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Chair: Mr. Peter Fonseca



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• (1530)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): I call this meeting to order. Welcome to meeting number 158 of the Standing Committee on Finance.

Today's meeting is taking place in a hybrid format. All witnesses have completed the required connection test in advance of the meeting.

I'd like to remind participants of the following points. Please wait until I recognize you by name. All comments should be addressed through the chair. Members, please raise your hand if you wish to speak, whether participating in person or via Zoom. The clerk and I will manage the speaking order as best we can.

Pursuant to Standing Order 83.1 and the motion adopted by the committee on Thursday, September 26, the committee is resuming its study on the pre-budget consultations in advance of the 2025 budget.

I'd like to welcome our witnesses.

With us today, we have, from the Canadian Credit Union Association, its vice president of government relations, Michael Hatch. From the Canadian Federation of Nurses Unions, we have its president, Linda Silas. From the Canadian Teachers' Federation, we have Heidi Yetman, president. From the Convenience Industry Council of Canada, we have president and chief executive officer, Anne Kothawala, joining us via video conference. From the Native Child and Family Services of Toronto, we have interim director of governance and strategy, Melissa Hamonic. From Unifor, we have the national representative of the research department, Simon Lavigne, and the Quebec director, Daniel Cloutier.

With that, we are going to open it up to the witnesses' opening remarks. You'll have up to five minutes to deliver those remarks before we move into members' questions. We are going to start—

[Translation]

Ms. Rachel Bendayan (Outremont, Lib.): I have a point of order, Mr. Chair.

Are all the witnesses who are participating in the meeting by video conference connected?

[English]

The Chair: Okay, we'll work on that to make sure we get the screens up. We want to see everybody as they deliver their remarks.

[Translation]

Thank you, Ms. Bendayan.

[English]

With that, we will start with Michael Hatch, please.

Mr. Michael Hatch (Vice President, Government Relations, Canadian Credit Union Association): Thank you, Mr. Chair.

Honourable members, thank you for inviting me to speak today. My name is Michael Hatch. I am the vice president of government relations at the Canadian Credit Union Association.

Canada's credit unions and caisses populaires manage almost \$684 billion worth of assets and serve over 11 million people, so that's more than one in four Canadians. With more than 2,000 credit union locations, we are the only financial institution with a physical presence in around 350 communities in almost every part of this country. Credit unions and regional centrals employ over 30,000 individuals and provide full-service financial solutions while being fully Canadian owned.

We are pleased to appear today as part of this committee's pre-budget hearings in advance of the 2025 federal budget.

As this committee and the government look for concrete policy options to address the cost of living challenge, there is a single word that should be constantly on your minds: competition. The most effective way the government can address high costs is to encourage competition in the sectors that impact Canadian households.

Credit unions, as most of you will know, provide some of the only real competition that exists in financial services in this country. The sector is dominated by a small number of massive banks, and we all know who they are.

Normally, mergers and consolidation are associated with decreased competition. In our sector, the opposite is true. Credit unions have been consolidating for decades, and this trend will continue. Far from reducing competition, consolidation has allowed the credit union sector to continue to provide the only competition that exists for the large banks.

This year's budget has increased the merger scrutiny powers of the Competition Bureau. It is our hope that a more robust merger review process will not hinder the further consolidation that will be required in the years to come in the credit union sector. Early evidence from the bureau suggests that its enhanced powers will pose a challenge to the continued consolidation that needs to take place in our sector if we are going to be able to continue providing, again, the only competition that exists for Canadians' wallets.

We urge members of this committee and all parliamentarians to pursue a legislative regime that allows credit union consolidation to continue, as this is consistent, as I mentioned, with enhanced competition in Canadian financial services.

Far too often, policy coming out of Ottawa towards our sector takes into account the needs, scale and structure of the large banks. This has had very negative impacts on the credit union sector over the years. The most recent example of this—and I'd be happy to get into more detail in the Q and A—is the recently announced carbon rebate. There will be \$2.5 billion—that's serious dollars—going out in the next month couple of months to 600,000 small businesses across Canada. The co-operative sector—credit unions included—is completely excluded from this program, even though including us in it would have zero cost and would not impact the payments to those 600,000 businesses in a material way. This is an easy problem to solve. We urge this committee to address this inequity at the earliest possible opportunity, ideally in next year's budget, or even possibly in the fall economic statement to come.

There are many other examples, which I would be happy to discuss in the Q and A period, but I know we're pressed for time, and I want to give the floor to my fellow witnesses. I look forward to your questions.

[Translation]

Thank you.

• (1535)

[English]

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

Now we're going to hear from the Canadian Federation of Nurses and its president, Linda Silas, please.

Ms. Linda Silas (President, Canadian Federation of Nurses Unions): Thank you, Mr. Chair.

The Canadian Federation of Nurses Union, CFNU, is the largest nursing organization in Canada, representing over 250,000 frontline nurses and nursing students in every sector of health care.

Everyone in Canada knows that our health care system is very challenged. We would say it's in crisis.

The most serious challenge is the nursing shortage. According to a recent report from StatCan, there are 42,000 nursing vacancies. We have fewer than 500,000 nurses in this country. Beyond this, the working conditions of nurses are horrendous.

In our original submission, we discussed the government moving forward with the pharmacare program. Due to the time constraint

and the role of this committee to advise the minister, we're going to focus on the nursing shortage.

Our first recommendation is to create a patient bill of rights. Because the condition of work is the condition of care, the bill should have three components.

First is a nurse-patient ratio, which refers to the number of patients assigned to a nurse. These ratios are an international practice and have demonstrated benefits in reducing the nursing workload, especially in the acute care sector. In California and Australia, we see a nurse-patient ratio with higher job satisfaction and better outcomes for patients. British Columbia and Nova Scotia have committed to this. Now we need to move it forward.

Second is to limit consecutive working hours for nurses. Currently, there's no regulation limiting how many hours nurses can work in a week. Fatigue is a well-known safety risk. Other industries with critical safety concerns have established regulations for work hours. For example, rail operators are restricted to 12 hours. Nurses can work double shifts up to 24 hours and nobody questions it.

Third is enforcing long-term care standards. The Government of Canada established long-term care standards. One example is to guarantee our seniors 4.5 hours of direct care. That brings seniors safety, but the standards need to be enforceable.

Our second recommendation is to call for a \$1-billion fund to enact a nursing retention tool kit. This fund would enable provinces, territories, municipalities and local health authorities to work on nurse and health care worker retention through the tool kit recommendation. There are other actions this government can take to help students and young nurses, such as developing paid preceptorship and mentorship programs, as already exist in Australia.

We need to work toward phasing out the use of private, for-profit staffing agencies, which are sapping billions of dollars from our public sector. They are completely unregulated. Research shows that these agencies create staff turnover, deterioration of quality of care, and inequities in working conditions and salaries, and they destabilize our health care teams.

We also propose tax incentives for nurses, such as a \$5,000 Canadian nurse tax credit modelled after the volunteer firefighter tax credit, which would help retain nurses.

Finally, Canada needs a health human resource strategy that will reduce the risk of future shortages in health care. I've been doing this job for 21 years and this is the third time I've appeared at different government committees talking about different waves of nursing shortages. We need to do better.

Nurses are asking you to fund Health Canada so we can include a patient bill of rights and retention and recruitment efforts in your recommendation to the Minister of Finance.

Thank you.

• (1540)

The Chair: Thank you for that. Thank you for the work that nurses do across our country. It's really amazing.

Now we're going to hear from the Canadian Teachers' Federation president, Heidi Yetman.

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

[*Translation*]

Good afternoon, everyone.

[*English*]

My name is Heidi Yetman. I'm the president of the Canadian Teachers' Federation. I represent over 365,000 public sector teachers and educators across Canada.

The federation is an organization that puts teachers and social justice at the core of its existence. We feel passionately about creating a more equitable and just society, and for these reasons, the federation is seeking transformative social change in budget 2025.

In our pre-budget submission, the federation has four key issues that we would like addressed in budget 2025.

First, as I've said before at this committee, we'd like to see the fantastic work being done with the Canadian school food program continued. We have been working closely with our member organizations and the Coalition for Healthy School Food. We've also been consulting with the Government of Canada and monitoring progress on agreements with the provinces. We really appreciate the investment in a national school food program, and we hope to see the funding continued and possibly extended.

Next, the federation is asking for supports for school boards to deal with the influx of new migrants to Canada and those young newcomers who are entering the K-to-12 public education system. Canada has undergone significant demographic changes and welcomed a significant number of new immigrants and families to Canada, and that's a good thing. While education funding is the purview of the provinces, Canada regularly funds official language supports. We need to see proportional official language education funding, both in English and French, to deal with the influx of newcomers to Canada. Teachers and education workers in Canada are already dealing with austerity measures across the board, and we would like to see the federal government step in to address this severe underfunding in a way that respects provincial jurisdiction while also appealing to the federal government's responsibility to ensure that everyone in Canada has the ability to communicate in one of our official languages.

Third, the federation is asking the federal government to help casual teachers, or substitute teachers, with the cost of living. The teaching profession is in the midst of a retention and recruitment crisis, as I've said before at this committee, and having teachers stay in or enter the profession is becoming more and more difficult for a myriad of reasons. Both the federation and the Canadian Labour Congress have resolutions seeking travel deductions for casual teachers. In budget 2025, we would like to see the Government of Canada and the Canada Revenue Agency allow for casual teachers to deduct travel expenses when they're travelling to work.

Finally, I arrive at our most ambitious ask. By the way, today, October 10, is World Mental Health Day; I see some of you wearing green ribbons. We're asking the federal government to commit to permanent and ongoing funding for mental health services under the Canada mental health transfer.

I want to thank the federal government for their budget 2024 investment in youth mental health, but I believe we can and should do more. Recently, the federation partnered with the Canadian Mental Health Association to pilot support for in-school mental health supports for teachers. This project has already shown us that teachers badly need mental health support. Did you know that 39% of Ontario high school students indicate moderate to serious levels of psychological distress?

Mental health remains a significant concern for our members and contributes to the retention and recruitment crisis facing public education workers. It's an ongoing issue impacting the well-being and working conditions of teachers, education workers, students and their families. The Liberal Party of Canada's campaign platform committed to permanent ongoing funding for mental health through the creation of the mental health transfer, so we'd like to see that commitment become a reality and really change the lives of teachers, education workers, youth and families living in Canada.

Thank you, and I look forward to hearing your questions.

