, do I still have some speaking time left?

[English]

**The Chair:** We are out of time, but thank you, MP Ste-Marie.

Now we will go to MP Davies for the next six minutes.

**Mr. Don Davies:** Thank you.

Professor Elgie, what specific constitutional powers allow the federal government to regulate greenhouse gas emissions?

**Prof. Stewart Elgie:** There are a number of different ones. One of the two main ones would be the power over matters of criminal law, and that's what underlies the Canadian Environmental Protection Act. Most of the climate regulations that have come in have been brought in under the criminal law power, including back in the Harper years.

As of the 2021 decision on the Greenhouse Gas Pollution Pricing Act, the federal government also has some authority under the "Peace, Order, and good Government" power of the Constitution—and that's the one I'm speaking mainly to for this act—particularly, as the court said, to deal with "serious" cross-border pollution. That's the main authority that arises under peace, order and good government. I would add I've been speaking with a number of constitutional law professors and experts, and there's general agreement on that point.

**Mr. Don Davies:** Thank you.

You wrote in an op-ed last October the following:

Over the past few days, the Alberta and Saskatchewan premiers and some western leaders have gleefully declared that the Supreme Court of Canada's recent decision about the federal Impact Assessment Act...has curtailed federal power to regulate greenhouse gas emissions.

In fact, the court did no such thing.

In your view, why are the Alberta and Saskatchewan premiers incorrect to suggest that decision “curtailed federal power to regulate greenhouse gas emissions”?

• (1150)

**Prof. Stewart Elgie:** I don't want to disagree with what I said in the op-ed. I'll try to remember.

Really, it goes to the two powers. In terms of the criminal law power, which is the basis of most federal climate regulation, the court didn't deal with that power at all. In fact, it reiterated 30 years of constitutional jurisprudence, underscoring the fact the federal government has broad authority over the environment, particularly over cross-border matters. That was the purpose of that op-ed: to say the foundation of federal authority over climate, and the environment in general, is still strong.

However, as I said, the Supreme Court two years ago reiterated and upheld the federal carbon pricing law and specifically said the federal government has authority over serious pollution problems that cross borders. Really, all the court said in this act was that you've defined cross-border environmental pollution too broadly. You can't deal with just minimal problems or problems that are primarily local in nature. You have to deal with, as the court said, examples of pollution that are serious issues and have serious cross-border impacts. That's what they've done for water. They just haven't done it for air pollution or climate change, which is surprising.

**Mr. Don Davies:** I was going to ask if the federal government did not have the power to regulate this area. Let's say you had a project in one province that was contributing extensive cross-border pollution or greenhouse gas emissions, who would be able to regulate it if the federal government couldn't?

**Prof. Stewart Elgie:** Provinces are able to regulate emissions that occur in their province, but what they're unable to do is deal with impacts that occur outside their province.

Similarly, if there's a large project in the U.S., air generally flows west and north in Canada, so if you're in Quebec, northern Canada or the Maritimes, most of the pollution you're getting, or much of it, is coming from upstream. It's coming from the U.S. Midwest. It's coming from Ontario. It's well documented, the phenomenon called the grasshopper effect, where persistent organic pollutants, toxins, make their way up to the Arctic. You actually find toxic substances in the body tissues of people in the north that are higher than those in the south because the air pollution generally moves east and moves north. Quebec, the north and the Maritimes, particularly, are upwind and are affected by these problems.

They are unable to deal with the upwind or upstream causes of pollution. Pollution crosses borders. It doesn't stop. That's a core role of the federal government and it has been since the early 1970s. The feds passed the first Clean Air Act in 1971. This is an area they have occupied for over 50 years, and we need them to continue to do so.

**Mr. Don Davies:** Thank you.

If we get to the crux of the matter, it appears that, in response to a Supreme Court decision, what the federal government has done is that it has overreacted and is too cautious in exercising its jurisdic-

tion, such that this legislation would not allow the federal government to regulate cross-border greenhouse gas emissions.

Is that in a nub the issue we're dealing with here?

**Prof. Stewart Elgie:** Gas emissions...that's right. That's the nub of the problem. To be fair, the federal government has brought in a number of strong climate laws in the last seven years. It actually has a pretty good track record. We have probably done more in the last seven years than we did in the previous 30, so there's a lot of good progress being made on tackling climate change and building a clean economy. However, more needs to be done in this bill.

This is the foundational bill that deals with major development projects and looks at the overall environmental impacts. We're missing a really important piece of the puzzle when we do those assessments. If you're not looking at the air pollution and you're not looking at the climate impacts, it's like missing an important part of a painting when you're staring at it.

**Mr. Don Davies:** In your view, how can that problem be addressed before Bill C-69 is passed into law?

**Prof. Stewart Elgie:** I am not an expert. I'm not an expert on how difficult it is to amend a budget implementation act. I have never been involved in doing that before.

I would certainly say that it would be important to amend this to fix this sooner rather than later, before major projects go forward. I will leave it to the committee to decide what to do. Certainly, at the very least it would be nice to see a very strong recommendation coming out of the committee, but I'm not an expert in the challenges of amending a budget implementation act.

**The Chair:** Thank you, MP Davies. We have reached the time.

We are going into our second round. We don't have a lot of time left, so what we're going to do is provide two to a maximum of three minutes per party to ask questions.

We're starting with MP Chambers for the first two to three minutes.

**Mr. Adam Chambers (Simcoe North, CPC):** Thank you very much, Mr. Chair.

Ms. Yetman, the Canadian Teachers' Federation launched a campaign to support a school food program in March. I don't have a lot of time here, so just give brief answers if you may.

Were you made aware before the budget came down that the school food program was going to be included in the budget?

• (1155)

**Ms. Heidi Yetman:** No, I wasn't.

**Mr. Adam Chambers:** Okay. Thank you.

In the 2021 election, the Canadian Teachers' Federation was a registered third party and spent about \$33,000 on advertising during the election. Do you recall what those ads were in relation to?

**Ms. Heidi Yetman:** Can you repeat the year?

**Mr. Adam Chambers:** In the 2021 federal election, the most recent federal election, about \$33,000 was spent on advertising during the election.

**Ms. Heidi Yetman:** I'm not aware of it. I wasn't president at that time. I would have to look into it.

**Mr. Adam Chambers:** Okay. It's not necessary to look into it.

Do you anticipate that you will be registered as a third party to advertise in the next federal election?

**Ms. Heidi Yetman:** At this moment...no. That's a decision that's made by the board of directors, and at this moment we haven't spoken about the election for 2025.

**Mr. Adam Chambers:** Okay.

Do you believe it's appropriate for third parties to endorse political parties during an election?

**Ms. Heidi Yetman:** As far as I know, the Canadian Teachers' Federation is non-partisan. Each member organization across the country, however, may endorse. Generally speaking, teacher organizations do not lean toward a party, because they need to work with whoever's in power. That's very important. I want to work with whoever's in power.

The Canadian Teachers' Federation does not support any one party.

**Mr. Adam Chambers:** Thank you very much. I appreciate your sentiments on that. I wish some of your provincial bodies felt the same way.

Thank you for your testimony today.

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

Now we have PS Turnbull for a couple of minutes.

**Mr. Ryan Turnbull:** Thanks.

Ms. Yetman, I have a quick question for you.

I advocated for a national school food program long before getting into politics and during my time in politics. I know there have been school food programs across the country, so it's not uncommon for some programs to already be in place. However, the federal commitment is going to allow those programs to serve significantly more children.

Is that not correct?

**Ms. Heidi Yetman:** Absolutely.

I was the president of the Quebec Provincial Association of Teachers, so I can tell you that there were budgetary measures in Quebec to feed children in schools in disadvantaged areas. However, it was very limited. We're hoping provinces will take this money and expand these programs—not take away from what's already there. That's very important. That's the work that has to be done, moving forward.

**Mr. Ryan Turnbull:** Yes. I'm just clarifying, because sometimes we hear calls like, "There are already programs, so why do we need more?" However, those programs don't serve all kids across Canada. Having the federal investment is certainly going to amplify their capacity to serve more children.

Mr. Elgie, I have limited time, so I'm going to you on the Impact Assessment Act.

Thank you for your testimony today. I appreciated your comments.

My understanding is that Chief Justice Wagner—not to be confused with the famous German composer—talked about co-operative federalism in his ruling and really put emphasis on the federal government and Parliament working with provincial jurisdictions. We've seen provincial jurisdictions push back and challenge the Impact Assessment Act. I think, at this point, clearly defining what's within federal and provincial jurisdiction seems to be at the heart of it.

I think you're saying that the federal government's approach right now is overly cautious. Do you think this is merited, given the fact that there are quite a number of projects in the pipeline, and there's a need for certainty and credibility for that process to continue? I want to put that to you—whether you think it's fair for the federal government to take a bit more of a cautious approach at this moment and then come back through provincial consultation and perhaps add... I think what you're saying, which I tend to agree with, is that air pollution and GHG emissions should be included in the Impact Assessment Act.

Do you think now is the right time to do that, when so many things hang in the balance? With the Supreme Court decision striking this down, it seems as if we need to patch it up and get it under way again, and then—with the right amount of consultation and engagement with provinces and territories—really come to terms with this once and for all, so we don't have this constant constitutional challenge problem when it comes to impact assessments.

• (1200)

**The Chair:** You're well over the three minutes, so you have 10 seconds. If you want to elaborate in writing, you can send that to the committee.

**Prof. Stewart Elgie:** Thank you, Chair.

Pretty much every federal environmental law gets challenged constitutionally. You can't avoid that. Every one in the last 30 years has been upheld except for this one.

Yes, I'm a big believer in co-operative federalism. We should try to collaborate with provincial and indigenous governments on environmental assessment as much as possible. International air pollution and greenhouse gas emissions are a big gap the provinces and territories can't address. We should do that consultation as soon as possible, because it's a gap until it gets fixed.

**The Chair:** Thank you. That was great.

Thank you, PS Turnbull.

Now we'll go to MP Ste-Marie, please, for a couple of minutes.

[Translation]

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

My questions are for Mr. Liedtke.

The sharing of financial responsibilities by the financial institution and the technology company will require changes to the prudential standards of financial institutions. What is your expertise in this area?

**Mr. Werner Liedtke:** Thank you for the question.

[English]

All prudential matters fall under the jurisdiction of the Office of the Superintendent of Financial Institutions. We focus on financial consumers.

[Translation]

**Mr. Gabriel Ste-Marie:** Do you believe the Autorité des marchés financiers will have to change its rules in order to comply with the federal framework?

**Mr. Werner Liedtke:** Thank you for the question.

[English]

I'm actually not sure of that. I would expect it to be defined within the policy. We'll have to defer that question to the Department of Finance because it's beyond the scope of FCAC and the financial consumer aspect.

[Translation]

**Mr. Gabriel Ste-Marie:** I have one last question for you.

When did the government or the finance department contact the FCAC to say that it would be the organization responsible for the framework? I'd like you to give me a date.

