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Chair: Mr. Robert Morrissey

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

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• (1100)

[English]

The Chair (Mr. Robert Morrissey (Egmont, Lib.)): Welcome to meeting number 87 of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities. Pursuant to Standing Order 108(2), the committee resumes its study on the implications of artificial intelligence technologies for the Canadian labour force.

Today's meeting is taking place in a hybrid format, meaning that some people are participating by Zoom.

I want to advise those in the room as well as on Zoom that you can choose to speak in the official language of your choice. You have interpretation services available, using your headset in the room as well as the world icon at the bottom of your screen. Click on it and choose the official language of your choice.

If there is an interruption in translation services, please get my attention by using the “raise hand” icon or raising your hand in the room. I'll suspend while it is being corrected. I also want to remind those in the room to please keep your earpiece away from the mike because it creates popping, which is detrimental to the hearing of the translators. Also, speak slowly and clearly for the benefit of our translation services.

For today's meeting, the first hour is for witnesses on this particular study. We have with us today, Ryan Smith, divisional director of planning and development, by video conference, from the City of Kelowna. From the Competition Bureau of Canada, in the room, we have Anthony Durocher, deputy commissioner; and Trevor MacKay, deputy commissioner, digital enforcement. We have one witness we have not been able to connect with, so we'll see how it goes.

To begin today's meeting, we'll begin with an opening five-minute statement by Mr. Smith.

You have the floor, Mr. Smith.

Mr. Ryan Smith (Divisional Director of Planning and Development, City of Kelowna): Good morning.

In Kelowna, our experience with the use of artificial intelligence goes back about two and a half years. We wrote a grant application to the provincial government, with the aim of using some artificial intelligence tools to help us improve our planning and development processes. We were successful in that grant application, and that grant application involved a partnership with Microsoft and the use of their artificial intelligence technologies. The goal was probably

twofold: to improve our development processes in Kelowna, as well as provide better customer service to those in our planning and development community, and to learn where else we could use it.

This wasn't our first use of the tool in Kelowna. We have a number of different tools—we call them chatbots—that are artificial intelligence based.

I am not an IT person—I'm a city planner—so my depth of understanding of the technical side of it is low. However, I am an administrator and do look after a workforce of 85 people, who will all soon have access to the tools that we're creating.

What we've created is a sort of front-end concierge service for those looking to use our planning and development services in Kelowna. It will help the average person who does not understand what they would need to make a building permit application. It will help them into our process of making an application, to make it more accessible, with everything they would need to know to make a building permit application.

We're hoping that when we make that process easier and are able to answer more questions with the use of our artificial intelligence chatbot tool, we'll have less burden on our frontline staff who regularly process building and development applications, and who are overwhelmed and under-resourced.

The second aspect is that we also have a high turnover with our frontline staff and their knowledge base is not increasing because of that. A lot of them are within six months or a year on the job, and they don't have the breadth of understanding that a clerk who has been on the job for 20 years would have. The use of the artificial intelligence tools that we're developing will also help them to provide feedback more quickly, with fewer clicks.

We also participate in the ethical side of the use of AI. Our IT director has been involved, at the provincial level, in developing policy related to the rollout of artificial intelligence and our local government processes.

• (1105)

The Chair: Thank you, Mr. Smith.

Who is speaking for the Competition Bureau?

You have the floor, Mr. Durocher.

[Translation]

Mr. Anthony Durocher (Deputy Commissioner, Competition Promotion Branch, Competition Bureau Canada): Good morning Mr. Chair and members of the committee.

Thank you for the invitation to appear before you today as part of your study on the implications of artificial intelligence technologies for the Canadian labour force.

I am Anthony Durocher, deputy commissioner of the Competition Promotion Branch and I am joined by Trevor Mackay, deputy commissioner of the Digital Enforcement and Intelligence Branch.

I would like to provide a quick overview of the Competition Bureau's role, and our work with respect to artificial intelligence.

The bureau is an independent law enforcement agency that protects and promotes competition for the benefit of Canadian consumers and businesses. We administer and enforce Canada's Competition Act, a law of general application that applies to every sector of the economy.