• (1545)

The Chair: Thank you, President Yetman. You're no stranger to this committee. You were here in September on capital gains, and now you're here on our pre-budget consultation. We thank you for your advocacy for teachers and for mental health.

Now we will hear from the Convenience Industry Council of Canada and its president, Anne Kothawala, please.

Ms. Anne Kothawala (President and Chief Executive Officer, Convenience Industry Council of Canada): Thank you very much, Mr. Chairman, and members of the committee for hearing from local corner stores as part of your pre-budget consultation.

On behalf of Canada's 22,000 convenience stores, which employ 188,000 people in communities right across the country, we are pleased to speak with you about issues facing our industry and provide you with three recommendations that would support local stores and workers as part of budget 2025.

We recommend the removal of credit card interchange fees on the tax portion of sales made by credit card and the allocation of additional federal funding to address the sale of illegal contraband tobacco, and reinstating the ability for our stores to sell nicotine replacement therapies to adult consumers. Punishing credit card interchange fees, proliferation of contraband tobacco and illogical restrictions on products sold in our stores have a direct impact on our businesses, our workers and Canadian communities. Every week 1.5 stores are closing their doors in Canada, the majority of which are in rural and remote communities. This is a major problem for the 60% of Canadians who say convenience stores are important to meeting their needs.

The challenges facing convenience stores are unique. We collect more taxes than any other retail sector due to the mix of highly taxed products that we retail, including fuel and tobacco. In 2023, our members collected more than \$24 billion in tax, \$11.42 billion for the federal government alone. We are heavily taxed and also heavily regulated. Stores face dozens and dozens of red-tape barriers to opening and operating stores, which have a direct cost on business and curb interest in investment and growth.

These existing pressures are compounded by the current approach to credit card fees and contraband tobacco.

On credit card fees, our stores face a double whammy. We pay the interchange fee both on the products sold and on the taxes applied to these products. The result is our stores are spending tens of thousands of dollars per year per store simply on fees on just the tax portion of the sales made by credit card. Using an illustrative example of a gas purchase in Nova Scotia, if credit card fees on the tax portion of a \$60 gas purchase were to be addressed, merchants would save about 50%, money that could be invested in our stores and workers and help keep prices competitive. Regrettably, our stores do not qualify for the new small business interchange rate, which benefits really only micro-businesses, and a promise from the current government to eliminate this swipe fee from the tax portion of transactions made in 2019 hasn't materialized. We don't buy the argument that it isn't possible to do. Surely there is a solution. An easy one would be a tax credit for these retailers that are facing excessive costs to collect taxes for government.

If we are going to compete with big-box stores and remain viable, relief on credit card fees is essential.

Rural crime and organized criminal activity are also threatening our stores and communities. Committee members may have seen news on Monday that four of our member store locations in Winnipeg will close their doors due to rising crime at these locations. You can understand our frustration to see this happen when the fed-

eral government takes no action on the issue of illegal tobacco, even though it directly undermines our law-abiding businesses. It is shameful that our stores are competing with organized criminals. They go unpunished, while we are forced to shutter our doors.

Inaction on contraband tobacco isn't just about tax collection, it is about public safety. Contraband tobacco seizures are often accompanied by the seizure of illicit drugs and firearms. We need to be more deliberate in targeting contraband and illicit tobacco, both with more powers for law enforcement and by addressing the on-line growing illicit market.

I can speak to more specific recommendations during the Q and A if desired.

Our final recommendation is to return nicotine replacement therapies, like nicotine pouches, to convenience stores. Canada's convenience store industry has been entrusted for decades to sell age-restricted products to adult consumers, namely lottery, tobacco, vaping products and in some provinces alcohol.

● (1550)

We have a strong record of success in preventing youth access to age-restricted products. The decision to remove these products from our stores was without merit, and carries significant consequences for adult consumers and legal retailers. These products should be returned to our shelves so that adult consumers can easily make the choice to choose a reduced-risk product at the same place they purchase their tobacco.

Our stores are not here seeking a handout, but seeking to address punishing fees and taxes, and criminal activity. Allowing our businesses to responsibly sell legal products can go a long way to ensuring we remain cornerstones in Canadian communities.

I look forward to answering any questions you may have.

Thank you.

The Chair: Thank you, Ms. Kothawala.

I'm sure there will be many questions.

Now we are going to hear from Native Child and Family Services of Toronto, and Ms. Hamonic, please.

Ms. Melissa Hamonic (Interim Director, Governance and Strategy, Native Child and Family Services of Toronto): Thank you, Mr. Chair.

[Witness spoke in Michif]

[English]

I just introduced myself in Michif, my maternal language.

Good afternoon, committee members, and thank you for the invitation to participate in your pre-budget consultations this year.

I'm the director of governance and strategy at Native Child and Family Services of Toronto. We're an urban indigenous agency providing a wide range of services to indigenous children and families in the greater Toronto area. The programming we offer families is designed around a holistic, culturally grounded service model, which has allowed us to effectively support Toronto's indigenous community since 1986. After almost 40 years, Native Child has come a long way and has grown considerably. Today we serve, through 164 programs, over 8,000 community members in the region, and to do this work we rely on funding from the Government of Canada to deliver our programming and to maintain critical data management and administrative systems behind the scenes, ensuring principles of ownership, control, access and possession are honoured and respected.

As many members of this committee are aware, the majority of indigenous people in Canada, over 64.5%, live off reserve or outside of their communities, and many are located in urban environments like Toronto. The children and families we serve reflect this reality. We're proud to assist first nations, Métis and Inuit people from across Canada, working to ensure they receive the same level of support in Toronto that they would receive at home—at minimum.

These pre-budget consultations are taking place during a really pivotal time for first nations child and family service providers. The agreement in principle on long-term reform of the first nations child and family services program and Jordan's principle stands to deliver transformative levels of new funding that will enable on-reserve first nations child and family services agencies to restore their jurisdiction over child and family services on reserves. At Native Child, we understand this as an incredible moment. After decades of hard-fought advocacy and self-determination, arriving at this point, when first nations are gaining control and access to their child and family services, is huge. It's immense.

Historically, this funding was made available to first nations children and the child and family well-being agencies that serve them, including agencies like ours—urban indigenous agencies. However, in the current iteration, we understand that the final agreement for long-term reform currently up for discussion will be dedicated to on-reserve first nations children and youth only and will no longer be accessible to agencies serving first nations people living in urban centres. Native Child would like to continue to receive guaranteed annual funding from the federal government and some assurances that our existing funding will continue beyond 2026.

Native Child plays a critical role in filling service gaps for indigenous children and their families living in Toronto that cannot be addressed currently by on-reserve agencies. Without guaranteed annual funding, it will be incredibly challenging for organizations like Native Child and other urban indigenous agencies to continue providing adequate support to families in need—support that families deserve and should be receiving without any hesitation.

We fear that this funding shortfall we currently face could mean that more than 4,000 indigenous children and youth in the GTA alone may lose access to the preventative supports they rely on

from our agency. Hundreds of children could be at risk of entering or remaining in the child welfare system, and we're all well aware of the potential impacts and harms of that.

The good news is that these outcomes can all be avoided through proactive investments in our agency and agencies like ours—urban indigenous agencies. Through \$15 million in renewable annual funding from the Government of Canada, Native Child will have the assurance we need to continue providing the care and support so many community members rely on each and every day. This funding will allow us not only to meet the needs of today but also to plan for the needs of tomorrow with confidence. In our community, we understand that it's incredibly important to plant the seeds now for the seven generations to come, and that's why we are seeking partnership with the government today.

Budget 2025 presents an opportunity for the federal government to ensure that its commitment to decolonizing child and family services is applied universally to all agencies, regardless of where they're located. I remind folks again that 65.4% of indigenous people are living in urban centres like Toronto, so this is a critical need. An investment in Native Child is a critical step in making this commitment from the government a reality.

Thank you once again for your time and consideration. We, of course, welcome any questions you may have and look forward to more discussion. *Meegwetch.*

• (1555)

The Chair: Thank you, Ms. Hamonic.

Now we go to Unifor, and we have, as their speaker, Quebec director Daniel Cloutier, please.

[*Translation*]

Mr. Daniel Cloutier (Quebec Director, Unifor): Good afternoon, Mr. Chair and members of the committee. My name is Daniel Cloutier and I am the Quebec director of Unifor.

Unifor is Canada's largest private sector union. We are active in over 20 industrial sectors and we represent 320,000 members in Canada, including 55,000 in Quebec.

I want to thank you for the invitation to participate in the committee's work in order to provide you with our members' views. With me is Simon Lavigne, who is the national representative in Unifor's research department.

The pre-budget consultations cover a wide range of issues, and so I invite you to review Unifor's complete brief, which we submitted to you.

The reason I am here today is to draw your attention to a specific industrial sector that employs more than 11,000 Unifor members, including 7,000 in Quebec alone: the aerospace industry. This is a highly strategic industry that is heavily unionized. For several decades, it has given workers the chance to put down firm roots in the middle class and enjoy good, well-paid jobs.

Aerospace is a key industry for Canada. It also plays a central role in Quebec's manufacturing landscape. In fact, 14% of Quebec's total exports are connected with this industry. Montreal is the world's third-largest aerospace industry centre: 75% of Canadian aerospace R and D is done right here in the Montreal region.

Our capacity to design, manufacture and certify aircraft is a source of pride, but also a strategic asset that we have to protect. At present, when we examine the sector, we observe some concerning trends. In fact, the industry has still not recovered after the pandemic.

Current R and D spending in the aerospace industry and the contribution to gross domestic product that it generates are below 2018 levels. Over the last five years, the average wage advantage the aerospace industry has over all other sectors has dropped by almost 40%. The labour shortage and the challenge of replacing members of our work crews have not abated. Disruptions in the supply chain have not been entirely resolved. At the same time, our main competitors are adopting ambitious industrial strategies that focus on developing their own national capacity.

What has the federal government been doing all this time? It is making piecemeal investments, playing it by ear, and not working proactively to ensure that the billions of dollars we are spending on procurement will provide job security for Canadian workers.

The worst thing of all is the strategic vacuum we are seeing at present. Ottawa is sitting on the sidelines, even though it controls the basic levers: defence, air transportation, tax policy, research, innovation funds, foreign trade, diplomacy and on and on.