**Mr. Werner Liedtke:** Thank you for the question.

[English]

The budget was announced on April 16, and I was given a call on April 15.

[Translation]

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

I have no further questions, Mr. Chair.

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

[English]

Now we'll go to our final questioner for this second panel today, which is our sixth panel of witnesses.

We have MP Davies for a couple of minutes.

**Mr. Don Davies:** Thank you.

Professor Elgie, I'd like to pick up where I left off. I'm looking for a specific substantive amendment that you would recommend we make to Bill C-69 to correct the issue before us of this retreat, apparently, from federal jurisdiction over cross-border pollution.

**Prof. Stewart Elgie:** Probably the most important one is just to say the same thing for air pollution that the bill now says for water pollution, that significant air pollution that crosses national or provincial borders should be subject to federal environmental assessment. There are other things that could be added on to that.

I would do that obviously in a way that respects co-operative federalism. If provinces are adequately addressing the matter, then the federal government could step back, as it does with most environmental laws, but it needs to have that power in the act sooner rather than later.

**Mr. Don Davies:** Thank you.

Ms. Yetman, a study published by the Higher Education Quality Council of Ontario found that students with increased food insecurity were more likely to have decreased test scores and consequently lower rates of enrolment in post-secondary education. Other studies have shown students facing food insecurity were less likely to meet grade-level expectations for reading and, similarly, for mathematics.

In your view and experience, how will the rollout of the national school lunch program impact students' educational attainments?

**Ms. Heidi Yetman:** I think it will have a huge impact on students.

To everybody sitting around this table, when you get hungry, can you concentrate as well? You can't concentrate when your stomach is empty. Teachers in the classroom know when kids haven't eaten. Teachers often have drawers filled with granola bars and apples, etc.

There's tons of research to show that this is the great equalizer. Kids from low-income areas will do much better if they have a meal every day. There have been lots of studies. There was a study somewhere. I wish I could remember where. It was in Sweden or somewhere like that. They did a longitudinal study and, actually, the average size of children grew as well. That's incredible. It's not only mental health. It's physical health. Moving forward, it's also knowing what good foods are.

I think it's really important. It's going to make a big difference in the classroom, especially right now. As I said before, classrooms are more and more difficult. Children who are sitting in a class without food are not concentrating. They're having a hard time. It's going to make things a lot easier for everybody.

• (1205)

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

On that, we want to thank our excellent group of witnesses. Thanks for your testimony and the information you have provided to our committee on Bill C-69. We wish you the best for the rest of your day.

At this time, members, we are going to suspend as we transition to our next panel. Thank you.

• (1205)

(Pause)

• (1210)

**The Chair:** I call the meeting back to order.

Welcome back, everybody. This is our third panel of witnesses today, although it is our seventh panel of witnesses on Bill C-69.

With us for this panel, we have the Canadian Council for Refugees. Its vice-president, Jenny Jeanes, is with us. Its co-executive director, Gauri Sreenivasan, is also joining us. From the Canadian Physiotherapy Association, the senior director of advocacy, Kayla Scott, will be joining us. From Fintechs Canada, we have the executive director, Alexander Vronces.

We will first hear from the Canadian Council for Refugees. I understand that Jenny Jeanes and Gauri Sreenivasan will be sharing their time, although I believe Gauri is first.

You may commence. Thank you.

**Ms. Gauri Sreenivasan (Co-Executive Director, Canadian Council for Refugees):** Good afternoon, Chair. Thank you very much for the opportunity to appear.

The Canadian Council for Refugees is Canada's leading national umbrella, representing over 200 frontline organizations working with, from and for refugees and migrants.

[Translation]

We are very grateful to the committee for having given us this opportunity to present our perspectives and recommendations with respect to the budget implementation act.

● (1215)

[English]

Federal budget 2024 had important investments to support refugee claimants, but the budget implementation act is now suggesting major new changes to refugee and immigration law that are extremely concerning, without prior consultation. These include changes that will not only undermine international human rights, but also our reputation as a rules-based refugee leader. The CCR objects to the budget implementation act being used in this undemocratic way to bring in potentially sweeping changes to the refugee system.

As you will see in our brief, our overarching recommendation is for you to either delete major sections of the bill or insist on the immigration and refugee aspects being separated out from the legislation to enable full hearings, debate and further parliamentary review of pending regulations, which have yet to be tabled. Lives are at stake.

We have four major concerns. I'm going to cover two regarding changes to the refugee claims process. CCR vice-president Jenny Jeanes will cover the other two aspects related to CBSA and detention.

It's worth remembering, members of Parliament, that Canada has an obligation under international law to provide safe haven to those who arrive at our shores fleeing persecution. The vast majority of those who seek asylum in Canada—almost 80% last year—are found to be refugees. We have a world-class refugee determination system to hear cases at the Immigration and Refugee Board. We need to let it do its job, but Bill C-69 is making major changes.

First, division 38 is creating a worrisome new step in the refugee claim process that creates an indefinite gap before referral to the Immigration and Refugee Board—the IRB—in which claimants could be asked to provide endless information and documents with no timeline for the claim to be referred for their hearing. It will lead to long delays, creating indefinite limbo for claimants and not only threatening fundamental rights but also, ironically, undermining the progress that has been made to date in streamlining processing.

CCR is recommending to the committee to amend clauses 410 and 411 to delete the provisions whereby if a claim “is determined to be eligible, the Minister must consider it further” to enable discretion in that case, and to amend clause 411 so an eligible claim must be referred to the IRB within at least a month of the required information being submitted. These are crucial amendments to secure due process.

Our second concern is that division 38 introduces new provisions that trigger an early opportunity for a claim to be declared abandoned before it has even been referred to the IRB. The measure is likely to lead to claims being unfairly declared abandoned, penalizing people who, through no fault of their own, miss a deadline or forget to file a document in a byzantine system that is already providing zero formal support services. Those most at risk are likely to be the most vulnerable.

The provision will also—again, counterintuitively—contribute to a backlog of abandonment hearings at the IRB. It is absurd to ram these measures through now. They need to be rethought.

We are recommending that MPs move to delete clause 412 or at least, in the alternative, change proposed section 102.1 from “the Minister must” to “the Minister may” to allow for situations where claimants are obviously trying to complete requirements but are prevented due to lack of counsel. It's only common sense.

I want to turn it over to CCR's vice-president to continue with our presentation.

**Ms. Jenny Jeanes (Vice-President, Canadian Council for Refugees):** Thank you very much.

As well as being vice-president, I'm also the detention program coordinator at Action Réfugiés Montréal.

A major preoccupation of the bill is the creation of immigration stations. It's deeply disturbing that the government is proposing expanding places of detention on immigration grounds to federal correctional facilities when all 10 provinces have clearly expressed a rejection of the practice of immigration detention in jails.



Creating a new possibility to detain in federal jails is a step in the wrong direction. We should avoid detention, and release through expanded alternatives to detention.

Many of those considered high risk have mental health and addiction issues. Investment should go towards proper supports. If people are detained, CBSA itself can and should manage risk with appropriate independent oversight. Imprisoning detained individuals in jails is punitive and does not respect fundamental rights. There's a risk of geographic isolation. Also, for those seeking protection, being detained in jail is retraumatizing and jeopardizes the chances of their claim being accepted.

Our understanding is that a scan of federal facilities has not been completed. If individuals are detained in federal jails, there's a high risk that they would be in de facto solitary confinement, potentially for long periods of time.

Our recommendation is to delete clauses 433 to 441, which enable the use of federal correctional facilities for immigration detention.

**The Chair:** Thank you very much for those opening remarks.

We're going to hear from the Canadian Physiotherapy Association and Kayla Scott, please.

• (1220)

**Ms. Kayla Scott (Senior Director, Advocacy, Canadian Physiotherapy Association):** Thank you, Chair, and thank you to the esteemed members of this committee for having me here today.

My name is Kayla Scott, and I'm the senior director of advocacy at the Canadian Physiotherapy Association. Our association proudly represents over 16,000 physiotherapy professionals and students across Canada. Our members embody our mission to enhance health, mobility, rehabilitative care and treatment to enable Canadians to live well and actively in their communities.

Physiotherapy professionals demonstrate unwavering commitment to their patients and their communities, and they have a pivotal role in our health care system, providing invaluable services across diverse settings. In emergency departments in select provinces, they offer critical care, ensuring timely and effective treatment for acute conditions. Their expertise allows them to rapidly assess and treat patients, reducing wait times and alleviating pressure on our health care system. Their interventions can often be the difference between recovery and long-term complications, which underlines the importance of their work.

In long-term care facilities, physiotherapy professionals deliver essential rehabilitation therapy as part of their home care services. They create personalized care plans to improve residents' mobility, strength and overall well-being. This approach not only helps physical recovery and injury prevention but also strengthens mental and emotional health, promoting patient autonomy, positivity and resilience.

Additionally, physiotherapy professionals play a crucial role in prenatal care, offering specialized pelvic floor physiotherapy for expectant parents. This service supports prenatal health, prepares parents for childbirth and promotes postnatal recovery. The role of physiotherapy professionals in this area is often overlooked, yet it

is essential in ensuring the health and well-being of both the parent and child.

Today I stand before you to express my gratitude for the recently announced expansion of the Canada student financial assistance program in budget 2024. This expansion, which now encompasses physiotherapists working in underserved, rural and remote communities, marks a significant step towards achieving health care equity and alleviating pressures from our health care system across Canada.

This pivotal decision announced in budget 2024 is the result of CPA's persistent advocacy and pre-budget recommendations and the unified voices of physiotherapy professionals and students. It represents a major achievement for all Canadians, especially those seeking equitable care in rural and remote areas.

The expansion of the CSFA program will yield a threefold benefit.

First, it will attract more Canadians to the physiotherapy profession by reducing the financial barriers to education. With the average student debt for physiotherapy students standing at \$40,000, this assistance will provide significant relief, making the profession more accessible to a broader range of individuals.

Second, it will increase health service access and delivery in communities that face the barrier of long travel times to access care. By encouraging more physiotherapists to serve in these areas, we can ensure that every Canadian, regardless of their location, has access to high-quality health care.

Last, it will enhance the recruitment of students from rural communities and help promote a workforce that includes students from under-represented populations.

Our partners in health echo our sentiments. The Canadian Nurses Association applauded this expansion, as it supports team-based care that enables diverse health care professionals to collaborate and provide comprehensive, patient-centred services. The Canadian Orthopaedic Association also firmly supported this inclusion, recognizing its potential for patient recovery and strengthening our health care system at its core.

As National Physiotherapy Month ends today, we are firm in our commitment to build on this momentum. We will continue to advocate for policy changes that allow the profession to fully exercise its expertise through the optimization of scope of practice across the country, enabling physiotherapists to provide high-quality care at their optimal potential.