[English]

Our enforcement of the Competition Act involves investigating and addressing abuses of market power, anti-competitive mergers, price fixing, bid rigging and deceptive marketing practices. We also advocate to all levels of government in Canada for pro-competitive government rules and regulations.

Competition is vital to our economy. It drives lower prices and innovation while fuelling economic growth. For Canadian workers, maintaining and encouraging competition among employers results in higher wages and salaries, as well as better benefits and employment opportunities for employees.

With respect to AI, the bureau is working hard to keep pace with its growing application in everyday life. There are important questions that need to be asked about the entrenchment of dominant players that control the critical inputs that fuel AI. There's also the very real risk posed by anti-competitive mergers or deliberately unethical conduct of these advanced tools to deceive consumers.

We recently created a new digital enforcement and intelligence branch to better equip the bureau for the challenges and complexities of the digital age. The branch is driving our deeper understanding of competition issues around emerging technologies, including AI. We're actively connecting with experts and learning a lot quickly.

Soon, the bureau will publish a discussion paper for consultation with the public that is focused on competition considerations related to AI. That work, and the feedback we will receive, will continue to hone our thinking even further.

Partnerships are also vital. Last June, the bureau joined forces with the Office of the Privacy Commissioner of Canada and the CRTC to create the Canadian digital regulators forum. Through the creation of this forum, the three agencies will exchange best practices, conduct research and collaborate on matters of common inter-

est, including with respect to AI, which we are prioritizing in our first year.

Before fielding your questions, I would note that the law requires the bureau to conduct investigations in private and keep confidential the information we have. This obligation may prevent us from discussing some past or current investigations.

We appreciate the opportunity to appear before you today to discuss our work, and we look forward to your questions.

Thank you.

• (1110)

[Translation]

The Chair: Thank you, Mr. Durocher.

[English]

The Chair: We have the third witness, who has appeared, but we have not been able to do an official sound test.

Mr. Carrière, if the sound quality is okay for the interpreters, we'll be able to continue. If not, unfortunately, you'll not be able to participate verbally in the meeting. Would you like to begin your opening statement?

Mr. Carrière, we'll have to proceed. The technical people will get back to you. We may have to reschedule you. Unfortunately, we cannot hear you. The technical staff will reach out to you, and we'll decide how we go. Thank you.

We'll now begin with the first round of questioning with Mrs. Gray for six minutes.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Mr. Chair.

Thank you to all of the witnesses for being here today.

My first questions are for Mr. Smith.

Thank you for your opening statement regarding some of the work the City of Kelowna is doing on AI. I know Kelowna often punches above our weight in many ways, and here's another example.

There is one thing I wanted to ask you from your experience in implementing this new AI technology—and I know it's new, the one you explained at the municipality. What sorts of processes do you think governments should be using to identify opportunities within government departments and services for potential opportunities to utilize AI?

Mr. Ryan Smith: Thank you for the question, MP Gray.

One thing is that we've been tracking, through lots of our front-line services, the number of calls and interactions that we frequently get—the everyday and the repetitive—that we felt could be answered differently. That really drove the development of this tool. Our frontline staff probably answer the question of whether you can put a secondary suite in your house or build a carriage house on your property dozens of times a day—different iterations of the same question.

The development of this tool was really based on this: If we could free up the staff from answering that question in different ways that many times a day, what could they be doing instead? Could they be doing higher-value work that would process permits for housing more quickly?

• (1115)

Mrs. Tracy Gray: Great. Thank you.

I think you partially answered my next question. Do you believe that implementing AI within certain applications can make government more efficient, and in particular reduce red tape?

Mr. Ryan Smith: We definitely do here in Kelowna. I don't think we're going to be eliminating full positions, but through the efficiencies that we believe AI will bring to our processes we could free up 20% or 30% of five positions doing something similar. That would result in a full position we could reallocate to a different task. Yes, we believe there are some efficiencies.

The other side of that is that we struggle to bring on new staff that are qualified. We believe this will also help delay the need for extra staff as we grow.

Mrs. Tracy Gray: Thank you.

There was a report from the Organisation for Economic Co-operation and Development, the OECD, that lists Canada's productivity as having fallen far behind peer countries and projects that we will have the worst economic performance among advanced countries over the next decade, going all the way to 2060. The OECD predicts labour utilization will drag on Canada's GDP-per-capita growth.