We are calling for a clear strategic framework to guide federal government action, to play to our strengths, to make up for our weaknesses, and to foster linkages among stakeholders. Obviously, major funding and long-term, sustained investment will have to be provided in order to put a strategy like this in place.

On September 26, in Montreal, Unifor revealed its industrial policy for the aerospace industry. We spoke with our members and to employers, training centres and academics, with the aim of developing a vision for workers themselves. It is their vision. It consists of four pillars and 27 targeted recommendations and I urge you to read it.

I would like to draw your attention to some of the potential solutions we are proposing.

First, Unifor is calling for the creation of a national industrial strategy for the aerospace industry. This kind of strategy is a mandatory path for calibrating our investments better. A policy for benefits with no industrial policy is like a car with no steering wheel.

Second, we are asking for an aerospace development council to be created that will bring together the main stakeholders in the sector, including the unions, to put the strategy into effect over time.

Third, Unifor is calling for a comprehensive increase in work-force attraction, training and adaptation funding, in partnership with the provincial governments, which have jurisdiction in these fields.

And fourth, Unifor is calling for the creation of a fund devoted exclusively to the aerospace industry, a flexible funding program, and made-to-measure tools that might even include taking an equity stake on terms that must be adhered to.

We believe that we must be proactive in order to ensure that the billions of dollars being spent will directly benefit workers in Quebec and Canada. The future of our aerospace cluster depends on being more consistent and more ambitious. That is what our members who work at Bombardier, Pratt & Whitney, CAE, Héroux-Devtek or MDA believe. This has been talked about for decades; we believe it is time to act.

• (1600)

Thank you for your attention. We are at your disposal to answer your questions.

The Chair: Thank you, Mr. Cloutier.

[English]

Now, we are going to get right into questions. In this first round, each party has up to six minutes to ask questions.

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

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

Ms. Kothawala, I want to make sure that I got some numbers correct. You said your members collect about \$11.4 billion in monies, which they then transmit to the federal government for taxes. Is that correct?

Ms. Anne Kothawala: Yes, that is correct.

Mr. Adam Chambers: Do you have a sense of how many of your members or franchise model owners are new Canadians, like first-generation Canadians or immigrants?

• (1605)

Ms. Anne Kothawala: It would be a big percentage, but we don't have the exact data.

Again, it's important to understand the structure of the convenience store industry. Whether the banner flying is Joe's Convenience, Daisy Mart or Circle K, they are still fundamentally small businesses and they employ a lot of new Canadians, because working for a convenience store is oftentimes where they get their start.

Mr. Adam Chambers: Thank you.

You collect all this money on behalf of the federal government or other governments. Are you on the finance minister's Christmas card list? I'd assume you're an important stakeholder for her.

Ms. Anne Kothawala: I wish I was, but indeed, we are not.

That is really our fundamental point here. We're not complaining about the fact that we're collecting these taxes. We are complaining about the fact that our members have to dig into their own pockets to collect those taxes. It seems quite perverse that you have a small business owner who is spending \$20,000 to \$25,000 a year of their own money in order to collect those taxes for the government because of interchange fees.

Mr. Adam Chambers: I'm curious about the nicotine pouches. Where can I now buy a nicotine pouch? If I can't buy them from one of your members, where do I have to go?

Ms. Anne Kothawala: You can get them at some pharmacies, but based on what we've heard from our members, there hasn't been a big pickup in pharmacies. What a lot of people are doing is going online, and I might add that it is where youth are going as well. A lot of the products sold online are unregulated and illegal. They include flavours that are banned in Canada. It's a bit of the Wild West, I'm afraid.

That is why we are so adamant about this issue. Based on recent data we've collected from our member stores, those stores where they had a number of adult customers coming in to buy nicotine pouches have been seeing an uptick in cigarette sales ever since nicotine pouches were removed from their stores. We can see exactly what's happened. Former adult smokers are now going back to smoking cigarettes, and that doesn't seem good for anybody.

Mr. Adam Chambers: Right, but if you just follow the money, the demand doesn't typically go away, although there's some substitution back. The government's policies are now increasing the black market or, to an extent, large pharmacy chains and actually diverting money and business away from businesses significantly owned by Canadians and immigrants.

Ms. Anne Kothawala: That is correct.

Mr. Adam Chambers: Thank you very much.

Mr. Hatch, how many members do you have that would be eligible? Do you know how much money they would get if they were included in the carbon tax rebate?

Mr. Michael Hatch: To answer your first question, it's about 170. My organization represents all credit unions outside of Quebec, of which there are 185. All but 15 of those have fewer than 500 employees and would qualify.

Mr. Adam Chambers: Do you know how much money they could expect to receive if they were included?

Mr. Michael Hatch: It would depend on their size. If they have 499 employees, it would be several hundreds of thousands dollars, all the way down to a much smaller number, obviously, for smaller institutions.

Mr. Adam Chambers: They pay utility bills. You have to heat these branches.

Mr. Michael Hatch: Yes. They're as exposed to the burden of the price as a lot of other sectors that are benefiting.

Again, it's an easy fix. The numbers, overall, are a drop in the bucket compared to the 600,000 small businesses that are going to be getting money in a couple of months.

Mr. Adam Chambers: Why do you think you've been ignored by the government?

Mr. Michael Hatch: I don't think we've been ignored, to be fair. Nothing is ever perfect when it comes out of the Department of Finance.

I think there was a desire to get this out the door in a way that, perhaps, was imperfect. I've had discussions with departmental officials in the past few days, and there is an openness to making the fix, going forward. We hope it will be possible in either the FES or the budget in the spring.

Mr. Adam Chambers: That's great. Thank you very much for your testimony. I'm sure we'll get to some other questions from my colleagues.

Ms. Yetman, it's wonderful to have you back here. It's been three times in six months. I need to thank you for our interaction last time. In fact, the government was so kind as to post it for me.

I have a consideration for you to take back, for what it's worth: You might want to survey your members about some of the items you're talking about, because I've had current teachers approach me saying, "Look, I really like my health care plan. By the way, I don't like the capital gains tax." Now, that's anecdotal, so I don't have evidence to suggest this. However, I'm hearing it back from some of your members. If you had a survey or something, I think that would be super helpful for the committee.

Mr. Chair, I think that might be my time, but we can follow it up later.

● (1610)

The Chair: That is your time.

We are now moving to MP Sorbara for six minutes.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Chair. It's great to be here this afternoon.

I welcome all of the witnesses to the finance committee.

I wish to start with the Native Child and Family Services of Toronto.

In your pre-budget submission, you are requesting "\$15 million in renewable, annual funding" from the Government of Canada "to ensure services can be delivered to over 8,000 unique community members through 164 programs."

Now, I'm going to qualify this. Many times, when we get an ask at finance committee, it's a large one. It's much more than \$15 million. If I asked you, Melissa, what the impact of \$15 million in annual programming to the Native Child and Family Services of Toronto would be, could you please answer?

Ms. Melissa Hamonic: The impact would be immense. We know there's a disproportionate number of indigenous children brought into the child welfare system, and we know this happens because of ongoing discrimination. It also happens because of a lack of services put in place. This money would allow us to continue to provide crucial services that would not only keep families together but also provide the tools and practices of well-being, which all parents need. In very real ways, this provides food security, parenting programs and healing opportunities for moms and children who have addiction issues connected to intergenerational trauma.

These are real, tangible items that are going to keep kids out of the system. That's the money we're asking for. It's very specifically for over 164 programs that are there to keep families together, and to keep them growing healthy together.

Mr. Francesco Sorbara: Melissa, I will say, regarding this request, that you have my unbridled support. I think something like a \$15-million ask to help some of the most vulnerable in our society is the right thing to do. I don't think any parties would disagree with me.

I'll go to the nurses.

Linda, welcome.

I want to get your opinion on something. In some of our provinces, there are agencies that are hiring our nurses and, I feel, increasingly wasting taxpayer dollars in the way this is happening. I believe nurses do a spectacular job, day in and day out, helping Canadians in the most unfortunate of situations. The cost of the differential in fees, in terms of having a nurse attached to a hospital or an organization versus being contracted out to some agency, which then takes a cut....

How is that hurting our health care system?

Ms. Linda Silas: Well, there's the cost, of course.

We just produced, from Queen's University, a research paper on opening what we call the "black box". In the last year, it was \$1.5 billion. That is a lot of money. It's a sixfold increase from past the pandemic. We thought the pandemic was a big cost. This is more.

Mr. Francesco Sorbara: These aren't dollars going to frontline services for Canadians. They are dollars going to pay a third party—a middle person—to employ nurses at a hospital. This is money that could be reallocated to actual frontline services for Canadians, which is a responsibility of the provinces. It is, namely—in this case—in Conservative provinces where this is occurring.

Is that not correct?

Ms. Linda Silas: You're absolutely right. They charge up to \$318 per hour for a nurse. The nurse is not receiving that, but the employers are being charged that amount of money. We're seeing more and more nurses leaving good community jobs and going there because of the heavy workload. We're also seeing the quality

of patient care being decreased because of the lack of teamwork in our health care field.

Mr. Francesco Sorbara: If we can talk about a threat to our public health care system, it definitely comes from one side of the spectrum on the political side.

I'll go now to Mr. Hatch.

Welcome, Michael. It's great to see you.

For a number of years, we worked very closely together with you and your predecessors for the credit unions. I would be remiss if I didn't give a shout-out to IC Savings in my community, headquartered in Etobicoke with a number of branches, a success of the Italian Canadian community in terms of a credit union. I grew up in Prince Rupert and the credit union that existed there was a pillar of our community.

You have talked about the carbon rebate and how you'd like to be included. I'm really grateful to hear that you're having those discussions wherever they may go.

In terms of the importance of the competition that credit unions provide in Canada and small business lending, in terms of pricing on mortgages and the services you provide to small businesses, in an era when we talk about competition and choice, how important is it that we continue to work together? We have done so on two different initiatives, the banker and banking issue from eight or nine years ago, and then more recently, the changes within the BIA legislation for credit unions. How important is it that we continue this collaboration for Canadians and for small businesses?

● (1615)

Mr. Michael Hatch: Thank you for your history of support for the sector as well as your membership in your local community credit union. We appreciate the shout-out.

Credit unions are collectively the largest lender to small business in Canada. We're a huge presence in that market. It's often the case, more than just on anecdotal terms, that a small business would go to one of the large banks with a business plan and strike out and go across the street to the local credit union and land financing for their venture. We're very proud of that. Our local knowledge of our members allows us to participate in a very robust manner in that market. We appreciate that, and we never take it for granted.