• (1225)

Our unwavering mission remains to ensure that every Canadian, irrespective of their location, has access to the quality of care they deserve.

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

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

Now we'll hear from Fintechs Canada and Mr. Vronces.

**Mr. Alexander Vronces (Executive Director, Fintechs Canada):** Good afternoon to the chair, vice-chair and members of the Standing Committee on Finance. My name is Alex, and I am the executive director of Fintechs Canada.

Fintechs Canada is an industry association of Canada's most innovative financial technology companies. Our members collectively serve millions of Canadians on a daily basis.

Economic growth has slowed. Life is increasingly unaffordable. Canadian productivity has reached emergency status. At Fintechs Canada, we believe in whole-of-government solutions to problems like these.

One critical part of the solution needs to be boosting competition in banking, because our banking sector is partly to blame for the problem. That means passing the bits and pieces of an open banking framework we're starting to see in Bill C-69 without delay.

More competition in banking will make life more affordable for Canadians. Canada's banking sector is heavily concentrated, with little change over the past decade. Canadians pay higher banking fees than consumers in similar markets, such as the United Kingdom and Australia.

Canada's big banks make more and more of their money from what's called non-interest income—in other words, fees. These include account and investment management fees, payment processing fees and administrative fees on mortgages and other loans.

More competition in banking will also boost Canada's productivity. Canada's economy is mostly made up of small businesses, but Canada's small businesses receive less financing from our banks and pay more for it than their peers in other countries. Weak investment in Canada's small business community is a long-standing issue. How can our economy run at its best when the engine has no fuel to run on?

Consumer-driven banking will help boost competition in banking by putting consumers in control of their financial information. Suppose you're a recent immigrant who can't qualify for a loan because you don't have a Canadian credit history. With open banking, you can reliably and securely share your monthly rent payments with Borrowell's Rent Advantage app to build your credit score.

Maybe you're a small business and you don't want to rely on spreadsheets to manage your books. You can use open banking to reliably and securely share your transaction data with accounting platforms like Xero to automate your bookkeeping.

If you're having trouble tracking investment accounts at different banks, there are apps that let you view and manage them in a single dashboard. However, to share your data securely and reliably, you need open banking.

By empowering Canadians to reliably and securely share their financial information, Canadians will be better able to vote with their wallets. They can decide for themselves who will serve them best. What's more, Canadians can do this without having to decipher

who's the most secure and resilient because of the consumer protection that comes with open banking.

As I have written before, open banking isn't really about opening the vault of financial data. That much has already happened. It's actually about closing it again and putting Canadians in charge, letting Canadians decide whom it can be open for, when it can be opened, how long it can be opened and for what purpose.

This is why Canada needs the consumer-driven banking act. It also needs a regulator such as the FCAC, well equipped for the job of policing the industry. The longer we wait, the further and further we will fall behind our G7 counterparts, who have already put their financial sectors to work to make their economies more competitive, affordable and productive.

**The Chair:** Mr. Vronces, I'm just going interject.

Could you speak a little bit more slowly so that our interpretation services can capture everything you're saying and be able to do their jobs? Thank you.

**Mr. Alexander Vronces:** I'm sorry.

Thank you for your invitation to appear. I look forward to answering any questions.

**The Chair:** That was a good pace at the end. As we get into questions, please adhere to the same thing.

We are on our questions now.

For the first round, we will have six minutes for each party to ask questions of the witnesses. We're starting with MP Williams for the first six minutes.

**Mr. Ryan Williams:** Thank you, Mr. Chair.

Once again, it's a pleasure to be part of the finance committee.

Alex, thank you for joining us here today. I'm happy to have you talk about the benefits of open banking. Could you tell us if Canada has provided a good timeline for when open banking will be implemented? As well, are you happy with the progress of the Government of Canada so far?

**Mr. Alexander Vronces:** It's no secret that the sector is disappointed and frustrated. There have been numerous delays. We've been really slow out the gate. Open banking, consumer-led banking or consumer-driven banking—whichever term you'd like to use—was first mentioned in the 2018 budget, I believe. Since then, we've really studied the question to death, while other countries have acted.

This many years into the process, we're just starting to see an open-banking framework come to fruition. In other jurisdictions, it took no more than a few years for the government to go from stating its intention to actually delivering and having a system up and running for their citizens to benefit from.

• (1230)

**Mr. Ryan Williams:** We had FCAC here in the last round. They talked about being selected as a regulator. They've normally been tasked with handling consumer relations and now they need to handle business-to-business as well.

Are you confident that they can handle the task and be the regulator?

**Mr. Alexander Vronces:** Regardless of which regulator was picked, I think there would have been challenges. When it comes to business-to-business transactions, I think there are two issues that could emerge.

One is, can small business owners share the data that they should be in control of? I think the consumer-driven banking act, as it's outlined today, allows for that. Proposed section 3 makes it very clear that small businesses are supposed to be in scope. They're explicitly mentioned.

When it comes to policing disputes between businesses, however, the FCAC may be less equipped if the businesses we're talking about are banks and fintechs. One of the reasons why we need government intervention to implement an open banking framework is that the market hasn't been able to work it out itself. The market hasn't been able to get along. You can imagine a world where, going forward, there are disputes that arise between banks and fintechs.

I think our view is that we should keep our consumer protection watchdog in the financial sector as a consumer protection watchdog and not add to its mandate. For open banking to be successful, the job of the FCAC shouldn't be to protect fintechs from banks. It shouldn't be to protect banks from fintechs. It should be to protect and empower Canadians, first and foremost.

**Mr. Ryan Williams:** I absolutely agree.

Would you support an amendment on data to ensure it includes small business in the terminology in terms of how we're talking about data and services, in that it should include small business as well and not just consumers?

**Mr. Alexander Vronces:** I'm not a professional drafter. When it comes to the text of legislation, I'll have to defer to others. In my read of the act, and in my conversations with department officials, it's been made clear to me that small business accounts are in scope. Small business accounts are explicitly referenced in proposed section 3 of the consumer-driven banking act, and in my conversations

with department officials, they clarified that it's like this so that we can be clear, when the system launches, that it won't just be consumer accounts. Small business accounts will be in scope as well.

**Mr. Ryan Williams:** Something I asked FCAC was about the AMPs, the administrative monetary penalties. The maximum penalty is already listed up to \$10 million, which is more than a lot of the revenue for some fintechs. I'm wondering if it's premature if we don't have the legislation in front of Parliament at this time to have the AMPs.

What are your feelings on some of those penalties?

**Mr. Alexander Vronces:** That's a great question. If I'm running a business and I see the AMPs, my heart might start beating quickly for just a second, but I say “just a second”, because I think that really the only businesses that should fear the AMPs right now are ones that are worried about their ability to handle the data of Canadians with care. I don't think our regulators have a history of administering monetary penalties willy-nilly. In fact, I've heard some arguments to the contrary. I've heard consumer groups say that our FCAC isn't aggressive enough.

Perhaps this isn't a popular thing to say, but the only really loud opposition I've heard about the AMPs in my conversations within the fintech scene is from companies that have already been on the receiving end of an FCAC penalty. Our members are comfortable with the AMPs as is because our members realize they're operating in a very special space—the financial sector—and they need Canadians' trust. Also, they have no doubt in their ability to comply with the framework that's coming.

**Mr. Ryan Williams:** The CEBR has noted that the delay of payments and instant payments is causing a 2.7% lack of growth to GDP, which is \$500 million a year.

When do we need all of this implemented? Do we need this tomorrow? When, really, do we want all of this implemented in order to benefit Canadians and, to your opening point, to boost productivity?

• (1235)

**Mr. Alexander Vronces:** Ideally, it would have been implemented a few years ago. I mean, when it comes to instant payments, the project has been delayed several times over the past decade.

The RTR was first announced in 2016. The original launch date was 2020 to 2021. It's been delayed several times since then, first to 2023 and now to 2026, and 2026 isn't even a launch date. It's just the year in which the industry will test its ability to use the RTR. We still don't have a launch date in sight for Canadians to benefit. We need this yesterday.

**The Chair:** Thank you.

Thank you, MP Williams.

Now we'll go to MP Sorbara, please, for six minutes.

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

It's great to be here today. I apologize for not being there in person. I hope you can hear me clearly.

This morning, I had the pleasure of announcing an investment in my riding of Vaughan—Woodbridge for the City of Vaughan from the housing accelerator fund to build a bridge over Highway 400. It will link two subdivisions in the city of Vaughan.

It's great to see the housing accelerator fund and the investments that are flowing from that. The City of Vaughan received \$59 million. Part of that \$59 million—about \$7.5 million—will go one-third, one-third and one-third with the city and the region to build this bridge, alleviate the traffic flow and accelerate the construction of new homes.

It's great to see those investments happening, because we know the official opposition party does not like the housing accelerator fund or investing in Canada and Canadians. We'll continue along that path.

I'll get to the matters at hand, because these are very important matters.

First, if I can, I'll go to the Physiotherapy Association. I very much enjoyed the remarks about the importance of prenatal care, etc. I'm the father of three daughters. Obviously, my wife and I used midwives in their births, and we know their services are so important.

I want to ask about the expansion of the student loan forgiveness program and how important that is to the Canadian Physiotherapy Association.

**Ms. Kayla Scott:** Thank you for your question.

We are delighted about the expansion of the Canada student loan forgiveness program to include physiotherapy professionals. At this time, there's a need for more physios in Canada. Currently, only 3% of physios practise in rural areas in Canada. This will ensure that Canadians have access to physiotherapy care and, to your point, prenatal care.

It will ensure that older persons have access to rehabilitative care. It will ensure that many Canadians who didn't have access to physiotherapy care can access it. This will revolutionize small communities. It will mean that students who may not have had access to education can access education to become a physiotherapy professional and serve their community. It will mean that those who had

to travel far distances to access care can access it from a local provider.

This will mean enhanced care for Canadians. It will mean better care for future generations and current generations. This is a very proud moment for the profession and, most importantly, all Canadians seeking access to physiotherapy care.

**Mr. Francesco Sorbara:** I thank you very much for that wholesome answer. To be frank, if you're delighted, I'm delighted. It is great to hear the feedback on this policy measure, which we'll put in place through this piece of legislation, and that it will assist physiotherapists once everything passes.

The role of a physiotherapist, much like an occupational therapist or a speech-language pathologist—all of the therapists who are involved, in whichever setting they may be involved—is so important for our health care continuum. Their role is so essential, so I want to say “thank you” to you and your members for what you do to help Canadians day in and day out. Thank you very much.

Switching gears a bit, I'll move over to the individual from Fin-techs Canada.

Sir, I'm someone who has been a long-time participant in the financial services sector in various roles, be they on Wall Street for a number of years or on Bay Street, and I'm someone who looks at open banking as a vast opportunity. If I can look at it from the consumer angle—and I think you may have touched upon this in your remarks—and look at ensuring the safety and security of data for consumers, how can we ensure that consumers feel secure with open banking, let's call it that, and consumer-driven banking?