We actually had a representative from the Council of Canadian Innovators before this committee recently on this study. He talked about low productivity not being “normal for advanced economies” when we were referring to Canada. He discussed that, if we're not a productive economy compared to our neighbours, it gives Canada less wealth, fewer options and fewer resources for dealing with important challenges. This is important because productivity is relative to standards of living, meaning Canadians' standard of living will continue to decrease compared to other countries.

Why I bring this up is that some of our biggest employers across Canada are governments. Do you believe AI can potentially be

used by governments as a tool to try to increase productivity and steer this decreased standard of living trajectory that Canada is currently on?

Mr. Ryan Smith: Thank you for the question.

We certainly do believe that. I'll give you an example again related to our housing industry in Kelowna. If our AI tools mean we can permit housing faster, with less red tape—and that's the idea behind the AI tools we're developing—as they continue to grow and we continue to test and implement, perhaps we can permit 20% or 30% more housing a year. That not only benefits locals who are trying to access housing but also the development and construction industry, which can really rely on a stable permitting environment, which will drive more investment through our local economy.

Mrs. Tracy Gray: Is there any type of training or upgrading you're seeing that is maybe required by municipal staff, and this could be either on the IT side or maybe on the operations side, to administer different applications? Based on what you've seen so far, is there easy access to those types of training for municipal staff?

Mr. Ryan Smith: This is so new that I think the training tools are just being developed. I would say that municipal staff are starting to get on board. We're offering our own internal training. We just introduced a Microsoft tool that gives us the ability to use a bit of AI help when we're generating emails, doing analysis in Microsoft Excel or building PowerPoint presentations.

The other side to that, though, is the public-facing side and their use of AI. The language you need to use to give commands is a bit different from the language you would use to search on Google. I think we're developing our tools so that you don't have to use that language right now. It will give the public in Kelowna time to learn that language. We'll adapt our tools over time.

The Chair: Thank you, Mrs. Gray and Mr. Smith.

Mr. Coteau, go ahead for six minutes.

Mr. Michael Coteau (Don Valley East, Lib.): Thank you very much, Mr. Chair.

Thank you to the witnesses here today. I'll start off with Mr. Smith as well.

Mr. Smith, was there an actual city you looked at and built examples from for your own intelligent city? I know you're striving to make improvements, but is there a go-to city that could be used as an example when we're discussing the integration of AI into everyday use?

• (1120)

Mr. Ryan Smith: Thank you for the question.

There isn't one right now. We're it.

Doing what we're doing is getting quite a bit of recognition. I was in Ottawa last week to talk to the home builders of Canada about what we're doing and the tool we're trying to develop. Again, we haven't completely finished the development of the tool, because it's so complex to implement with planning and development journeys. However, we finished portions of those journeys related to parts of our permitting process. We believe we'll be the one other people will copy, if we can successfully launch the whole project.

Mr. Michael Coteau: Do you have plans to expand or monetize that service, or to allow it to be used in other municipalities? Is there a long-term vision for it?

Mr. Ryan Smith: Our commitment to the Province of British Columbia, when we received the grant for the tool, was to document our development process and share it for free with any municipality in British Columbia that is interested, because it is a government-funded project. It's not a taxpayer-funded project in Kelowna. It's funded by the provincial government.

The next step for us is.... We're in the documentation phase right now. We sat down with other cities—the City of Vancouver, for example—and shared our journey. We hope this will help other cities improve their front-end processes related to the delivery of homes.

Mr. Michael Coteau: Can you put an actual dollar value on what those savings are? For example, what have the chatbots brought into the city? Is there an actual dollar value that can be articulated at this point?

Mr. Ryan Smith: There isn't a dollar value that can be articulated at this point, I would say.

We launched the chatbot on October 3 of this year, so we're about a month in on implementation. We're tracking the data behind that. Every week, the journeys you can take through the chatbot for different parts of our permitting process grow. To give you an example, we also just used our AI to digitize the building code in British Columbia, so staff doing building-code-related checks can access that. Rather than flipping through a binder of 600 pages, they can query the AI tool that has learned the B.C. building code, fire code and plumbing code to get instantaneous interpretations.