In terms of competition, there are so many things. I alluded in my opening remarks to the increased powers of the Competition Bureau that we have to be cognizant of and some of the potential, not only unintended but perverse, consequences of the increased powers of the Competition Bureau with regard to scrutinizing mergers and the challenges that could pose for our sector.

This perhaps could be a longer-term proposition, but we need a more streamlined regime for credit unions to go federal. Many of you will know that there's been a federal option for credit unions in place since 2014, I believe, so for a decade. Effectively, that option doesn't exist, because it takes seven to eight years and millions of dollars for a credit union to go from provincial to federal jurisdiction. It's just not realistic for 99% of our members. We need a streamlined version of that. It should take one year, not eight years. The reason so few credit unions have decided to go down that road is that it's just not an option because of the burden and the time it takes. We need to think about ways that we can reduce that burden and allow more of the current provincially regulated institutions to go federal so that they can grow beyond their own provinces, again, to be able to provide competition, to compete outside their home markets across Canada to compete with the banks.

Mr. Francesco Sorbara: Thank you.

The Chair: Yes. We'll go now to MP Ste-Marie.

[*Translation*]

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

I would like to congratulate all the witnesses. I am very grateful to them for being here and for their presentations. There is a lot there we can use in the report we will be submitting to the minister.

My questions are for the Unifor representatives, but just before that, I would like to read the motion I sent you on Friday, which I said a few words about at our last meeting. I don't want to debate it; I just want to give the committee notice. It is as follows:

That the committee request that the Canada Mortgage and Housing Corporation (CMHC):

- a. Provide answers to the questions asked during Meeting 102, on Thursday, September 28, 2023, regarding the update for the study on the policy decisions and market forces that have led to increases in the cost of buying or renting a home in Canada with new population growth scenarios, with the data broken down for Quebec, the provinces and the territories; and
- b. Table the information referred to in (a) with the committee within 10 working days after this motion is adopted; and

That, if the documents are not tabled by the deadline, Coleen Volk, President and Chief Executive Officer, Bob Dugan, Chief Economist, Aled Ab Iorwerth, Deputy Chief Economist, and Chris Woodcock, Director, Client Development and Government Relations, be called to appear before the committee to explain why they have been unable to provide this information for more than a year.

Last night, Mr. Fragiskatos, who is the parliamentary secretary to the Minister of Housing, Infrastructure and Communities, contacted me to let me know that CMHC still had not updated the data for this study, but it was actively working on it and we should have it when we come back from the break, or during the first week of November at the latest. So I will not be moving the motion. I just wanted to give notice of it. Mr. Fragiskatos promised me that we would have the data for this study, so I take him at his word. We are impatiently awaiting the updated data.

I will now come back to the Unifor people.

Thank you for being here, once again. I took great interest in your aerospace policy, which is very complete. It is over 40 pages long and presents a comprehensive vision.

Let's start by talking about the first two recommendations you referred to, Mr. Cloutier. In other words, tell us about the importance

of creating a national industrial strategy for the aerospace industry and an aerospace development council.

I am listening.

• (1620)

Mr. Daniel Cloutier: It is important that we adopt a Canadian vision to determine what we want to do with our aerospace industry and how we want to position ourselves for the future. The only way to achieve this, in our view, is to revise the strategic framework and the framework for collaboration among the stakeholders. That kind of policy has to be developed in collaboration with the stakeholders and by keeping processes for ongoing consultation in place that will enable the policy to grow, evolve and be properly applied. We have to position ourselves in relation to new technologies and investments. We used to be fourth in the world and we are now sixth. So the current formula needs to be reviewed.

Montreal is one of only three cities in the world that can certify a plane from A to Z. However, we have seen investment associated with this ability decline. It is essential that we not lose our capacity to certify aircraft and develop new technologies.

We believe the way to do this is to have a clear vision that incorporates the stakeholders' capacities, helps them fill their gaps or correct their weaknesses, if any, and enables them to face the Canadian aerospace industry forward, so we regain our fourth place or even become better.

Mr. Gabriel Ste-Marie: It is somewhat surprising to see that Canada is dropping down the global ranks.

You criticized the fact that investments were being made piecemeal. You said it was like having a car without a steering wheel.

Have the countries who hold the first five places chosen not to have an aerospace strategy, as Canada has done, or are we the only one?

Mr. Daniel Cloutier: To our knowledge and as we understand it, and from our researchers' findings, yes, the countries that are the most active in this field have a clear industrial vision. There are also a number of emerging countries that want to get in and take a share of this market and are being very vigorous in the efforts they are making and in developing their own capacities and their own vision, in order to achieve this. It is therefore important that we act quickly to take a strategic position if we do not want to see the decline continue.

Mr. Gabriel Ste-Marie: You spoke about this a bit in your presentation, but I would like you to explain the role the people on the ground should play, the workers and the other stakeholders, in creating this kind of strategy and in creating an aerospace development council.

Mr. Daniel Cloutier: The workers are totally committed to the development of the industry. They want to see it grow and be profitable. The workers are alert to developments and very often have to acquire new knowledge. We need to attract new workers, because this sector has become a bit lacklustre. We have to work with them to figure out how artificial intelligence can help, how it can be a tool to facilitate the work or even an agent of growth. We will not be able to succeed in putting these measures into operation if we do not talk to them and consult them about their capacities and needs and the things that would have to be put in place so they can enjoy greater success.

We have excellent workers in this sector. In fact, that is part of what makes us stand out at the global level. It is important to continue investing in these workers and to listen to them, particularly when it comes to technological changes and ways of doing things in the workplace.

• (1625)

Mr. Gabriel Ste-Marie: Thank you.

I will come back to the other three pillars in my next round.

[*English*]

The Chair: You have a minute and a half.

[*Translation*]

Mr. Gabriel Ste-Marie: In the time left for this round, I would like to address another subject.

Previously, we often talked about the aeronautics industry; now, we call it the aerospace industry.

Tell us about the significance of the space sector in the industry.

Mr. Daniel Cloutier: Yes, Canada is very well positioned in the aerospace industry. We need only think of the Canadarm and all the work done at Spar Aerospace. We have to incorporate that into our vision. That is where a lot of technologies originate. Those technologies can then have numerous civilian applications that will make our industry, and what we can offer the rest of the world, flourish.

Mr. Gabriel Ste-Marie: Since the chair is being generous with time management, you have maybe 30 seconds to tell us about some elements of the second pillar, which is workforce attraction, training and adaptation.

Mr. Daniel Cloutier: We are on the edge of new technologies. For example, we are seeing virtually autonomous units at Pratt & Whitney for machining certain parts. There is artificial intelligence: We don't really know where it will end up yet, but it is definitely going to be moving ahead. It is important that the workforce be able to adapt to it.

As well, recent years have been characterized by the numerous waves we have been through: When you have a contract, you hire a lot of people, and then, when it slows down, you lay a lot of people

off. Ultimately, that has made the industry a lot less attractive and has had an effect on the workforce. In fact, we are seeing that aerospace school enrolment in Quebec is declining or has been shrinking for several years. So we have to make more of an effort to show what a great industry, an innovative industry that offers high quality jobs, it is.

Mr. Gabriel Ste-Marie: Thank you.

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

[*English*]

Now we will go to MP Davies, please.

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

Thank you to all the witnesses for being here.

Ms. Silas, I'll begin with you, please. You mentioned a patient bill of rights in your opening remarks. I'm wondering if you could expand on that a bit and maybe indicate how it might address the nursing shortage or how it's connected with patient safety and expectations.

Ms. Linda Silas: What it would do is create minimum standards for all levels of health care and build back the trust that Canadians have in our health care system.

We all hear about the ER closures everywhere and long waits for surgeries. We're seeing a diminution of trust. Creating a patient bill of rights would give them back that trust, would bring back guarantees with regard to staffing levels and would bring back, in long-term care, hours of care. It would really help the provinces with standards.

That's what we've been saying to the federal government for a long time. We're too small a country to have 13 systems. We have to have national standards, and patients need to know what these standards are—and that's through their own rights.

Mr. Don Davies: Thank you.

I read in your pre-budget submission to the committee the following:

The federal government's nursing retention toolkit, launched by Canada's Chief Nursing Officer, Leigh Chapman, includes a number of mechanisms to overcome the nursing shortage in Canada. We recommend investing \$1 billion to achieve this goal through a number of initiatives outlined in the toolkit.

Could you outline the key components of the nursing retention tool kit and how you would like to see that proposed investment allocated to implement them?

Ms. Linda Silas: The tool kit was developed and adopted over a year and a half with health care, nursing stakeholders and researchers. Our chief nurses brought it to government and brought it to life last June, but it doesn't have any teeth because it doesn't have any money. We have great employers out there that want the tool. They want to know how to retain their staff. How do they diminish the agency component? How do they look at nurse-patient ratio? How do they look at mental health services?

Many services exist for other professions but not for nurses. Those are the three components: the staffing, the retention and the mental health. Then they're divided, but it's really a tool kit. It's there on everyone's desk. Now we need the energy, which is the financial push that employers could apply to get it.

Mr. Don Davies: I see.

There were media reports in the last day or two, if I heard correctly, that there are 500,000 Quebeckers who have no family doctor. That's not exceptional. I think that's a problem faced by Canadians across the country. I'm curious about the impact that nurse practitioners can have.

Are we training enough nurse practitioners? Are we using them enough?

What role do you see for nurse practitioners in terms of helping create another portal into our health care system?

• (1630)

Ms. Linda Silas: That's a great question.

When we met the premiers at the Council of the Federation in July, our theme was access to care at all ages. Nurse practitioners were right in the middle. They were presenting with doctors on primary health care. If everyone could have access to health care through a family doctor or a nurse practitioner, we would reduce ER hours. We would make our society healthier, and we would learn to take care of ourselves. Nurse practitioners are there in a holistic way.

I had a nurse practitioner in Ottawa. They asked me, "What's the difference?" I said, "She took 45 minutes to see me compared to the poor family doctor who was trying to do everything in five minutes." It is a different approach. What we need to do is increase the numbers. Ontario is the largest province and has the largest number; it has close to 7,000 nurses. The rest of the country has only 8,000 nurse practitioners. We have a lot of work to do, but it's a big potential.

Mr. Don Davies: Thank you.