As we take these steps and incrementally go forward, we need to make sure that it's secure. From your vantage point, how can we best do that?

• (1240)

**Mr. Alexander Vronces:** I think the best way to do that is by beginning the implementation of the work the government has been doing up until now.

The government's been consulting at length with the industry about all of the ways to manage all of the risks, including how to make sure that cybersecurity risks are managed; how to make sure that data is appropriately safeguarded; how to make sure that firms are required to be very transparent with their customers about what data they're accessing, for what reason and why; how to make it very easy for a consumer to revoke their consent if they don't want to share their data anymore; and how to allocate liability in the event something goes wrong so that consumers aren't waiting days and days, or weeks and weeks, to be made whole.

All of these questions have been asked and answered. They've been sent up to the minister in a giant book. It's been referred to colloquially as an open banking encyclopedia.

The way we do it is by implementing all of those measures, and we hope to see that in fall legislation.

**Mr. Francesco Sorbara:** Thank you for that.

We know that here in Canada especially, if I can be narcissistic for one second, in the province of Ontario, my home province, whether it's in Waterloo or Toronto, we have an ecosystem that is continuing to build out. Is that not a fact?

We continue to attract top talent within the fintech sector here in the province of Ontario and, of course, in Canada.

**Mr. Alexander Vronces:** We certainly do. If that weren't true, I don't think we would have seen the Ontario government come out very publicly in support of open banking and instant money movement.

**Mr. Francesco Sorbara:** That's correct. I know they have also come out for financial literacy.

**The Chair:** MP Sorbara, we've gone over the time.

Thank you very much. They were great questions.

We now have MP Ste-Marie, please, for the next six minutes.

[*Translation*]

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

I'd like to welcome all the witnesses.

I'll have some questions for Mr. Vronces, of Fintechs Canada, but I will likely only get to them in my next round. My first questions will be for the representatives of the Canadian Council for Refugees.

Thank you, Ms. Sreenivasan and Ms. Jeanes, for coming and for your presentation. I was stunned by what you said about how Bill C-69 is proposing changes which, without any consultations, would affect four areas and seriously undermine Canada's authority and international reputation.

Why do you think the government is doing this?

[*English*]

**Ms. Gauri Sreenivasan:** Jenny, we can see how we each want to answer it.

[*Translation*]

It is indeed a concern. Why introduce these changes into a budget bill without going through a more in-depth consultation process? At the Canadian Council for Refugees, we have a lot of information, considerable expertise and substantiated positions on this subject. We were therefore surprised to see these changes added to the bill in that manner.

The budget included significant funding, which we supported. However, we are not in favour of these particular changes.

We understand that the government has regulatory plans that have not yet been announced, and so it wants to make the legislative amendments quickly to ensure that these regulations will be adopted. But that's not how to make legislative changes. Without having seen the regulations, it's very difficult to know exactly what impact the proposed changes will have.

In any event, we feel that these changes were proposed too quickly. We even believe that there are errors in them and that the

government has not fully understood the consequences of these proposed legislative amendments. For example, the expressions and words used are very inflexible.

[*English*]

For example, it says, "the Minister must refer".

Many of the amendments that would cause automatic guaranteed outcomes to happen to refugee claimants absolutely would not only jeopardize their rights and their justice but also lead to massive backlogs, counterintuitively, in the process.

We're recommending that we put a pause on the refugee and immigration law reforms. Cut them from the bill and find ways to review them separately, or simply delete the measures.

[*Translation*]

Would you like to add anything, Ms. Jeanes?

**Ms. Jenny Jeanes:** I would add that this is not the first time it has happened. In 2019, for example, the government proposed, in a federal budget implementation act, measures in response to the number of people who were crossing the border in order to seek asylum in Canada. The end result was that people who had applied for asylum in the United States were from now on deprived of access to Canada's refugee determination system. We were fiercely opposed to this measure, and in particular to the fact that it had been put forward in connection with a budget.

It's clear that the government is doing this in order to be able to make changes more quickly, but it's the wrong way to go about it.

• (1245)

**Mr. Gabriel Ste-Marie:** Unfortunately, we have misgivings about several areas targeted by this bill. Many other witnesses have come to tell us exactly what you have been saying, which is that they were wondering why certain provisions were in this bill and that these had been proposed too quickly and without any prior consultation. It's very worrisome.

Ms. Jeanes, I can't get over the fact that the government wants to put asylum-seekers in federal prisons. Can you tell us more about that? Why is the government proposing that? What should be done instead?

**Ms. Jenny Jeanes:** The Immigration and Refugee Protection Act allows the administrative detention of foreign nationals, and sometimes of permanent residents. Canada has three centres administered by the Canada Border Services Agency. In addition, provincial prisons have for a long time been used to detain persons considered high risk, but also others who are not.

You may be aware that all the provinces have announced that they will be putting an end to the practice that allows detention of this kind in their institutions. Although the practice continues in some provinces, it will end soon in keeping with these announcements.

In response to this, the federal government wants to allow detention in federal institutions. The claim is that it will be for high-risk individuals, but that's not necessarily the case.

As these administrative detentions are tied to immigration rather than justice, we believe that the agency should be able to administer these detentions itself through appropriate supervision or control.

**Mr. Gabriel Ste-Marie:** Thank you. You've just given us a lot of information.

So, according to you, the Canada Border Services Agency should be handling this, not federal prisons. Is that right?

**Ms. Jenny Jeanes:** That's right. What's needed is a program with a wider range of alternatives. There could, for example, be training, mental health support and addiction programs. All kinds of less expensive and more appropriate measures could be introduced.

**Mr. Gabriel Ste-Marie:** It's clear that this part of the bill is raising a lot of questions.

In short, what you're suggesting is removing this entire section of the bill so that it could be studied in a separate bill. That would make it possible to consult other organizations like yours and various other specialists in this area, which could lead to something more coherent. Is that right?

**Ms. Jenny Jeanes:** That's it exactly.

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

Thank you, Mr. Chair.

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

[English]

Now we'll go to MP Davies for the next six minutes.

**Mr. Don Davies:** Thank you.

This is for the Canadian Council for Refugees. Can you confirm approximately how many people are detained in Canada under immigration law each year?

**Ms. Jenny Jeanes:** The statistics are available on CBSA's website.

Before COVID, it was in the range of about 8,000 people. It was much lower during COVID. We've seen a gradual ramping up. I don't have the latest numbers in front of me, but we can send them to you. As I said, they're on CBSA's website. At any given moment, there are usually about a couple hundred people detained, but there's quite a turnover in the numbers, with some short-term and some very long-term detentions.

**Mr. Don Davies:** Can you give us a flavour of what that population looks like? What proportion of those individuals are detained because the CBSA suspects they may not appear for an immigration proceeding or is not satisfied with their identity documents versus detained because they may pose a risk to public safety?

**Ms. Jenny Jeanes:** Again, there are quite detailed statistics on the CBSA website. I'm just looking at—

• (1250)

**Ms. Gauri Sreenivasan:** I can help you, Jenny.

**Ms. Jenny Jeanes:** Thank you, Gauri. Go ahead.

**Ms. Gauri Sreenivasan:** Over 90% of those currently in immigration detention, including those held in provincial jails, are held for those reasons. There are concerns they may be missing an identity document, or there's a question about whether they will turn up for a hearing. Fewer than 5% are identified as potentially being a high security risk. The vast majority of those detained, including those in provincial jails, are held for questions about identity and how to find them for a document, which is why a place where criminals are held is a completely inappropriate institution for incarceration.

**Mr. Don Davies:** I'm going to get to that in a moment.

Just to get a flavour, though, of the demographics, can you give us an idea of what proportion of those detained in Canada under immigration law are children, mothers with infants or people with disabilities?

**Ms. Jenny Jeanes:** Very few children have been officially detained over the past few years. We don't actually have reporting on people with disabilities or, for example, pregnant women.

**Mr. Don Davies:** Is there currently any time limit on immigration detention laid out in Canadian law?

**Ms. Jenny Jeanes:** No, Canadian law has no limit. There is a review by the Immigration and Refugee Board on a statutory time frame: after 48 hours of detention, again seven days later and, after that, every 30 days until the person is released or removed from Canada. Canadian law has no time frame, no limit, whatsoever.

**Mr. Don Davies:** Per The Globe and Mail, "Immigration Minister Marc Miller insisted that [federal] prisons would only be used for 'a very small segment' of the migrant population, which he described as 'not criminals,' but 'high-risk' individuals who often have 'severe mental health problems.'"

In your view, do correctional facilities have the appropriate expertise and capacity in place to act as mental health care facilities for those who are detained under immigration law?

**Ms. Jenny Jeanes:** If they're in a mental health crisis, there's nothing stopping somebody who's detained for immigration reasons from being taken to a mental health-specialized hospital, for example. They remain detained while they receive the care and treatment they need for a mental health crisis. This happens all the time. Then once they've stabilized, if they're still legally detained, they could be brought back to a detention facility. The same thing could happen if somebody were to be violent, destroy property or commit any other criminal act. They could be criminally charged and dealt with in the criminal justice system.

Our position is that people who are in immigration detention should be in immigration detention facilities. If at all, we recommend the use of alternatives—mental health and other treatments—where needed, but you'll see in the budget that the amounts necessary to convert federal facilities to immigration stations are astronomical. We believe that the same funds could be used to expand alternatives, do mental health training and do security training if needed. Any kind of training would be more appropriate, more humane and far less costly than converting federal facilities.

We really fear there will be de facto solitary confinement. Somebody may not officially be in solitary confinement but be that way de facto because they're separated from anybody else. They are held alone. This already happens in immigration holding centres and is more likely to happen for this small number of people who would be in federal facilities.

**Mr. Don Davies:** I put out the example of the death of Abdurahman Ibrahim Hassan, who was a refugee with a lengthy history of mental illness. He did die in a segregated cell in a Canadian immigration detention centre in 2015. I noted that the jury's first recommendation was to stop the use of jails for detaining migrants.

In your view, why is the federal government ignoring that recommendation?

**Ms. Jenny Jeanes:** I believe the timing is creating—and this is why it's in a budget bill—a sense of urgency. For example, Ontario is where we see the most number of people detained in provincial jails, and that will no longer be possible after June of this year. I think this urgency may be causing the Minister of Public Safety to want to allow this measure. However, again, we would say that these risks, if they exist, can be managed with current facilities, training and investment in other supports, and where that falls short, the mental health system and the criminal justice system can provide tools to manage other kinds of risk.

• (1255)

**The Chair:** Thank you, MP Davies. We have to move into our second round. I'm sorry, but we're well over time.

In this round, each party will have up to about two minutes, and maybe you'll have an opportunity to ask a question or two.

We're starting with MP Lawrence for two minutes.

**Mr. Philip Lawrence (Northumberland—Peterborough South, CPC):** Thank you very much. It's unfortunate that I only have two minutes. I think you all have had a ton of value to bring here.