The monetary value is going to be hard to estimate up front. Our contribution in staff time to the project, so far, is a couple of hundred thousand dollars. Our investment from the Government of British Columbia is about \$350,000. The in-kind support from Microsoft is about \$350,000 up to this point. Kelowna has just received its housing accelerator fund grant, and we thank the government for that. We will be allocating a portion of that towards advancing this tool as well.

Mr. Michael Coteau: I think that's great. The fact that your municipality has dedicated itself to adopting this type of technology to better provide services for the citizens you represent is great. I think it's an example other municipalities should be looking at. I want to say thank you.

The last question I will ask is this: There are ethical and value statements that I would say organizations like yours have to agree to, before engaging in this type of journey. In your strategic plan, were there any overarching guiding principles, visions, value statements or ethical considerations that you hold dear for this process?

Mr. Ryan Smith: Our driving vision at the City of Kelowna is to be a city of the future. We try to make sure that runs through any project we take on.

We also believe the transparency of the tools we're using is very important. If, for example, in the last few years, you've been engaging in our development process, our development process is completely transparent. If our staff are given a set of plans for an architect to evaluate, the public can see those plans online as well, at the same time. There's nothing hidden.

That flows through our new AI chatbot too. As AI answers questions in that chatbot, we have a disclaimer below any answer the AI gives to advise the public that the response has been generated by AI. They're aware that the response they've received isn't a personal response but an AI response.

We also, every day, track the logs of our AI responses from the day before to make sure that its performance is up to the standards we believe are appropriate in terms of quality, so that we're not giving out bad information. If we have given out bad information, we correct the spots where the AI is looking for responses to the questions that are coming in.

• (1125)

Mr. Michael Coteau: Thank you for your time.

The Chair: Thank you, Mr. Coteau. You had a few seconds left.

Monsieur Carrière will be invited back for Wednesday with the proper headset. He will not be appearing in this panel, representing Unifor.

[*Translation*]

Ms. Chabot, you have the floor for six minutes.

Ms. Louise Chabot (Thérèse-De Blainville, BQ): Thank you, Mr. Chair.

I thank the witnesses for being here.

Mr. Smith, from what I understand, your municipality promotes automation of discussion mechanisms with citizens. What impact has that had on the workforce employed by the city?

[English]

Mr. Ryan Smith: The impact on our labour force in Kelowna, we believe, has been a positive one for both city staff and our customers.

I'll give an example. It's not a planning and development example. It's a snow removal example. It may be a more Canadian example.

We implemented a chatbot on our snow removal line. Every winter, when we have a snow event, we get thousands of phone calls related to when snow will be removed on a person's street. We employed staff who would respond to those questions in overtime functions. Again, they would be answering the same question over and over again. We use the artificial intelligence tool—we have a voice-driven chatbot now—and it can look at data from our snowplows and data that we have related to the priority of snowplowing and snowplow routes. It is able to tell our residents when their street was last plowed and when it's likely to be plowed again.

We're reducing the number of calls that the frontline staff have. They're able to answer the calls from the public and spend time on the ones that are more emergency-related and more technical, rather than the ones that are purely related to when a street is going to be plowed.

[Translation]

Ms. Louise Chabot: Thank you, Mr. Smith.

What has happened to those whose job it was to inform the citizenry? Now, thanks to AI, these tasks have all been automated, so people talk to chatbots rather than humans. What happened to the employees? How has the nature of the job changed? Have there been job losses? If so, have you transferred those employees to other areas? What repercussions has automation had on the number of employees and the skills required of employees who have had to change jobs?

[English]

Mr. Ryan Smith: This has reduced the amount of overtime that our employees need to work during those snow events. Outside of that time, it's allowed us to repurpose those employees to respond to more complicated questions from the public. They're still doing similar jobs, but they're not answering the same questions over and over. They're able to respond to those residents with more complicated calls and questions that our chatbots aren't able to answer.

They're, in essence, doing higher-value tasks, but in very similar roles.

[Translation]

Ms. Louise Chabot: Have the employees been consulted on the change that's taking place? You mentioned higher value tasks. Did the employees have any concerns? Have they brought up any safeguards that should be adhered to in terms of ethics or tasks?