My Liberal colleague brought up the issue of nursing agencies in Canada. I think we all know that, if we allow private nursing agencies to divert nurses from the public system, it costs our system more and it will extend wait-lists for the public system, so it's no answer. I'm just wondering about the federal role in that.

Should the federal government withhold transfer payments to the provinces to discourage that practice? Do you see some role for the federal government to ensure that we have a strong public system in this country?

Ms. Linda Silas: The biggest role I see for the federal government is safety and bringing regulation. It is scary to know that there are close to 300 companies out there that just need a laptop like you have in front of you to open a company and give that service to employers. They're not regulated at all. We don't know where the nurses come from or if they have proper training. That's the regulation. That's the responsibility of the federal government. Yes, if an employer doesn't invest in its workforce and doesn't create great jobs in their community, they and the province or territory should be punished under the Canada Health Act, which means taking back money. That's the only stick they have.

Mr. Don Davies: Ms. Yetman, I want to get a question to you.

You brought up the national school food program. That was a key policy of the NDP in the last election and of my Liberal colleagues. Unfortunately, the \$1 billion over five years is back-loaded. The Liberals have chosen to allocate only \$79 million in year one of the program, leaving the largest allocation of \$261 million occurring in year five.

In your view, should the federal government accelerate the roll-out of this funding, given that child hunger has grown dramatically worse across Canada in recent years?

Ms. Heidi Yetman: I've already said before that one in four children don't have enough food. Even the money that has been proposed is not enough. Consider the infrastructure alone in schools. There are lots of schools that don't have places to cook. Yes, we need more money. The money that's there is a great start. We were really thrilled about it because we had been advocating for many years, but it's still not enough. That's why it's part of our demand. We want to feed all children now.

The Chair: Thank you. I'm sure there will be more opportunity.

Now we will go to our second round.

We're going to start with MP Morantz.

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

Ms. Kothawala, I'm a proud Winnipegger. Winnipeg is a great city. It has a lot of incredible people, a lot of incredible things to do and see. One of the things that I have always thought is really cool ever since I was very young is that Winnipeg is the Slurpee capital of the world. I think that's a really cool thing.

However, one of the things I'm not proud of, based on your testimony, is that new Canadians who are coming to Canada to realize the Canadian dream are investing in franchises like 7-Eleven and other small stores that you represent and are having their hopes and dreams dashed by the soft-on-crime policies of this federal government over the last nine years. We have a catch-and-release system where people get bail, having made repeated offences, instead of jail. This government has ended mandatory jail time and has ended consecutive sentencing. As a result, we have crime running rampant in our streets.

I have three news articles out of the Winnipeg market just this week: on October 4, "Crime behind upcoming closure of four Winnipeg 7-Elevens"; on October 7, "4 Winnipeg 7-Eleven stores permanently closing amid theft concerns"; and on October 8 in the Winnipeg Free Press, "Several 7-Eleven stores in city signal imminent closures after company's summer crime-fuelled threat". I know that a Starbucks just closed in Osborne Village for the same reason.

I ask you in all seriousness what you would recommend this federal government do. We're going to be issuing a report. What would you like to see in that report that can preserve the Canadian dream for these amazing new Canadians who have had their hopes completely dashed by a government that prefers to let criminals go than protect our small business people, new Canadians?

• (1635)

Ms. Anne Kothawala: Thank you very much for the question.

Again, it is a very complex issue, and there are a number of factors that come into it. The reason I talked about contraband tobacco is it's very important to understand that there is a critical connection between the growth of contraband tobacco and the growth of organized crime, which then spills into what we're seeing in cities like Winnipeg. In fact, we do a lot of research with Ernst & Young, and we're about to release a report, which we will share with the committee, that will show that the rate of contraband tobacco in Manitoba is close to 50%. It's shocking, truly.

We need a combined collaborative approach between the federal and provincial governments to work together to solve some of these issues. You're absolutely right. This not only impacts.... We can all feel sorry for the store owners, and I certainly do, but I feel almost more sorry for those communities that are literally.... We're talking about the hollowing out of some communities. Whether it's the corner store, the local diner, the local coffee shop.... If all of those places shutter, it has a huge impact on those communities. The reason a corner store is so important is this. Think about the single mom who needs to get milk at night, and all of a sudden, that local store that she could walk to has closed. Now she has to get into her car and drive to the closest grocery store to buy milk for her kids' cereal the next morning. There is this kind of ripple effect. That is why we are raising this issue and raising the alarm bells, because we feel there is definitely a connection.

We really would like to see some action on the part of the federal government, working with the provinces.

Mr. Marty Morantz: In Winnipeg there are four Liberal MPs: Winnipeg North, Winnipeg South, Winnipeg South Centre and Saint Boniface—Saint Vital. Have you heard anything from them

about this problem? Have any of those Liberal MPs expressed any concerns at all to you about these 7-Eleven stores and the Starbucks having to close because of crime in our streets?

Ms. Anne Kothawala: To be fair, obviously this news is pretty fresh. It just happened.

We are in the process of reaching out to a number of MPs and provincial MPPs, as well as the municipality, because, again, it involves all layers of government coming together to work on this.

Mr. Marty Morantz: Thank you very much.

The Chair: Thank you, MP Morantz.

Now we'll go to PS Bendayan, please.

Ms. Rachel Bendayan: Thank you, Mr. Chair, and thank you to all the witnesses appearing.

I have many questions for many different witnesses, but sadly, I would like to return to what my Conservative colleague did at the beginning of this meeting when he questioned the ability of the president of the Canadian Teachers' Federation to represent her members.

Ms. Yetman, you were not given a chance to respond to that. Is there anything you would like to say?

• (1640)

Ms. Heidi Yetman: First of all, I'm here for a pre-budget consultation, so I'd like to move forward.

We get our mandate from our member organizations and from members on the ground at our annual general meeting every summer, so I disagree with MP Chambers. We are getting our mandate from our members, absolutely.

I am very concerned, though, about mental health, about children's mental health. I'm very concerned about public services in Canada. I'm looking over at my colleague here, who represents nurses, and I've said this before in this committee: These are jobs mostly done by women, and we're seeing them leave the professions, so I'm very concerned. I think it's really important to invest. I'd love to have a minister of education, because I think the federal government does have a role to play in education across this country too, just like it does in health.

Ms. Rachel Bendayan: I'll pick up on that point then, Ms. Yetman, because one of the reasons the national school food program and the investments that we're making are structured as they are is that we are having a lot of difficulty in coming to agreement with our provincial counterparts. There are premiers, mostly Conservative premiers, across this country who are not coming to the table to accept the funding that the federal government is offering in order to feed vulnerable children in our schools.

Do you see a role for teachers and the Teachers' Federation in helping us come to those agreements?

Ms. Heidi Yetman: We are working very closely with the government on this.

We know that Newfoundland has signed an agreement, so bravo for Newfoundland, and we're working very closely with our member organizations. We've already asked our member organizations to send out letters to premiers, and we're also working with the Coalition for Healthy School Food, so yes, we have a huge role to play here in making sure that provinces sign agreements to get those kids the food they need.

Ms. Rachel Bendayan: I'm glad to hear it and I look forward to having that help at home in Quebec as well.

On the topic of mental health, you mentioned the mental health of our teachers, which I am quite concerned about. I also wonder if you'd like to comment on the mental health of our young people and our youth. That is, to me, one of the areas we don't talk enough about, so would you like to comment on the possibility of funding a youth mental health fund?

Ms. Heidi Yetman: Yes, I'm really worried about students on the ground. The 2023 Canadian Health Survey on Children and Youth just came out recently. It looked at what happened between 2019 and 2020, and we know the COVID-19 pandemic had a big impact on all of our lives, the lives of so many Canadians. Some of those effects are still being felt today.

There is a decline in perceived mental health, especially among older teens. I mentioned that in my opening statement, and girls also are more likely than boys to report mental health decline, so it's really important, and as teachers in the classroom we notice that. Teaching is a lot about relationships, and we may be teaching subject content, but we're also trying to take care of the students in our classrooms.

Ms. Rachel Bendayan: Thank you. I'll turn to Mr. Hatch now, to talk about our credit unions.

I'm a member of a credit union in Quebec, Desjardins, and I know that you represent credit unions right across the country. I would like to hear your view on the government's plans for open banking. I know that you're very heavily involved in consultations with the folks at Finance and the finance minister specifically.

I wonder if you'd like to put anything on the record here at committee regarding the direction that you would like to see open banking take in this country?

Mr. Michael Hatch: Thank you for the opportunity.

We've worked very closely since 2018 with the previous minister and the current minister in finance, all of the various agencies, and now the FCAC, which will be tasked with implementing and regulating an open banking regime for Canada. It's been a good process. It's taken longer than perhaps we and some other players in the sector would have liked to see, but that's sometimes the reality of legislating and bringing something new into being in a big and diverse country like Canada.

Our baseline for open banking since day one was that credit unions have the opportunity but not the obligation to participate in

this new ecosystem. That was embraced all along the way by Mr. Tachjian, who was tasked with running this out of Finance for the last number of years. We've worked very closely with him, his colleagues and the ministers, as well. We're very pleased to see that reflected so far.

• (1645)

Ms. Rachel Bendayan: Just to be clear, it's like an opt-in type of program.

Mr. Michael Hatch: That's right. It's opt in.

The large, federally regulated institutions will certainly want to participate on day one, and so will a number of credit unions, but not all will, necessarily.

We're pleased to see the progress that has taken place, and we hope to see more in the years to come. It has been a slow but steady process. We are, broadly speaking, happy with it.

Thank you for the opportunity.

Ms. Rachel Bendayan: Do you feel that your voice is—

The Chair: Now we're way over.

I have to move over to MP Ste-Marie, please.

[*Translation*]

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

Mr. Cloutier or Mr. Lavigne, I would like you to tell us about the third pillar you presented, which contains quite a variety of things. It refers, for example, to support for R and D, SME growth, strengthening supply chains, and exports.

I am listening.

Mr. Daniel Cloutier: I am going to let Mr. Lavigne tell you about this.

Mr. Simon Lavigne (National Representative, Research Department, Unifor): Thank you for the question, Mr. Ste-Marie.

What we have to remember in the policy we submitted is that pillar 1 is really the desire to put a strategic framework in place. This issue has been discussed widely in Canada in the past, as part of the aerospace sector review exercises conducted in 2005 and 2012. We are not reinventing the wheel.