I will focus my time on Fintechs Canada. You did a great job with your testimony, and we have such valuable input from all.

I just want to build upon what my colleague said. We're seeing a world where, increasingly, countries around the world are adopting open banking. It might even be, if I'm not going too far on this, real-time rail. A majority of advanced economies have adopted real-time rail, and Canada continues to lag behind.

I know, of course, that in the BIA we have a framework, but we don't have a start date for either open banking or real-time rail at this point. Is that correct? Maybe you can expand on that.

**Mr. Alexander Vronces:** It's a great question. Thank you.

We don't have a launch date. One wasn't committed to. It's hard to figure out exactly why, but if you work forward from the bill passing, build in some time for the drafting and passing of regulations and make rosy assumptions about how quickly the FCAC will be able to stand up its oversight capability, we're assuming that open banking will go live no earlier than 2026, so we are still years away.

**Mr. Philip Lawrence:** Here we are in the spring or early summer of 2024, and based on the math in your analysis, the earliest we would be starting open banking would be 2026.

**Mr. Alexander Vronces:** That's with rosy but realistic assumptions, but one hundred per cent on the rosier side.

**Mr. Philip Lawrence:** What about real-time rail? Do we have a launch date for that?

**Mr. Alexander Vronces:** The Bank of Canada recently said at a big payments conference that they were disappointed with all of these delays. I don't know why exactly they said this, but they added that we should not worry and that this was going to happen. If I had to speculate as to why they said that, I would speculate that they were responding to a lot of the backroom chatter about how the system might not even launch. It's been almost 10 years and we still don't have a launch date. Is this thing going to die?

**Mr. Philip Lawrence:** Thank you. That's my time. I appreciate it.

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

We'll now go to MP Thompson for a couple of minutes.

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

Ms. Scott, I'd like to speak with you about a couple of the comments earlier. I agree that expanded student loan forgiveness for physiotherapists is really important.

I want to focus on primary health care. I hear in multiple committees and often in debate in the House of Commons that primary health care is seen as being physician-led versus involving health professionals in a multidisciplinary team, with the right person at the right time understanding the skills across the health sector.

I have a small amount of time, but could you speak to the work your organization is doing to try to move away from what I'll call the myth that it's led by physicians? Obviously they're a very important part of the broader team, but it really is about multidisciplinary care. How will expanded student loan forgiveness assist physiotherapists in moving to more rural areas so we have truly comprehensive health care in all regions of the country?

**Ms. Kayla Scott:** In preparing for Canada's student loan forgiveness program, we heard from our partners, like the Canadian Nurses Association and the Canadian Orthopaedic Association, which supported the team-based care approach that ensures the right provider can provide care at the right time. We're very proud of the work of the team-based primary care initiative, which has provided physiotherapy funding for team-based primary care research.

In terms of the benefits of primary care, it ensures that Canadians, should they experience an MSK issue, can see a physiotherapist rather than another provider. Ensuring that teams include the right providers is extremely beneficial to Canadians. The Canadian Nurses Association supported the request for student loan forgiveness because of the multi-dimensional skills and expertise that physiotherapists provide. The Canadian Orthopaedic Association also supported that approach, with optimal patient care for recovery and prehab care, because of the team-based approach. We're very pleased about the expansion of the Canada student loan forgiveness program.

This month is also National Physiotherapy Month, and we're focused on the scope of practice and optimizing skill sets across Canada. We've been meeting with MPs from all over to talk about why physios, for instance, should be able to order an X-ray or diagnostics or provide, with the right training, pelvic care. This, for us, ensures that Canadians have high-quality care utilizing a team-based approach.

• (1300)

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

Congratulations on National Physiotherapy Month.

Now we will go to MP Ste-Marie for a couple of minutes.

[Translation]

**Mr. Gabriel Ste-Marie:** Thank you, Mr. Chair. I fully agree with your last comment.

Mr. Vronces, I agree completely with you that it's urgent for the government to regulate the open banking system. You've been asking for it since 2016, and the government responded in 2018 by demonstrating its intent to move forward. However, as you pointed out, it was all repeatedly delayed afterwards.

The previous group of witnesses included representatives of the Financial Consumer Agency of Canada, the FCFA. They told us that the government had informed the FCFA that it would be responsible for the framework just before the budget was tabled.

Does that look totally extemporaneous to you?

[English]

**Mr. Alexander Vronces:** I don't want to speculate about how organized or disorganized they might be behind the scenes, because I

don't have a special insight into how the different political offices work. However, I know that we as an association have been talking to the government for some time about, for example, whether the FCAC would be a good body. For the record, the FCAC is a body that Fintechs Canada endorsed and advised the government to pick in January, so I think thought and consideration were given to which Canadian regulator would be best, and we at Fintechs Canada are happy with the choice.

[Translation]

**Mr. Gabriel Ste-Marie:** I find it very dubious. Earlier, in response to all the technical questions we asked, they said they didn't have the expertise and that they were going to have to work on it. It's an organization that was mainly dealing with consumer best practices education. Our view of it may well differ.

Under the framework being introduced, all financial institutions subject to provincial regulation, like *caisses populaires* and credit unions, would have to ask the province to opt out of the provincial consumer protection regulatory systems in order to operate under federal authority. Not a word is said about co-operation with the various administrations. Do you consider that a responsible way of acting?

[English]

**Mr. Alexander Vronces:** I don't know exactly what the state of the conversation is between, say, the Department of Finance and the provincial regulators, but what I do know is that this framework is being designed in a way that respects the authority of the provinces.

There are many ways that is being done. For example, it's an opt-in framework. We have provincially regulated entities in our membership, and from our conversations with them, they don't think this will create any problems. Provincially regulated entities can always decide not to participate if they don't want to, but for many provincially regulated entities, the requirements they must meet under provincial oversight are already quite high. I don't think they will be superseded or made more onerous by Canada's open banking framework.

I think there could be an opportunity to recognize some equivalency so that certain provincially regulated institutions don't need to jump through a bunch of new hoops, because they have effectively already jumped through them.

[Translation]

**Mr. Gabriel Ste-Marie:** As it stands, the framework doesn't allow that.

Thank you.

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



[English]

For this panel, MP Davies will be our final questioner.

You have two minutes.

**Mr. Don Davies:** Thank you, Mr. Chair.

Ms. Sreenivasan, I would like to pick up where we left off, and I would invite you to complete your thoughts.

**Ms. Gauri Sreenivasan:** Thanks very much for the opportunity.

I want to add further to what Jenny Jeanes was saying, because your question was about whether facilities are going to be available in federal correctional institutions for mental health supports. The truth is that there are no guarantees of that. Our questions to the immigration and refugee department were very much to ask if they had been scoping out where such potential zones could be created in federal corrections. We haven't done the map yet. We don't know. Have they determined to what extent mental health services will be available? We would have to figure that out.

It's a high-risk scenario, and it's unclear where in the country they would be creating such places for immigration detention, but since they are identifying a small number of people and the level of criteria they feel they have to meet is high, we can imagine that they could be very physically dispersed. This could mean that the people placed in federal prisons for immigration detention could end up being far from communities, far from services and far from their care providers, so to us, the risk related to access to mental health services is very high.

The other point I want to identify is about the question you spoke to: Why are they doing it now and what is the timing? For us, the main point here is that it is outrageous they are doing it. We have 10 provinces across the political spectrum, with Conservative provincial governments, Liberal provincial governments and Quebec, where I usually work, saying that this is absolutely not on anymore. There has been a groundswell of public outcry.

We have public direction and political direction in the country moving very specifically against putting people in administrative detention in prison, and the federal government is choosing now as the time they are going to do this. We know that federal prisons are the places for people who have convictions of more than two years, and it's much more serious to be placed in a federal prison.

In terms of Canada's reputation, we just had UN detention experts visiting Canada. They were appalled that this was happening. It is a radical departure. "Why are they doing it now?" is really more a question of it making no sense that they do it. The provincial contracts are ending in a matter of days, so we know, even the BIA aside, that we won't have the ability.

There's obviously already a plan in place for how to manage the fewer than 30 people who are left in provincial jails. There is capacity in immigration holding centres. There is no reason to radically shift Canada's paradigm. Clearly, across the spectrum and across the country, we're opposed to putting people in administrative detention in federal prisons. It must be summarily rejected, especially in the context of slipping it into a budget implementation act.

• (1305)

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

We want to thank our excellent witnesses. Thank you for coming before the finance committee on Bill C-69. We appreciate your testimony and wish you the best with the rest of your day.

Members, we are now suspended as we transition to our next panel.

• (1305)

(Pause)

• (1310)

**The Chair:** We're back with our final panel for today. This is our fourth panel today, but our eighth panel altogether of witnesses.

We have with us, from the BGC East Scarborough, Utcha Sawyers, chief executive officer. Welcome.

From the Financial Data and Technology Association of North America, we have executive director Steven Boms with us.

From the Public Service Alliance of Canada, we have the director of the negotiations and programs branch, Liam McCarthy, and the national president of the Customs and Immigration Union, Mark Weber. We also have Ms. Michele Girash.

I apologize, Ms. Girash, that I don't have your title, but you're welcome to let the members know what title you have with the PSAC.

With that, we are going to hear first from BGC East Scarborough for up to five minutes, please.

• (1315)

**Ms. Utcha Sawyers (Chief Executive Officer, BGC East Scarborough):** Good afternoon, everyone. Thank you for providing us with this opportunity to share a bit of what's happening for us. We're an example of the potential that can be replicated across the country from investing in a club or organization like ours.

This is a very historic moment for BGC East Scarborough. I'll share a bit about who we are and what we do.

BGC East Scarborough is a children and youth organization that focuses on supporting children and youth with their development needs from cradle to career. One of the essential, key programs embedded in our fabric is our food program. We provide snack student nutrition programs and morning and breakfast programs, and we cater all of our daytime meal programs for licensed child care and EarlyON services. For our youth programs, we are mandated to have food as a part of every program we offer to the broader community, and we're serving over 6,500 children and youth monthly. We also service the community with community food programs for those who are vulnerable, isolated and in need.

For us, food is definitely a central point of how we show up to the table in servicing the community. With this historic moment in Canada and this investment, we'll join other G7 countries and industrialized countries around the world in establishing a national food program.

We've been part of the Coalition for Healthy School Food for many years now. As a collaborative, we've been working diligently on sharing our data and the impacts of these supports with the broader collective, which has representation across Canada.

This investment is an excellent social and economic policy that will support children and youth in schools across the country to be well nourished and ready to learn and to have equal opportunity to succeed. It will also help families by reducing grocery bills and will support women, parents, farmers, food systems, jobs, economic growth and communities across the country.