• (1130)

[English]

Mr. Ryan Smith: When the City of Kelowna first announced, in our development process, the fact that we would begin trying to develop and use chatbots, there were definitely some fear and angst amongst employees, but I believe that, as we have explained more about the project and about how we will potentially be using AI as a helper, not as a replacement, the employees are starting to get on board.

I'll give an example of why that is. I have a planning team that writes reports to city council. An average council report might take six or eight hours for a planner to write, but a lot of the information is technical, and you're going to find the same or similar policies over and over again. What the AI tool will allow them to do is create those reports more quickly and spend more time negotiating with a developer or a home builder to improve the quality of the project and less time writing reports about the project. We believe there will be a quality gain in the type of development we do. As staff learn this and learn that they're going to have more time to do this, I believe their support for the tool will grow.

[Translation]

Ms. Louise Chabot: There haven't been any redundancies, then. Is that what you're saying?

The nature of the job has changed, but not the number of employees, administration officers, people in reception, who interface with citizens and write up certain reports. I gather that AI will be doing certain administrative tasks but that this will have no impact on the number of employees. Is that right?

[English]

The Chair: Please give a short answer.

Mr. Ryan Smith: That's correct. We have not reduced staff numbers.

[Translation]

The Chair: Thank you, Ms. Chabot.

[English]

Ms. Zarrillo, you have six minutes.

Ms. Bonita Zarrillo (Port Moody—Coquitlam, NDP): Thank you, Mr. Chair.

I'm going to direct my questions to the Competition Bureau initially. I am going to want to talk about workers and how the competition board would intersect with workers, but I want to start with the discussion we've been having today and how important it is to have access to the Internet and broadband.

We know already that the Shaw and Rogers merger caused a lot of problems for people. The connectivity is no longer available where it used to be. It's not as good a service. I just wonder if you wouldn't mind sharing how we are going to protect, as a government, when things like this happen? If we are going to get into an AI world where we are really relying on that connectivity every single day for output that.... I guess we're measuring people's productivity on some kind of output that's not related to their well-being.

Could you let me know what can be done with Shaw and Rogers right now to increase the connectivity and to make sure that people have the same standard of service and we are ready for AI?

Mr. Anthony Durocher: Thank you very much for the question.

With respect to the Rogers-Shaw transaction, that is one that the Competition Bureau challenged and sought to block before the courts. We ultimately failed in that endeavour and the merger was allowed to close, but I guess our perspective is that competitive markets are critical not only in terms of ensuring affordability for broadband services but also in ensuring there are incentives to invest and for continued investment in order to bring broadband services to communities across Canada. We will continue to prioritize the telecom sector. The bureau recognizes its importance.

Another area has to do with how we can intervene in regulatory processes, such as we are presently doing with the CRTC to make sure that we bring evidence and facts to bear about how to promote competitive broadband markets. We will continue to have our enforcement role and to review mergers or any anti-competitive conduct, but right now we're focused on and currently involved in regulatory proceedings to try to bring to bear our competition perspective on how we can increase competition in broadband markets and particularly the wholesale access regime.

Ms. Bonita Zarrillo: That's very interesting to me because the City of Coquitlam—my riding—owns its own dark fibre. It was always an issue that small ISPs could not be competitive in that market with the wholesale pricing at CRTC, so I would be very appreciative of any information you could share with me and the City of Coquitlam on that.

I just want to go back to the proactive nature of the work you do. On the Shaw-Rogers merger, it's my understanding that there's really no statute of limitations on being able to review mergers. Is that correct or is there a limit as to when the Competition Bureau can no longer review mergers? Can you do a review of it in a year or five years?

• (1135)

Mr. Anthony Durocher: There is a statute of limitations, which is one year, so that is currently the case.

I will point out that there is a very comprehensive review of Canada's competition law under way right now. It's a review in which we, the Competition Bureau, have participated. We've provided a number of recommendations on how to modernize and strengthen our law, including the merger review process. We made over 50 recommendations to the government with respect to how to improve the Competition Act. This is an ongoing process right now and obviously with bills before Parliament as well.

Ms. Bonita Zarrillo: The NDP has one before Parliament today in relation to the grocery industry and the Competition Act.