Pillar 3 is a bit of a catch-all, as you said. It incorporates all types of support in the ecosystem, whether it is meant for SMEs, R and D, exports, supply chains, or something else. This pillar also has an aspect relating to the entire subject of procurement and public contracting. The idea is to foster Canadian solutions in carrying out these projects, particularly when public funds are being used, in amounts sometimes reaching billions of dollars.

Ultimately, pillar 1, the one relating to the strategic framework, is going to make it possible to calibrate investments that will support each of the measures proposed in pillar 3. As I said, we believe there has to be a huge increase in the support made available for R and D. There is also the whole question of linkages and collaboration. The amounts needed are not enormous, but we have to give it a big boost and get back on track.

I would like to add one thing, in closing. At the start of the meeting, you asked what distinguished Canada from other countries in this regard. France is one example, with its strategic sector committees, or there is what is done in the United States or Germany. Even New Zealand has adopted an industrial policy for the aerospace industry. Based on the research we have done, what distinguishes Canada is that it does not have the will to establish a comprehensive strategic development framework to properly calibrate the funds that might be budgeted for this sector in a federal budget. You can't just sprinkle the money around; you have to make sure that it structures and develops the industry in the long term, for the benefit of our members. I would note that a healthy industry will ultimately mean better working conditions for our members.

Mr. Gabriel Ste-Marie: That is very clear.

Thank you.

[English]

The Chair: Now we'll go to MP Davies.

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

Ms. Silas, as we speak today, the pharmacare act is receiving its third vote in the Senate. Once it receives its majority vote, it is slated to get royal assent today. My understanding is that the Conservative leader in the Senate is delaying that, so that the royal assent that was scheduled for later tonight now has to be postponed.

I'm just wondering if you could explain to us what you see as the health benefits and maybe the economic impacts of having two classes of drug—diabetes medications and devices, and contraception medications and devices.

What impact might it have on Canadians' health and economic situations to have access to those drugs through their public health care system at no cost to them?

Ms. Linda Silas: A national pharmacare program is what we've been asking for, for 30 years. The introduction of this opens the door to diabetic and contraceptive drugs. It is great news.

I bring myself back to when I was an ER nurse. We had to scramble to find samples to give to patients. Well, that was 30 years ago. They're still doing the same thing today, and the cost of drugs has gone up so much. We have patients, especially in the diabetic area.... There are young kids who don't know what to do. Those who can afford them have the expensive machines that click on. They're well controlled and can have an active life. Those who cannot control it and cannot afford their drugs just try to live. They don't go to school. Their parents can't go to work.

The whole issue of pharmaceutical is that it's an extension of our health care system. We've always said that your health care services don't stop after your doctor or nurse practitioner visit. They need to continue. That's what Canadians are all about. As soon as the bill is

passed, we will be knocking on every health minister's door to sign on.

• (1650)

Mr. Don Davies: One thing that was very important for the NDP was compelling the inclusion of devices—the continuous glucose monitors, insulin pumps, test strips and syringes you alluded to. We heard terrible stories about people going out of pocket or parents having to wake their children at night every hour and a half in order to test their blood sugar levels. There's \$270 million in a fund available to the provinces that will help defray those costs.

Thank you for all the work you've done to help push this important health care development.

The Chair: Thank you, MP Davies.

Now we'll go to MP Kelly.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): My question is for the Convenience Industry Council of Canada and Madam Kothawala.

We heard that your members are mostly small businesses. Your stores are almost always independently owned, even if they are part of a large franchise network.

To start with, is that correct?

Ms. Anne Kothawala: That is correct.

Mr. Pat Kelly: Okay.

These individuals would tend to own their business through a corporate structure, though, especially if they own the building.

Is that correct?

Ms. Anne Kothawala: That is correct.

Mr. Pat Kelly: That's correct. Okay.

Therefore, your members will be subject to the capital gains increase if they wish to sell their store and have had a gain in the value of that store.

Ms. Anne Kothawala: That would be correct. That's my understanding.

Mr. Pat Kelly: Okay.

Are your members ultrarich?

Ms. Anne Kothawala: No, they are not.

Mr. Pat Kelly: I didn't think so, but I wanted to be clear about that.

Ms. Anne Kothawala: They are not.

Mr. Pat Kelly: The minister told us that only the top 0.13% of Canadians are affected by this tax. I think it's fair to say that your members are not ultrarich, but they are affected by this tax.

Is that correct?

Ms. Anne Kothawala: I mean, maybe not all of them.... Definitely, some of them would be.

Mr. Pat Kelly: All right.

Because they own their business through a limited company.... I think they would be forced to own it through a limited company if, for example, they were buying the building and needed to finance it, because the lender would insist on a corporate structure. These members have their asset in a limited company, so they don't even get the \$250,000 exemption this tax increase has included.

Is that correct?

Ms. Anne Kothawala: Again, we're going into something that I haven't worked very closely with my members on, so I'd be hesitant to.... This is a level of detail that I'm certainly not an expert on.

I'd be delighted to come back to the committee with more detail, but I didn't prepare to speak on this issue.

Mr. Pat Kelly: If you would be willing to check with your members about this point—

• (1655)

Ms. Anne Kothawala: Sure, I'd be happy to.

Mr. Pat Kelly: —and find out how many of them own their stores through a company.... You can check in and confirm with the finance officials that companies are not able to have that \$250,000 exemption, so this tax is an increase that will affect your members.

I think I have only a couple of minutes left. I'd like to get the credit unions in here.

You mentioned, in your response to Ms. Bendayan's question, that open banking was something the government talked about in 2018. It's actually a Conservative private member's bill moving this into legislation right now. The coming into force is long delayed.

Mr. Michael Hatch: It depends on what you mean by delay. The process first started in 2018, so six years ago, but there have been multiple iterations of it since then. Again, there are a lot of different industry sectors at the table in that process.

Yes, we would have liked to see it move a bit more quickly, but there was some legislative activity, I guess, on it in this year's budget. We were happy to see that, and we hope to see that enacted as soon as possible.

Mr. Pat Kelly: We reported back Mr. Williams' private member's bill on this. Hopefully, that will pass Parliament when it comes up for a vote.

We have about a minute left. Can you talk about the competition issues around open banking? For example, how do banking fees in Canada compare to those in other jurisdictions?

Mr. Michael Hatch: On your first question, as this rolls out and large banks and smaller financial institutions start to migrate to this new ecosystem of open banking, it will become easier and there will be less friction for a consumer to move from one financial institution to another. These are all good things from a consumer standpoint and for competition.

To reiterate a point I made earlier, for the credit union sector, it's going to be imperative in the years to come, as this rolls out, to

make a streamlined process for credit unions to go federal. Right now, most of them are provincial and just can't compete outside of their provincial borders, and we need to fix that.

Mr. Pat Kelly: We have, basically, a group of six institutions that have a near monopoly. We're glad that your sector exists to give them at least some competition, but what we're really talking about is six dominant players that your members need to be able to compete with fairly.

Mr. Michael Hatch: That's correct, yes.

Mr. Pat Kelly: Thank you.

The Chair: Thank you, MP Kelly. We are very generous with time here, MP Kelly, as you know.

I'm going to MP Baker now for the next five minutes.

Mr. Yvan Baker (Etobicoke Centre, Lib.): Are you going to be generous with me as well?

The Chair: I'm generous with everyone.

Mr. Yvan Baker: Okay.

It's good to see you all.

Thank you for being here, Ms. Yetman. It's good to see you back.

Mr. Hatch, I also see savings, as Mr. Sorbara mentioned, in Etobicoke. I'm proud of virtually anything positive that comes out of Etobicoke, and there are lots of positive things. We have a number of other credit unions that serve our community, and I'm glad that you're here advocating for them. I think they play an integral role in our financial services system and supporting Canadians in their financial and economic welfare. Thank you for that.

I'm going to direct my questions initially to Ms. Silas.

Thank you very much for being here.

You said something at the outset that was music to my ears. You spoke about national standards for long-term care. Some of my colleagues who have worked with me will know this. All of my colleagues are supportive, but some of them have worked with me on this.

Back in March 2020, five MPs in particular signed a letter asking the Prime Minister to bring forward national standards for long-term care, and I was proud to be one of those five MPs. Since then, the federal government has worked with experts to develop those standards. However, as you said, unless the provinces adopt those standards and unless those standards are enforced, we won't reap the benefits of them.

Can you speak to the importance of the provinces adopting those standards and why enforcement is important?

Ms. Linda Silas: For the provinces, it's bringing security to seniors, and it goes further than the buildings. We have more regulations for how to build buildings for long-term care than we have for the care provided inside them. When the federal government worked on the standard, it was done very well, very quickly. The 4.5 hours of care per resident per day is one of the highest standards in the world. We're very proud of that work, but it's staying on the shelves because it's not enforceable.

I met Minister MacKinnon just last week on it, and I told him, "Minister, we have to make it enforceable."

Of course, for the provinces, the system is so divided because there's so much privatization in our long-term care sector that they more or less do what they want. For residents, it is security. We're hearing about too many residents falling through the cracks and not getting the proper care.

Our personal care worker workforce is really working too hard, too long and without proper pay, and then those who are sick don't even have proper nursing care.

It is a question of life and death, but it's also a question of respecting our seniors. We talk a lot about respect in this country, but as soon as you get old and ill, we forget about you. Our organization is saying we need to put a stop to that.

• (1700)

Mr. Yvan Baker: Thank you for your advocacy on that. I'll go see the minister after this and reinforce what you said.

Ms. Linda Silas: Good. Say that Linda says hi.

Mr. Yvan Baker: Yes, I will say that.

I want to circle back on that a little more if I could.

One of the reasons the five MPs signed that letter was that the five of us had in our ridings long-term care homes during the initial stages of the COVID crisis where the Canadian Armed Forces were asked to come in to serve because the situation was so dire. Many will remember that the Canadian Armed Forces wrote a report that documented some of the horrific conditions in some of those homes. When we became aware of that, we felt like we had to do something. There was a letter to the Prime Minister, but there was also a letter to Premier Ford, asking for a number of things. One of them was national standards for long-term care.

I'm a big believer that you measure what you treasure. If we treasure our seniors and the quality of care they receive, then we need to set a standard, measure our performance against that standard and, like you said, enforce that standard. Thank you for your advocacy on that.

Can you just talk a bit about how, if those national standards were enforced, that could impact the quality of care for our seniors?