We sent in data from the World Food Programme meeting earlier this year in Paris, and it said, "All the evidence shows that school meals programmes, along with other social protection initiatives, are one of the smartest long-term investments any government can make." We see that long term. We follow children from, as I said, cradle all the way to career. We see first-hand the impacts of not only providing food but also providing access to nutrient-dense, quality food and food literacy as part of the ongoing journey.

In Ontario today, a major announcement was made about financial literacy in schools. We strongly believe that through student nutrition programming, food literacy in schools will help us curb a lot of the social determinant impacts or negative impacts on the long-term lives of children and youth across the country. We see it first-hand in east Scarborough.

BGC East Scarborough looks forward to working in collaboration with all levels of government. We are currently provincially funded, but we receive just under \$10,000 to serve a large number of children and youth each year. That works out to about 25¢ per snack and \$1.10 per meal. You can see how, for us as a non-profit charitable organization, this layered-on investment will help us shore up these programs and have a sustainable way of providing them.

- (1320)

Right now, we are dependent on other revenue sources, and with the economy and all of what we're facing from the global economic impacts coming out of COVID and from the transition through a time of austerity, we are so excited for and very much in support of student nutrition collaboration across the country to layer on supports for clubs like ours and for schools and community spaces that are providing alternative meal programs. As part of the coalition, we definitely look forward to being consulted on and supporting this particular investment as it is being rolled out across the country.

**The Chair:** Thank you, Ms. Sawyers. I'm sure that members will have many questions for you.

Now we're going to the Financial Data and Technology Association of North America.

Mr. Boms, I understand there may be some challenges with your headset or with the sound, but we're going to do the best that we can.

**Mr. Steven Boms (Executive Director, Financial Data and Technology Association of North America):** Thank you very much. Hopefully you can hear me clearly.

I appreciate the opportunity to appear today on behalf of the Financial Data and Technology Association of North America, or FDATA. We are the leading trade association advocating for consumer-permissioned access to financial data in both Canada and the U.S. Our members today collectively provide millions of Canadian consumers and SMEs with access to vital financial services, products and tools. We enable Canadian consumers, for example, to access more—

**The Chair:** Mr. Boms, I have to interrupt. The sound quality is insufficient for our interpreters to do their job, so we won't be able to hear your remarks unless that can be fixed.

I'm not sure if our technicians can work with Mr. Boms, but we will move now to the Public Service Alliance of Canada. I believe it's Mr. Weber who will be delivering remarks.

Go ahead for five minutes, please, Mr. Weber.

**Mr. Mark Weber (National President, Customs and Immigration Union):** Mr. Chair and members of the committee, thank you for the opportunity to address the finance committee today.

My name is Mark Weber. I appear before you today as a member of the national board of directors of the Public Service Alliance of Canada, which represents 245,000 members, most of whom are federal public service employees. Many also work for post-secondary institutions, territorial governments, non-profits, indigenous organizations and even some private employers. I am also the national president of the Customs and Immigration Union, a component of the PSAC, which represents over 12,000 employees of the Canada Border Services Agency. That includes 9,000 members of the border services group, who have now been without a contract for two years.

On the positive side, budget 2024 provides significant funding for post-secondary students, workers and institutions, especially in remote locations. This is good news for our members in that sector, and we congratulate the government on these announcements.

We suggest that the list of eligible professions include occupational therapists. Also, if not already included in the definition of “nurse”, please include registered practical nurses, RPNs; licensed practical nurses, LPNs; and registered nurses. Ideally, distribution of these funds would happen no later than 30 days after the act receives royal assent.

Bill C-69 provides language that clarifies in the Canada Labour Code that employers are responsible for properly identifying employees as such, instead of skirting responsibilities by claiming that they are contractors. This is also a welcome and long-overdue change for Canadian workers.

We are also pleased to see language around an employee's right to disconnect during non-work hours. Unfortunately, this section makes some of the same mistakes that the Ontario government has made in its changes to Ontario's Employment Standards Act and should include minimum standards that apply to all workers and employers, along with meaningful penalties for breaches of these standards.

While the elements mentioned above are certainly positive, we are concerned that the budget and the bill leave out some important aspects. There is no money for Phoenix damages or increased funding to hire and retain more staff to deal with the nearly half-million Phoenix cases still in the backlog currently. There is no money to increase capacity at the pay equity commission, which is sorely behind.

Even more concerning are two issues that are included in Bill C-69.

First, changes are made to the Public Sector Pension Investment Board Act. We understand from different sources that these are housekeeping changes made so that the Treasury Board can move money to and from members' plans in the case of a non-permitted surplus, or possibly in the case of increased draws from the plan or reduced revenues. The federal government would do well to remember that any surplus that may be realized will have been built on employee contributions. Before any move is made to use that surplus for government spending, it is essential that members be consulted and that inequities be rectified.

One such inequity is the differential treatment for public safety occupations. The PSAC has long called on the federal government to provide border officers, federal defence firefighters and fisheries officers with pension provisions equivalent to their peers in public safety divisions of other departments and governments. Right now, CBSA officers, federal firefighters and fisheries officers must work at least five years longer than their peers, leaving them at increased risks for occupational diseases and injuries, and making recruitment and retention increasingly difficult as well. The fact that the federal government continues to refuse to implement the simple legislative changes that would correct this inequity is deeply insulting to our members. Budget 2024 is a chance for the government to change this.

We also have questions about proposed changes to the corrections act to permit the housing of immigration detainees in federal correctional facilities. As the bargaining agent for CBSA, Correctional Services and immigration workers, PSAC must be consulted

on any changes to job classifications, locations of work and responsibilities. Who will provide what service to detainees under this new framework? How will jobs interact and overlap, and will the government confirm that services will not be contracted out? Public safety duties should never be offloaded to the lowest bidder, and private security companies have no role to play in these or any public institutions if we wish to ensure the integrity of sensitive public safety processes.

I thank the committee and look forward to your questions.

● (1325)

**The Chair:** Thank you, Mr. Weber, for those opening remarks.

I'm sure members have many questions, so we are going to move into our first round, which is six minutes of questioning by each party.

We're starting with MP Lawrence for the first six minutes.

**Mr. Philip Lawrence:** I understand that Mr. Boms isn't able to participate. I'm wondering if I can ask him a couple of questions, and maybe he can respond in writing to the committee if that would be acceptable to the chair.

**The Chair:** Yes.

**Mr. Philip Lawrence:** I apologize, Mr. Boms, for your inability to participate, but if you could, write to the committee with respect to the following two questions.

Are your members satisfied with the progress of real-time rail and open banking? If you could expand on that, it would help us in our deliberations.

That's it, Mr. Boms. If you could write to the committee, that would be greatly appreciated. Thank you very much, sir.

I'll be splitting my time with Mr. Morantz, but I have a couple of questions for you, Mr. Weber.

In budget 2024, the government proposed to reduce the size of the public service by 5,000 full-time equivalents from 368,000. I want to get your comment on that if I can.

**Mr. Mark Weber:** It is concerning. We're not sure exactly where these cuts are going to come from. Right now, the component that I'm president of, the Customs and Immigration Union at the CBSA, is short between 2,000 and 3,000 officers just to keep our borders running. That's just to give you an idea of how bad the shortfall in staff is. I don't think our situation is unique either. To think of where those cuts are going to come from is extremely concerning.

**Mr. Philip Lawrence:** In the context of the government's plans to reduce the public service, they're still spending, depending on the number you use, anywhere from \$15 billion to \$20 billion on consultants. Do you believe that your members would be capable of fulfilling some if not all of the work of consultants?

**Mr. Mark Weber:** Absolutely, we do. There's no need for that kind of money to be spent on consultants. As with our employer, with the CBSA, we saw what happened with ArriveCAN and everything surrounding it. That was a monumental waste of money that was absolutely unneeded. Our members could have done that work.

• (1330)

**Mr. Philip Lawrence:** You kind of stole my thunder there. I was going to ask about ArriveCAN. Perhaps I'll allow you to repeat some of the things your team has put on the record with respect to your ability to accomplish work. That's not just with ArriveCAN, which is to get headlines, clips and stuff like that. I'm more interested in digitization, because there's going to be a lot of it. There's going to be a lot of IT work that needs to be done too, irrespective of any government, for the next 10 years. I just want to hear from you about the confidence you have in your members to get that work done.

**Mr. Mark Weber:** I have complete confidence in our members to get it done. When ArriveCAN happened, none of our members or the people who work at the border were consulted on what was needed for an application to work at the border. That's not uncommon at the CBSA. We are generally not consulted on anything. The people who run the CBSA are almost universally not people who have ever worked at a border.

It was ill-advised money that didn't need to be spent and work that members could have done. The outsourcing was unneeded. Again, I don't think the situation is different from any component of the PSAC.

**Mr. Philip Lawrence:** Thank you for your excellent testimony.

I'll pass the floor now to my colleague, Mr. Morantz.

**Mr. Marty Morantz:** Mr. Weber, in your opening comments, you touched on the disaster around the Phoenix pay system. Do you have a sense of what the global damages are to the public service because of the debacle of the Phoenix pay system? With a dollar amount, how much does the federal government owe in outstanding pay to public servants?

**Mr. Mark Weber:** I know that about 400,000 cases are still unresolved. That work is still ongoing, with very few resources for those cases to be resolved. I don't have the exact dollar figure. I can tell you that the mental health toll, the anxiety, from the years that members have been suffering just to get paid for the work they do is absolutely extreme.

Michele, perhaps you have more on that.

**Ms. Michele Girash (National Political Action Officer, Public Service Alliance of Canada):** I don't have the numbers, but we can get back to the committee in writing if you wish.

**Mr. Marty Morantz:** I would really appreciate it if you could provide a number.

Is it still going on? Are people still not getting paid appropriately?

**Ms. Michele Girash:** We're eight years in, and there has yet to be a pay period that has not had mistakes. As Mr. Weber said, there

are over 400,000 cases yet to be resolved, and it keeps happening. It continues.

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

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

**Mr. Marty Morantz:** All right. In that time, I think I'll turn to Ms. Sawyers for a second.

Could you describe some of the valuable programming that your organization provides to children and youth?

**Ms. Utcha Sawyers:** Definitely. As I mentioned before, we provide programs from cradle to career. That's infant care all the way up to youth outreach, youth academic bridging and youth employment programs. We operate a main site and a hub site. We provide services in 26 other satellite sites. They range from licensed child care and early years learning to children and early teen recreational programs.

We run Circle of Friends, which is the autism recreation program, for two groups of children. One is for those in their early years, and we've now developed a tween program for children who identify on the spectrum and are in need of interaction and recreation support. We also run criminal justice support for youth who are navigating the criminal justice system. One thing we're newly embarking on is affordable housing for young Black youth in our community, who are a common denominator among those being underserved and under-represented in the housing landscape in east Scarborough.

That's just a snapshot.

**Mr. Marty Morantz:** Thank you so much, Ms. Sawyers. I apologize for interrupting. The chair is telling me that I've run out of time. That was very interesting.