I want to move to workers. My interest in this study is to understand the protection of workers and how perhaps the Competition Bureau would interact with that. I know that earlier in your comments you mentioned benefits for workers.

I'm really trying to understand how this is going to affect workers, and I'm going to put a particular lens on it. I'm very concerned that a person's personal IP, which now is being called "cognitive property" can be captured and scaled and used over and over again, but the person gets no royalties. They get nothing from it. Even when we spoke today, the witness from Kelowna—and I found this fascinating—said we're making people's intelligence redundant. How do we protect workers and their personal IP from that? Do we need to trademark ourselves? What do we need to do to make sure we get royalties for our ideas and for our intelligence?

Mr. Anthony Durocher: It's a very interesting question. I think our expertise really lies in assessing the competition issues in that respect. IP is a relevant issue in competition circles, because you can exercise an IP right that might exclude certain people from a market. There are different considerations at play that really depend on each fact.

In terms of protecting workers in particular, obviously our position is that competition amongst employers helps employees. It helps them get higher wages, better wages and better working conditions. I will note that earlier this year an important new provision in the Competition Act came into effect, which basically criminalized wage-fixing and no-poach agreements between employers. That was certainly an important change to protect workers from any competitive conduct that could hurt their wages.

Ms. Bonita Zarrillo: Thank you so much.

The Chair: Thank you, Ms. Zarrillo.

Now we go to Mrs. Falk for five minutes.

Mrs. Rosemarie Falk (Battlefords—Lloydminster, CPC): Thank you very much.

Thank you to the witnesses for being here today and for sharing your perspectives.

To the Competition Bureau, there was a brief mention of the entrenchment of dominant players in the use of artificial intelligence. I'm just wondering, from the bureau's perspective, whether the artificial intelligence sector is an open competitive space or if it is monopolized by a few companies.

Mr. Trevor MacKay (Deputy Commissioner, Digital Enforcement and Intelligence Branch, Competition Bureau Canada): It's a fascinating question. It's probably one that's pretty difficult to give a good answer on since it's a developing industry. It's a developing market, and I think what you're seeing now is a number of players who are getting into the space, who are involved in the space, who are quite big. Where that goes we will have to see.

At the same time, there are smaller players who are also innovating in that space and creating stuff, and it's a little bit of having to see how that will play out. Our laws are non-interventionist by nature. That's the design of them. There's the concept that the markets will sort themselves out, or that if they can sort themselves out, we should leave them to do that as well as they can.

It's a little bit of waiting and seeing how the market develops. There are big players who have a strong presence with respect to the critical inputs, the AI things like computational power, data—

• (1140)

Mrs. Rosemarie Falk: Do you have examples of companies?

Mr. Trevor MacKay: You see the big names that everybody knows are involved in the AI space like Meta, Alphabet and Google. Those names are very much at the forefront of this, but, as I said, the market is developing. How that plays out and ultimately where the strong positions within that market come from is a little bit of a waiting game.

Mrs. Rosemarie Falk: Then, in that developing space, would you say that Canadian businesses are developing well or competing well?

Mr. Trevor MacKay: Honestly, I'm not sure that's something we can answer. We engage in efforts to look at industries from the perspective of horizon scanning to understand them so that, when competition issues arise, we're well placed to address them. Without any kind of indication of competitive issues that fall within the framework of our act, we're not doing a comprehensive assessment of all of the players in that market.

Mrs. Rosemarie Falk: Would the bureau say that the Canadian regulatory system is impacting their competitive positioning, in being Canadian businesses?

Mr. Anthony Durocher: I don't think there's any evidence to suggest that it's impacting one way or another. I will say this. One of our roles is to advocate to government for pro-competitive rules and regulations, because government can create barriers to industries. One area where we would advise in these new nascent spaces, as an example, is to make sure that any new regulations don't unduly impact smaller players, because they can be disproportionate.

If you're going to regulate, smaller players have much fewer resources they can devote to compliance and to the regulatory regime, so that's an important area where I think we would advise governments at all levels that, if you're going to regulate AI, be mindful of the potential undue burden on smaller players to make sure that it's as level a playing field as it can be in the sector.

Mrs. Rosemarie Falk: Thank you.