Ms. Linda Silas: If I just look at the 4.5 hours of care per day per resident.... We're talking about residents being properly assessed, getting their medication on time and being able to, like I said, live their last days the best way possible. The fact that we have a free-for-all system doesn't help. The pandemic and those areas where the military was brought in were a shame on our country. We were all embarrassed. However, those who work in the system

were saying, "I told you so. I told you so. You're not coming in to investigate us. You're not coming in when we call occupational health and safety. Residents don't have any rights, and we knew it was going to happen."

The government worked hard on building these standards. Now, the next step is enforcing them. It's very similar to when we talk about a national pharmacare program. We have to put standards, and we have to fund them. You can't get off the hook that easily; you have to fund them. You have to help the provinces and territories. However, the money cannot go towards the private sector. It was so embarrassing to know that stakeholders were getting their shares while seniors weren't even getting a meal during the pandemic. That should never happen in any country, especially ours.

Mr. Yvan Baker: I agree with you 100%.

Thank you very much.

The Chair: Thank you, MP Baker.

Members and witnesses, we are moving into our third round. This will be our final round.

We are starting off with MP Hallan.

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

Ms. Kothawala, I want to pick up from where some of my colleagues left off.

My previous colleague asked you a bit about the capital gains tax hike impact on some of your members. You mentioned that most of your members who are owners are immigrants or new Canadians, and that those who own their businesses would be impacted by the capital gains tax hike.

Is it fair to say that some of those people would be considering selling their businesses at the end as their retirement plan?

Ms. Anne Kothawala: I'm sure that a number of them will, because, again, a lot of them come to this country. Their extended family works in the store. That's kind of their nest egg, so, absolutely, a number of them would look to sell their business as their retirement.

Mr. Jasraj Singh Hallan: My family and I came here as immigrants, too. We all came here for the Canadian dream. For some, that Canadian dream is also owning a business and eventually selling it. As you said, at the end of the day it could be their retirement.

How do you think your members feel when they might have been banking on selling that as their retirement and then got hit with this tax increase from capital gains?

• (1705)

Ms. Anne Kothawala: They certainly wouldn't feel good, but I don't even know if some of them are going to get there. The reality is that we're seeing a lot of convenience stores close, and we're seeing those closures largely because of the issues I raised. That's why it's so important for the government to take urgent action on interchange fees, contraband tobacco and nicotine pouches.

Mr. Jasraj Singh Hallan: Would you also consider that some of the decisions those business owners are making are because of the rise in crime rates in their stores?

Ms. Anne Kothawala: Absolutely. We do surveys of our members, and that's an issue that, a few years ago, didn't used to be high on the list. It is much higher on the list in terms of their concerns. Again, to be clear, their primary concern is the safety of their employees because, unfortunately, some of the crime can get quite violent. First and foremost, they are concerned about protecting their employees.

Mr. Jasraj Singh Hallan: Agreed. I would imagine that most of the employees are also immigrants and newcomers to the country. Is that right?

Ms. Anne Kothawala: That's right. If most of you go into your local convenience stores, you will probably find that, by and large, they do tend to be staffed.... Whether it's the extended family of the store owner or whether it's a corporate store, oftentimes, they are new Canadians working in those stores.

Mr. Jasraj Singh Hallan: Would you say, for your members, that rural and remote communities are hit harder with crime?

Ms. Anne Kothawala: Well, yes, but what I think rural and remote communities are really hit with as well is a lot of these issues that we're talking about, particularly contraband. We see a much bigger impact in terms of contraband because a lot of those stores are located close to a smoke shack or another point of sale that is not necessarily a legitimate point of sale.

Mr. Jasraj Singh Hallan: I would imagine that a lot of the crime that's happening is done by repeat offenders, people who would most likely hang around and maybe lose the fear that they would be arrested because of broken bail policies after nine years of the Liberal government.

What would you want to say on behalf of your members about this revolving door of bail that has been granted to repeat offenders, which may have impacted the stores that your members own, as well as their employees?

Ms. Anne Kothawala: We think that, both for them and for some of the elements of organized crime that are involved in contraband trafficking or other..., basically, we do need to ensure that there's more of a disincentive, whether it's a fine.... There need to be stronger disincentives so that we don't have more repeat offenders, which is what we are seeing now, for sure.

Mr. Jasraj Singh Hallan: If there are repeat violent criminals robbing a store repeatedly because of the bail system that we currently have, do you think it would be fair to say that your members would want stricter penalties—jail and not bail—for those repeat violent offenders?

Ms. Anne Kothawala: Again, we haven't spoken to our members directly about their feelings on this, but again, I'm happy to canvass them.

We have focused on a whole myriad of issues that impact their ability to conduct business, and obviously the retail safety and the repeat offenders are issues. However, I don't know their exact opinions in terms of bail reform because we haven't asked them specifically about that.

The Chair: Thank you.

Now we'll go to MP Thompson, please.

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

Welcome to all the witnesses. It's really nice to see familiar faces.

Ms. Silas, I have to start with you. In full disclosure of my bias, I started nursing many years ago, and, though I left for a number of years, I did come back and am proud to say I've kept that registration. This one is really personal for me, so thank you for the work you're doing.

I want to begin by highlighting a couple of the points you made, and then I'll turn it over to you for comments.

I want to begin with the nursing retention tool kit, which is a step, and I'll give a shout-out to Minister Holland and Dr. Chapman, the Canadian chief nursing officer. Having that role within Canada is incredibly important and is part of the government's work in ensuring that the nursing voice is not only acknowledged as being important but physically seen as important because we do have that chief officer role.

My second point moving into this is a note that in budget 2023, \$200 billion was set aside over 10 years to improve primary health care. The challenge that I'm seeing, which you have alluded to, is the work of the provinces and territories. Certainly, I'll say at a very personal level that we have to understand where the cracks are in the systems, because funding alone is not going to see stronger outcomes.

Looking at outcomes, I want to reference the nurse practitioner as an example and the continued barrier to seeing nurse practitioners working in the full scope of practice.

To that end, I want to link to the role of the nursing colleges, which is provincial and territorial; [*Inaudible—Editor*] I believe it's territorial as well, but it's certainly provincial. It's a legislative body. It's tied in to provinces. It's really linked to nursing, which is highly regulated, and the ability to work in that highest scope of practice. When you speak about private nursing agencies, I agree with you that it's challenging. I think we need to fight for our universal health care and equity for all.

How do we take all of these partners—certainly there is your role at a national level but there is also the role of the colleges across the country—and use the accountability lens for provinces and territories to do what, indeed, they said they would do when they signed on that line when they received the funding? How do we pull all of these players together and then ensure that what is pledged to happen does indeed happen? I'm really interested in your thoughts on that.

• (1710)

Ms. Linda Silas: Do we have all day?

Thank you very much for your question. We're also connected as eastern nurses.

The first thing is a health human resource strategy. We have a population of 40 million in Canada. We have one million health care workers, but there's no strategy for any of them. They provide great care. We need to bring in all the stakeholders you mentioned and develop a strategy. Help the provinces and territories with the evidence. We have amazing researchers, amazing data analysts and amazing strategists in this country, and we commission them for report after report, but there's nothing pulling it together.

The extra funding announced two years ago was greatly appreciated. I'm sure every health care employer is saying the same thing, but because we're in a crisis, they have a hard time putting it where it should be going, which is in primary health care, home care, enhancing our long-term care and, of course, helping our acute care. Acute care is in crisis, and when you're in a crisis mode, you just fix the crisis mode. That's my critical care nurse way of thinking, but that's what happened.

With our nurse practitioners and the whole aspect of primary health care, the biggest barrier is access. We don't have enough in the country. In the U.S., they have 100 times more nurse practitioners than we have in Canada. Is it the cost? It's because of knowing that we need to have more access to primary health care.

The other aspect is the method of payment. We're still backwards in how we pay our physicians via fee-for-service and how we pay our nurse practitioners via salaries. I know nurse practitioners in P.E.I. who will replace a locum—a replacement physician—and they get their salaries with overtime and are expected to work 24 hours.

Really, we have to make our system better.

The Chair: Thank you.

Ms. Joanne Thompson: Just quickly, Ms. Yetman, I have to go to you. Welcome back.

What does pharmacare mean, even if it's just in terms of contraceptives, for you and your workers and also the students?

• (1715)

Ms. Heidi Yetman: I think national pharmacare is amazing. Especially for women's health care, it's so important.

I was really happy to hear that Manitoba put out an announcement very recently saying that birth control was going to be free, and it should be free. That, I think, is an amazing step forward. It's good for everybody. It's good for all families and everybody.

The Chair: Thank you, MP Thompson.

Now we will go to MP Ste-Marie, please.

[*Translation*]

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

My question is for Mr. Cloutier or Mr. Lavigne.

If you want, I will let you tell us about the fourth pillar, which deals with investments and funding programs. This has always paid off well for the government: Every dollar invested in the industry has generated much more.

Otherwise, you might have a closing statement to give us.

Once again, thank you for telling us about your policy.

Mr. Daniel Cloutier: Having an investment policy, support for investment and the possibility of accessing funding quickly makes obvious sense.

I am going to ask Simon to add to my answer, but there is one thing I would like to say in closing. We do not consider it to be reasonable for Canadian companies that are trying to sell aircraft elsewhere in the world not to be even considered by the Canadian government. Supporting the industry also means promoting it when what it does is good.

Mr. Lavigne, do you want to add something?

Mr. Simon Lavigne: Yes, thanks.

According to an analysis produced by the Institut du Québec, and more specifically by Alain Dubuc at HEC Montréal, approximately \$6.75 billion has been invested by the federal government in the aerospace sector in Canada since 1956. I want to point out that this was not in the form of gifts; in fact, it was mainly by repayable loans.

Regarding annual funding in the last 15 years, the federal government allocates approximately \$150 million in repayable loans. Compared to the contributions paid to other sectors of the economy, which deserve to be funded, of course, but which may not be strategic in the way that aerospace is, \$150 million per year in repayable loans is not a huge thing. In fact, it is a somewhat small amount, and this attests to the government's limited ambition in this area.

What we are saying is that there has to be the will to support the sector. The government has a variety of tools at its disposal, including, obviously, tax credits. I will not start listing all the tools, but let us say they range from tax credits to repayable loans for starting up new aircraft families, and include equity participation.

I will give you a recent example. In Canada, we have the third-largest manufacturer of landing gear in the world, but it has been bought out by an American company, by an investment fund, which probably intends to do a quick sale of the company. Why? Because the company could not find the capital it needed on the public markets. Could the government have ensured the long-term development of this company, which was a Canadian and Quebec company, and kept it in Quebec and Canada, under a strategy and consultation about how to use the funding and the investments? I think this is something we need to look into.