**The Chair:** I was just enlightened and delighted to hear about all the programs that Ms. Sawyers delivers. My goodness. I don't know when you guys have time to sleep with all you do.

We are now moving to PS Turnbull for the next six minutes.

Members, I want to let you know that the sound may be working now for Mr. Boms. I think he's working with a new computer. We may be able to go to him for questions.

PS Turnbull.

• (1335)

**Mr. Ryan Turnbull:** Ms. Sawyers, it's great to have you here. It's great to have all the witnesses here, but I'll direct most of my questions to you.

I was very happy to be with you in east Scarborough when the Prime Minister made the announcement of the national school food program. I know how much work you've done as one of the members of the Coalition for Healthy School Food.

Could you speak a bit about your advocacy and the members of that coalition's advocacy, about how long it has been going on for and about how much effort that group has made? I think there are about 300 members across Canada, if I'm not mistaken, who have been advocating for a national school food program for quite some time. Could you give us a bit of detail on that?

**Ms. Utcha Sawyers:** Most definitely.

The coalition has been around for I believe over 25 years in some form, and it looks at food systems, specifically as they relate to school food programs. The model and the movement have, as you said, 300 members. It's nationwide. We work in synergy with each other to share models and different strategies to ensure that we are able to impact, to at least some degree on the local level, our student nutrition programs in our various community spaces. That would be schools, community centres, clubhouses like ours and other spaces, programs and national movements that are focused on healthy access for children and youth to nutrient-dense food.

It's about working with a broad spectrum, from those who are leading food programs in schools as volunteers to those of us in non-profit executive roles to those of us in academic institutions doing research. It's about galvanizing all of that content, research and information together to create synergies and strategies that work at the local level.

One thing we've been able to lead through the coalition is the reality that there's not a cookie-cutter solution in every community. Each community has the right to self-determine what their food system looks like in terms of access for children and youth. We've pioneered programs that are culturally appropriate and that consider cultural custom, and we spread that content across Canada. I think a coalition like this helps us to quickly move the most current and most successful models of student nutrition programs across Canada in a strategic and harmonious way.

**Mr. Ryan Turnbull:** Thank you for that.

I note that one of the most prominent voices in Canada, Food Secure Canada, is the organization that houses the Coalition for Healthy School Food. Food security comes up quite often in our conversations in Parliament these days. In fact, Conservative politicians are regularly citing the increased number of people in food bank lineups. I think we can all agree that seeing more Canadians turning to food banks is a troubling sign.

Let me ask you this, since you're someone who does this work on the ground in the community through an organization that I know does great work: Is this program addressing food insecurity at the household level, from your perspective?

**Ms. Utcha Sawyers:** Well, we've learned first-hand about the impact of children and youth's access. We're focusing on food access because it permeates the home. When we started shifting away from serving any food to being very intentional with our food charter, focusing on nutrient-dense food and understanding food literacy, we saw that parents were coming back. They were being impacted and wanted to learn more about what we were offering and how they could offer that at home. In that regard, yes, it has a significant impact.

We still have a ways to go in looking at the economic impact and how we can shift it. Again, the investment can grow. Any investment we can layer on what we're doing now is definitely a step in the right direction.

● (1340)

**Mr. Ryan Turnbull:** That's great. Some politicians have said really absurd things like, "There's no food in school food programs." I've heard them say that.

Just to be clear, you're actually feeding children real food.

**Ms. Utcha Sawyers:** Yes, we definitely are. We have a culinary team on site that goes through a holistic food guide and looks at how we can make sure food is not just filling the hunger spaces but also uplifting and nourishing a child for an optimal future. When the premier was at our site, he was cutting up fresh vegetables and fruits, and we had all of these great snacks, which, again, have an impact. We know that when a child is well fed, they're ready to learn and be a part of civic society.

It's important for us to make sure we are providing healthy food, not just ordering something, taking whatever is donated and so on. We're even making sure we set a standard in how we clean food from the community to make sure children are eating.

**Mr. Ryan Turnbull:** Thank you very much.

**The Chair:** Thank you, PS Turnbull.

We'll go to MP Ste-Marie.

[*Translation*]

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

I'd like to begin by thanking you, Ms. Sawyers. You and your entire team are doing extraordinary work given the few resources you have. Congratulations. The work you're doing is truly important.

My questions are for Mr. Weber.

Thank you for coming and for your testimony. You've raised several problems.

How would you describe relations between the government and the Public Service Alliance of Canada? When the government makes decisions that affect your members, does it consult the Public Service Alliance of Canada enough?

[*English*]

**Mr. Mark Weber:** There's generally very little consultation taking place. I know that for many employers—the CBSA specifically—consultation quite often means telling us what they're going to do the day before. For major decisions like ArriveCAN, there was no consultation or participation whatsoever. It's very concerning.

If you want to run an operation properly, you ask the people who actually work in it, in my opinion.

[Translation]

**Mr. Gabriel Ste-Marie:** That's also my opinion. It's rather surprising that it wasn't done.

You've partly answered my next question, but I'm going to ask you for a few more details and examples of how more consultation of the Public Service Alliance of Canada would enable the government to be more effective and show more respect for the members you represent.

[English]

**Mr. Mark Weber:** It would make a tremendous difference. I can tell you that right now, having been without a contract for two years and being at the negotiating table sitting across from our employer, the answer to absolutely everything has simply been no. It has been so abysmal that we have not even been given a wage offer, to give you an idea of the level of disrespect.

Here we are with mediation coming up on Monday and on the verge of a strike, and our employer has refused to talk to us about anything whatsoever. Our members work incredibly difficult jobs. They are horribly understaffed. Three thousand is a fairly conservative estimate of how many more people we need. We have ports of entry where five years ago 20 people were working and they're down to five or six. They work almost unlimited overtime. We make up 3% of the federal public service at the CBSA, and we account for 20% of the overtime budget, to give you an idea of the hours they are working to keep our borders running. They do it with pride. They do not want to go on strike.

We want to be negotiating with someone who actually speaks to us and understands the issues—our issues—and demands at the bargaining table for parity with the rest of law enforcement, such as being able to retire after 25 years like all the rest of law enforcement. The CBSA wonders why they have staffing issues with recruitment and retention. The tag line seems to be “Come to the CBSA; we will pay you less and you have to work longer”. That's not a great way to attract or keep people.

[Translation]

**Mr. Gabriel Ste-Marie:** Yes, it's really distressing. You've just mentioned again that it's been two years without a labour contract.

How do you account for the government's decision to let things drag on? What message is it sending about the government's stance on workers' rights?

[English]

**Mr. Mark Weber:** It's absolutely inexplicable and it really shows a severe lack of respect for the people who do the work. Our strike mandate was 96% in favour with a 70% participation rate. That's about as high and as strong as anyone has ever seen.

Our members are so disappointed. If you had a situation where everyone in this room had a benefit except one person and that one person asked for it year after year for decades and was refused, and was even refused proper consultation or discussion about it, I think we would all agree that person would be understandably furious. That is the situation we are in specifically with the “25 and out”.

Salary is an issue too, though. We're the second-largest law enforcement force in Canada. We enforce more legislation than any

other police agency. We're armed and have the same use-of-force requirements, yet we're always told as to pay and benefits that we are somewhat less. It's an unacceptable situation. It has to change.

● (1345)

[Translation]

**Mr. Gabriel Ste-Marie:** Yes, exactly.

We understand that the government shows a lack of respect for its public service, and particularly the members you represent, who are without a contract at the moment. It's upsetting to see it allow things to drag on like that.

How does all this affect the general population?

[English]

**Mr. Mark Weber:** I think the public can see it. We garnered tremendous support when we went on strike back in 2021. I think everything that has come out.... We discussed how ArriveCAN became a public issue, and with the other things we see happening at the federal public service, like with Phoenix and Canada Life, it's one thing after the next where the consultation is poor to none. There was the decision to arbitrarily send people back to work three days a week when we had a telework agreement that ensured individual consultation and that committees would look into these things. It's one thing after the next that demonstrates a lack of respect, and I think the Canadian public can really see it.

For us specifically at the CBSA, we might be on strike in a week. Obviously, that could greatly affect the public when they cross the border. It's the last thing we want. It was absolutely one hundred per cent unavoidable. Our bargaining demands are not pie in the sky. They're just about getting what everyone else has. It's really disappointing for us to be in this situation now.

[Translation]

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

[English]

Now we will go to MP Green.

Welcome to our committee.

**Mr. Matthew Green (Hamilton Centre, NDP):** Thank you very much, Mr. Chair. It's certainly a pleasure to be back, and it's great to be here, particularly on a day when we have the opportunity to talk a bit about our incredible public service.

I want to begin, Mr. Weber, by congratulating PSAC on a successful convention. There's a new president and a new executive, yet the fight continues.

I want to pick up on the last round of questioning. In early May, PSAC sent a joint letter with 15 federal public service unions to the President of the Treasury Board, Anita Anand, to express your outrage with the federal government's decision to impose an in-office mandate. The updated policy requires all federal public service workers in the core public administration and in separate agencies to work on site a minimum of three days a week.

Can you confirm if PSAC was consulted by the federal government prior to the announcement of this in-office mandate?

**Mr. Mark Weber:** I can confirm that we were absolutely not consulted before this came out. We were actually told it was not going to happen.

**Mr. Matthew Green:** I think I heard you say that this was part of a telework agreement, so this was in fact part of your collective agreement.

**Mr. Mark Weber:** That's correct. There was a letter of understanding that there would be consultation, that there would be joint consultation committees and that telework agreements would be done on a case-by-case basis per employee, which is the opposite of what happened. It was an arbitrary mandate for everyone to go back for three days a week.

**Mr. Matthew Green:** In your view, does this imposition of the mandate violate the spirit and intent of the signed letters of agreement between the federal government and PSAC from your recent rounds of collective bargaining?

**Mr. Mark Weber:** I believe it absolutely does. In the situation we're in at the CIU, we'll potentially be on strike in a week. As mediation happens next week and negotiations go on, we'll be demanding that things be enshrined in our collective agreement, because apparently a letter of understanding doesn't have much value.

**Mr. Matthew Green:** In your view, how will the imposition of this mandate impact the workforce productivity, well-being and work-life balance of your members?

**Mr. Mark Weber:** It has been devastating for work-life balance. It has done nothing for productivity.

The Government of Canada was very proud to announce how productivity had gone up during COVID when people were at home working full time. You could say that the one positive that came out of COVID was proving that they could do their work full time from home. Productivity actually increased. Now we see the announcement that offices are going to be retrofitted into affordable housing, and that, combined with telling employees arbitrarily that they have to come back to work three days a week, really doesn't make any sense for a government that says they're trying to save money.

• (1350)

**Mr. Matthew Green:** It's a pretty significant contradiction to talk about disposing of your properties, your real estate assets, and then simultaneously calling people back to work. Would you agree?