So there is a set of potential measures, ranging from tax credits to repayable loans, and including equity participation. We do not want to nationalize the economy, but in some cases, given the market failures and long cycles that characterize the aerospace industry, we believe that we cannot simply leave it up to market forces. We need a strategic intervention by the government.

At present, there is \$150 million in funding a year, on average, and that is insufficient. The goal is not simply to increase that amount again, it is also to adopt a strategic framework that will enable us to define investments and measures and direct them where they will have the greatest impact and bring about the most tangible benefits. This is one of the objectives of the last pillar of our policy.

Mr. Gabriel Ste-Marie: A big thank you, gentlemen.

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

[English]

Now we will go to MP Davies.

Mr. Don Davies: Thank you.

Mr. Hatch, in your pre-budget submission, you said this:

The credit union sector is in the midst of a significant process of consolidation, as more and more credit unions come together to achieve the scale that will be needed in future years to meet the needs of members, invest in technology, and be compliant with the many regulations handed down from both levels of government.

Can you explain to us how the consolidation of credit unions might impact competition within the financial sector? What are the potential benefits and drawbacks?

● (1720)

Mr. Michael Hatch: It will increase competition. It will allow us to continue to provide, as I had said earlier, the only real competition that exists for the large banks. You know, there's a long tail of fairly small credit unions that still exist in Canada and they will continue to exist well into the future.

The reality of the sector is that consolidation continues apace. What used to be a couple thousand institutions only a couple of decades ago now numbers fewer than 200. The majority of the assets of the sector are concentrated in the top 10% of that number. We have consolidation and concentration taking place at the top end of the sector as institutions grow organically, and also through

consolidation and mergers to be able to compete. Because the costs of technology and regulation are increasing, you need a certain level of scale to be able to do that.

Mr. Don Davies: You made a reference to the barriers to the combination of federal credit unions with provincial credit unions.

Can you briefly outline what those barriers are?

Mr. Michael Hatch: It's never really been contemplated, frankly. I mean, there are only a very small number of federal credit unions—there are three or four—because the process is so brutal, frankly. It takes forever and it costs millions of dollars. It's just not realistic for most. That's why we do need a streamlined version of that.

Mr. Don Davies: Just to be clear, banks can operate nationally, but credit unions cannot.

Mr. Michael Hatch: That's correct, unless you're federally regulated. There are a handful, but it hasn't really caught fire because it's so hard and time consuming to go through that process.

Now there is one example of a federal credit union in Saskatchewan seeking to merge with a provincially regulated credit union in Alberta, so I guess we'll see. There will be lots of interesting processes that they're going to have to go through. It hasn't ever happened; it has not been contemplated by the regulation at either level of government.

Mr. Don Davies: Should credit unions be allowed to operate nationally, just as a matter of—

Mr. Michael Hatch: They are. They just have to choose to “go federal”, in the vernacular, which means choosing to be regulated by OSFI as opposed to the provincial regulator. It's not an overnight process; it's anything but. It takes years and it's just way too difficult.

It needs to be made easier so that more institutions can go down that road.

Mr. Don Davies: Thank you.

The Chair: Now we're going to MP Chambers.

Mr. Adam Chambers: Thank you very much, Mr. Chair.

As is my custom here in pre-budget consultations, I'll give all the witnesses fair warning that at the end of this round, I will ask you if you have any recommendations for the government that don't cost any money.

You can park that and as I continue my questioning, you can think about it. I'll come to each of you by the end of the round.

Mr. Cloutier, thank you for being here. Welcome.

I follow a little bit about the aerospace sector. In particular, some of the manufacturers have said that they're concerned about a loss of GDP in the sector through fewer sales, which will result in fewer workers, as a result of the luxury tax.

I'm curious as to what your thoughts are on that.

[*Translation*]

Mr. Daniel Cloutier: When this tax was brought in, we in Quebec took a favourable view of it. We did not think it would have the effect of reducing the number of orders or jobs. It does not seem that it will be a problem for us.

I invite my colleague to add to my answer.

Mr. Simon Lavigne: I do not have the figures in front of me, but I would like to point out that the revenue from that tax, for the aerospace industry, has maybe not been as much as the governments' projections. The effect does not seem to have been as strong as anticipated.

[*English*]

Mr. Adam Chambers: Thank you very much. I appreciate your candour.

That is correct. I think only there were about 400 aircraft that were sold last year that the tax applied to, which is over \$100,000. It's also possible they might not be selling more aircraft because of the tax. We'll wait to see as more results come in.

Ms. Silas, I agree that agency nursing is a huge problem that ought to be addressed by relevant provincial governments.

I just want to make sure I get this correct. My understanding is that within a hospital environment or some other health care environment, you could have working on the same shift one of your member nurses and an agency nurse. They are making different wages. One gets to pick their shifts; the other doesn't. One contributes to the pension plan; the other doesn't and therefore the hourly rate they get is more in some circumstances.

Do I understand that right that you have a divergence of experience within the same health care environment?

• (1725)

Ms. Linda Silas: Yes, some are paid double or triple what the permanent employees are paid. The only province that is really working on it is your colleague next door, Manitoba, where they're creating their own public casual workforce.

Mr. Adam Chambers: Thank you. Well, listen, you won't have any concerns from me if you poke more on that issue across the province. There's only one taxpayer, and I think it would just make economic sense. It makes more sense to actually allow the nurse, who doesn't have as much flexibility on shift choice, to get paid more, I would think. We seem to have this perverse incentive system that's grown as a result, partially I'm sure, of COVID and the availability of people. Anyway, you have my support.

Ms. Linda Silas: I take your challenge—

Mr. Adam Chambers: Yes, please, take it now.

Ms. Linda Silas: —not cost, save money; regulate the agencies, save money; coordinate a national health human resource strategy, save money; a patient bill of rights....

Mr. Adam Chambers: Thank you very much.

Go ahead, Mr. Hatch.

Mr. Michael Hatch: A carbon rebate proposal costs nothing because it's just allocating the envelope among a few thousand more entities—603,000 instead of 600,000, let's say. As for a streamlined process for credit unions to go federal, OSFI might have to hire a handful of people, so that would be the cost, a few extra bodies at OSFI to help with that process.

Mr. Adam Chambers: OSFI increased their head count by almost 50% in five years, so I think they have enough people.

Go ahead, Ms. Yetman.

Ms. Heidi Yetman: There are a couple of things. Voices of teachers should be at the table. For example, the Liberal government has a “future of work” table, but we were not invited. It would have been nice to be at that table. It's good to be here, but I'm going to say something that you probably won't like: To me, spending money on education is not spending; it's an investment.

Mr. Adam Chambers: That's well within your right.

I'm going to run out of time here so, Ms. Kothawala, we already heard from you. I apologize.

Ms. Hamonic, go ahead.

Ms. Melissa Hamonic: I find that you are asking an interesting question, given this is a finance committee, and so what I will say is that a strategy is to give land back to its rightful caregivers, first nations, Michif and Inuit people. *Meegweetch*.

Mr. Adam Chambers: Thank you very much.

Mr. Cloutier...in under 10 seconds because I'm well over time—and I apologize to my colleagues here.

Mr. Daniel Cloutier: What is the question?

Mr. Adam Chambers: Well, you can save it for the next time you're here, sir. I appreciate your testimony today.

Thank you, Mr. Chair.

The Chair: Thank you, MP Chambers, for that rapid round there.

Now we go to our final questioner, and that is MP Sorbara, please.

Mr. Francesco Sorbara: Thank you, Chair.

I'll make this very quick and thank everyone for being here today. Your testimony on a number of levels is very interesting and insightful, and there are a number of recommendations we need to stew on and look at as we produce the pre-budget report.

I give the remainder of my time, because there are only one or two minutes left, to the Parliamentary Secretary to the Deputy Prime Minister and Minister of Finance, PS Bendayan.

[*Translation*]

Ms. Rachel Bendayan: Thank you, Mr. Sorbara. I didn't want to leave without asking the Unifor representatives at least one question.

Mr. Cloutier, I saw that you had commented publicly about the 25% surtax on steel and aluminum imports from China. As you know, the objective of the surtaxes is to protect our Canadian workers, in this case our steel and aluminum industry workers, against certain unfair trade policies. The surtax will come into effect next week.

I am going to give you a chance to comment on this Liberal government policy.

Mr. Daniel Cloutier: In general, we are very much in favour of it. That said, I am going to ask Mr. Lavigne to give you further details about it.

Mr. Simon Lavigne: Yes, we welcome this measure. It is something we had asked for, including in the brief we sent you.

We think Canada absolutely has to align our policy with what is happening south of the border. If we don't, we will end up at odds with our American partners, as we have seen in the case of electric vehicles, and that can cause all sorts of problems.

We also invite you to consider the whole question of human rights and working conditions in China. In fact, that is also covered in our brief. The question doesn't come down to imposing a surtax; we also have to consider where these products are coming from. On that point, we invite you to take another look at the brief we sent you. We think there are grounds to go further, but the most important thing is to align our policy with the surtaxes that are being put in place in the United States, to make sure we are not put at a disadvantage.

• (1730)

Ms. Rachel Bendayan: On that point, you are certainly aware of the 100% tariff we have imposed on all new energy vehicles imported from China. I imagine this is also something that Unifor views favourably.

Mr. Simon Lavigne: We view it very favourably, yes. That was exactly the tenor of the comments we have submitted on the subject.

We see what is happening in Europe: The market was opened and in a very short time, we saw really extraordinary growth in the market shares of Chinese electric vehicles.

In Canada, we were fortunate to close that door and, again, stay aligned with what we could see the United States doing. We have a very integrated market, in terms of both sales and manufacture.

The short answer is yes, this is a measure that we agree with completely.

Ms. Rachel Bendayan: Thank you.

I want to thank you for the brief you submitted to us, which I have read very carefully. Your comments on the aerospace industry have definitely been noted. Thank you also for your testimony here today.

Mr. Simon Lavigne: Thank you.

[*English*]

The Chair: Thank you.

Thank you to our expert witnesses. You have been tremendous advocates for your organizations. Thank you for your testimony here on our pre-budget consultation.

On behalf of the entire committee, we thank you as we look to set up our report for our budget 2025.

On that, we are adjourned.

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