**Mr. Mark Weber:** It is somewhat inexplicable. I don't have a good explanation for it. I don't see the need for it. I don't see why you need to change people's work-life balance and the arrangement they've been working in for years very productively. It's for no reason that we can see.

**Mr. Matthew Green:** That's 15% of their property holdings. This could end us up in a situation where we lease back, in perpetuity, commercial properties and office settings that we otherwise would have owned, which seems nonsensical to me.

I think you spoke a bit about pay, retention and recruitment. In your view, how does the back-to-work policy impact the ability to recruit and retain?

**Mr. Mark Weber:** I think it will be significantly impacted. Again, this is becoming more common in other industries and in the private sector. The world has changed. How we do work has changed. We have people going into work now—in some cases full time, but for at least three days a week—who spend their whole day on Zoom calls. For example, for hearing officers like us, all hearings are now done by Zoom. Those could absolutely be done from home. There's no reason for the government to spend all that money to retrofit properties to force people to come in to do that.

**Mr. Matthew Green:** Have they given any indication to PSAC of how they plan to reconcile reducing their office portfolio by 50% with the apparent contradiction of mandating employees back to the office?

**Mr. Mark Weber:** Again, there's been no consultation whatsoever.

**Mr. Matthew Green:** Was there any response to your letter? Did they even give you the courtesy of a response, one from the Treasury Board to the PSAC, on this particular topic?

**Mr. Mark Weber:** To my knowledge, I'm not sure.

Liam, would you know?

No, I don't think we've gotten a response yet.

**Mr. Matthew Green:** To this day, there's been no response.

I'm a proud New Democrat. I'm the labour critic as well. I'm here virtually via Zoom. We have other members from all parties who participate via Zoom. Parliament seems to continue to work, and I would agree that there are increases in productivity to be had.

As to this complete contradiction, I'm not sure whether I should attribute it to malice or incompetence administratively, quite frankly. I'll say on the record that those are my words, not yours.

What do you think the future is going to be like with forcing people back in this way without any inclusion and consultation with the unions?

**Mr. Mark Weber:** I think it absolutely has to change. You have to ask the people doing the work how best to do the work. You have to make telework arrangements on an individual basis with every employee.

We understand fully that there are jobs you cannot do remotely. You cannot be a border services officer working at a port of entry from home, clearly, but if you are able to do your work from home and you've shown over many years that you can do it effectively and be even more productive, there's absolutely no reason to not enjoy that benefit.

**Mr. Matthew Green:** I tend to agree.

Thank you.

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

Members, we're going into our second round. We have very limited time. It will be two minutes for each party to ask your final couple of questions.

We're starting with MP Morantz for two minutes.

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

Mr. Boms, I think you're back with us. Do I have that right?

**Mr. Steven Boms:** I certainly hope so.

**Mr. Marty Morantz:** Canada is suffering from a productivity crisis according to the senior deputy governor of the Bank of Canada. She warned about that in a speech a couple of months ago and said that in case of emergency "break glass". It's a very serious situation.

Canada is lagging behind on the implementation of open banking and real-time rail. I'm wondering if you could, in the short time we have, lay out the benefits of those policies, the impact on consumers and the negative effects of Canada not having those policies in place vis-à-vis our peer nations.

**Mr. Steven Boms:** I'm happy to. Thank you for the question.

There are several benefits. I'll just highlight a few.

Number one is access to affordable credit and capital. We saw this in many other jurisdictions during the COVID pandemic. The smallest small businesses were able to use non-banks to access credit faster and more efficiently than through larger banks. Canada is the only country in the G7 that did not facilitate that type of access because there wasn't open banking to facilitate it.

For consumers, there's more competition. The more players that exist in the financial sector, the lower the fees, the better the service and the better the opportunity to find the solution that's right for you. For new Canadians, for example, who might not have a traditional credit history, using transaction data to demonstrate that they are in fact creditworthy can enable them to achieve affordable credit in ways that can help them be more productive members of society, make purchases, buy a car or get a mortgage.

There are many benefits. Those are just a few that I would highlight.

• (1355)

**Mr. Marty Morantz:** Thank you very much. That's excellent.

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

Now we'll go to MP Sorbara.

**Mr. Francesco Sorbara:** Thank you, Chair.

Good afternoon to everyone.

First, to the Public Service Alliance, I really want to say on the record a big thank you to all your members for what they do on a daily basis for Canadians, whether it's the CBSA officer at an airport or border crossing or the various roles that Public Service Alliance members perform every day for Canadians. I really want to say thank you very much for that.

I want to ask a question of Utcha Sawyers on food banks.

I want to get on the record the programs we've put in place. I'll turn it over to you for the last 30 seconds. There is the Canada child benefit, which is going up to \$7,800 a year for children under six. Obviously, it's a means-tested program. There's the national early learning day care program, which will be \$10 on average in Ontario by September 2025. There's also a national food program. When you're putting these transformational pillars together, they put together a great foundation for children in Canada.

Ms. Sawyers, how important is this national food program for children who really need it?

**Ms. Utcha Sawyers:** It's critical. The reality is that a child who is malnourished.... This is what we're facing in a lot of communities. It's not just children who are hungry. We're facing children who are malnourished because their parents have to choose between paying the rent, paying utilities and buying quality food or even buying food, period. They're often going to food banks that don't have the diversity for healthy, nutrient-dense, balanced diets. I would say that, rather than a foundation, it is a step in the right direction for providing an additional layer of support.

The reality is that the families with the most critical needs are experiencing extreme financial poverty. They're behind in rent by four to six months. Some of them have parents who are laid off and some don't have access to any additional financial resources, other than those they're receiving through OW, family benefits and the benefits you mentioned.

On top of that, the cost of living, especially in Toronto, is astronomical. Quite often food is the first thing to go or the first thing to be whittled down, given access, on the list of priorities. Unfortunately, it's the most critical thing that children and youth need in order to live healthy, thriving lives.

**The Chair:** Thank you, MP Sorbara. That's the time.

**Mr. Francesco Sorbara:** Thank you.

**The Chair:** Now we'll go to MP Ste-Marie for two minutes.

[Translation]

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



Mr. Weber, I'd like to react to a comment we just heard. I understand that there are no contract negotiations with you, that you're not being consulted, that they can't pay you properly, and that the Phoenix pay system has not been fixed. You've also been required to use the Canada Life insurance company when it has all kinds of problems, and so on. Thank you for what you've been doing in spite of it all. I have a lot of respect for you.

I'd like to go back to a topic you mentioned in your presentation about some of the trades, like firefighters.

Can you tell us more about the trades you mentioned and repeat your explanation of the current problems being experienced in negotiating on their behalf?

Once again, thank you very much and I can tell you that you have my full support.

• (1400)

[English]

**Mr. Mark Weber:** Regarding the “25 and out” retirement benefits and the ability to retire after 25 years without penalty, I included—along with CIU members and CBSA officers—federal firefighters and fisheries officers, who are in the same situation, unfortunately. We as a group all have to work longer than pretty much all other public safety or law enforcement personnel.

[Translation]

**Mr. Gabriel Ste-Marie:** That's very clear. Let's hope that things change as soon as possible.

As for the Canada Life insurance company, which has been handling the group insurance plan for public servants for a number of months, have you seen any improvement or is it still a mess?

At our riding offices, we keep getting all kinds of complaints about the Phoenix pay system and the Canada Life group insurance plan.

[English]

**Mr. Mark Weber:** I think Liam would be in the best position to answer that.

**Mr. Liam McCarthy (Director, Negotiations and Programs Branch, Public Service Alliance of Canada):** The major issue with Canada Life at this point is that, while the cases have been going down, there was a six-month allowance for Canada Life to perform substandard...upon the transfer over to Canada Life. The major issue we're still dealing with is that there should not have been worked into the transfer contract an allowance of lower rates. Our members faced issues like being on hold for very long periods of time to try to get through and not being able to get their claims processed. While the claims are improving, there was a significant period of time when people were effectively being denied getting their extended health benefits in a timely fashion.

[Translation]

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

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

[English]

Now we'll go to MP Green.

MP Green, you'll have two minutes, and these will be the final questions for this panel.

**Mr. Matthew Green:** Thank you very much.

There's certainly been a lot of discussion in the House about the government's gross misuse of consultants—it's in the billions of dollars—yet in budget 2024, the federal government announced plans to decrease the public service by 5,000 full-time equivalents.

Has the federal government consulted with PSAC on how these job cuts will impact specific departments and agencies, Mr. Weber?

**Mr. Mark Weber:** Not in any specific way, no. We've just seen the overall numbers that you have.

**Mr. Matthew Green:** In your view, does that make sense? Does it make sense that they can cut public service full-time equivalents and regain control of this consultant class, this shadow government of consultants—McKinsey, Deloitte and others—that they've created to the tune of \$15 billion?

**Mr. Mark Weber:** I think any reduction in private consultants is positive.

In terms of where the cuts should be made, again, you need to consult with the people who do the work to know where to make cuts. At our borders, if it is the upper management echelon at CBSA deciding where to make cuts, they would have absolutely no idea whatsoever.

**Mr. Matthew Green:** Could you outline how these job cuts will impact service delivery for Canadians?

**Mr. Mark Weber:** It could be severe. It's difficult to say, not knowing how many positions, where, and what's going to be cut. As a rule—and my experience is with the CBSA—upper management and middle management continue to grow and bloat while the number of people who work the front line and service Canadians continues to shrink. It's very worrisome to think about where they're probably aiming those cuts.

**Mr. Matthew Green:** I can imagine—I've managed people before—that those types of cuts often lead to gapping, where you have two or three positions on the shoulders of one worker.

Could you outline how these job cuts might potentially impact PSAC members?

**Mr. Mark Weber:** Absolutely. Many of our members, not just in the CBSA but across the federal public service, are doing double or triple duty. Many places are scrambling and are very overstaffed. They're trying to service Canadians and get work done in the manner that Canadians deserve. I take great pride in the work they do under difficult circumstances. With the lack of resources, the idea of cuts is frightening.

**Mr. Matthew Green:** My last question—

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

We're at the—

**Mr. Matthew Green:** I have 15 seconds. I time myself. I don't know what timer—

**The Chair:** Well, it's at 2:25 right now, but go ahead.

**Mr. Matthew Green:** You have a Liberal timer, man. Come on now.

In your view, does the imposition of this mandate comply with the federal government's legal obligation under division 3 of the Federal Public Sector Labour Relations Act as it relates to consultations?

• (1405)

**Mr. Mark Weber:** I'm sorry. I wasn't able to hear the question.

**Mr. Matthew Green:** Does the imposition of the back-to-work mandate and the cuts violate the legal obligation under division 3 of the Federal Public Sector Labour Relations Act, which is about consultations?

**Mr. Mark Weber:** Yes.

**Mr. Matthew Green:** Thank you.

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

We want to thank our excellent witnesses. Thank you for coming before the finance committee on Bill C-69. We wish you the best with the rest of your day.

Members, we are adjourned.

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