Chair, I would like to pass my remaining time to MP Aitchison.

The Chair: You have one minute, Mr. Aitchison.

Mr. Scott Aitchison (Parry Sound—Muskoka, CPC): That's all I need, Mr. Chair.

I have a motion I'd like to move today. I move:

That, given that the Governor of the Bank of Canada recently remarked that “supply shortages in our housing market are boosting prices for shelter”, the committee concur in the Governor’s remarks and report them to the House.

The Chair: Thank you, Mr. Aitchison.

Mr. Fragiskatos, we've suspended the time on the questioning, and Mr. Aitchison's motion was in order, so I had to recognize it.

Go ahead, Mr. Fragiskatos, on the motion.

Mr. Peter Fragiskatos (London North Centre, Lib.): I'll be very quick because we do have witnesses here, Mr. Chair.

As Mr. Aitchison knows, this will prompt a concurrence debate in the House, and I suspect very strongly that it is meant to distract and take time away from the government's legislative agenda. For that reason, the Liberal side will not be supporting the motion.

The Chair: Go ahead, Mrs. Gray, on the motion.

Mrs. Tracy Gray: Thank you, Mr. Chair.

For Canadians, there is little else that is more important than the housing crisis that we're having. Any discussions we can have on the housing crisis are incredibly important. That's why we're bringing this motion forward, so we can continue to have meaningful discussions and debates in the House of Commons on the housing crisis in Canada.

The Chair: Thank you.

Now we have Ms. Ferreri on the motion.

Ms. Michelle Ferreri (Peterborough—Kawartha, CPC): Thank you, Mr. Chair.

This is in response to my colleague Mr. Fragiskatos' comment.

Even if what you said was true—that this would be a distraction or a concurrence issue—you are the government. The biggest issue, without a doubt, is housing. This motion is saying that we listened to Canadians, we know that things are bad and we're going to do something about it.

According to the Globe, a Royal Bank of Canada report published last week estimated that:

...around \$900-billion worth of mortgages at Canadian chartered banks—roughly 60 per cent of outstanding mortgages on their books—will renew between 2024 and 2026.

Depending on the path of interest rates, the average monthly payments on these mortgages could jump 32 per cent next year and as much as 48 per cent in 2026, the report estimates.

Mr. Chair, here is my point in saying this: There are politics in this place, one hundred per cent, but if you are not getting the emails, the phone calls, the messages of despair and suffering that we are, I don't know whether you're not answering your phone or what. This is of the utmost urgency.

Our witnesses today are talking about AI. Do you know where we're sitting for productivity in Canada? It's like that. That's going to hurt our mortgages. That's going to hurt people. This is all downloaded to Canadians who have otherwise never paid attention to politics in their lives.

I'm actually making eye contact with you to urge you to pass this motion. Honestly, I came here because people are suffering. You came to Peterborough. I hope you went to Wolfe Street. I hope you saw the people in encampments. I hope you watch social media. I hope you see what is happening to people. They can't feed their families.

Yes, there are politics. That's fine, but we have a duty because we were elected to serve people. Please pass this motion.

Thank you.

• (1145)

[*Translation*]

The Chair: Ms. Chabot, you may speak on the motion.

[*English*]

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): Mr. Chair, on a point of order, are we talking about the supply shortage comment by the Auditor General's...?

Okay, because the comments previously were about the other motion that was proposed. I just want to be clear on which motion we are speaking to.

Thank you.

The Chair: Thank you, Mr. Van Bynen.

[*Translation*]

Ms. Chabot, you may speak on the motion.

Ms. Louise Chabot: Thank you, Mr. Chair.

I got my answer, since I had the same question. As we know, the Conservatives moved two motions and you're speaking of a single motion. Which one do you mean, exactly? I've not heard the terms of the motion.

Furthermore, starting at noon, after we've heard from the witnesses, we will have one hour to discuss committee business. Would it be possible to discuss that at noon?

The Chair: Thank you, Ms. Chabot.

[*English*]

Ms. Zarrillo has her hand up.

Mr. Aitchison moved a motion in his time allotment. I have to allow the motion to be discussed and voted on.

Ms. Zarrillo, you have the floor on the motion.

Ms. Bonita Zarrillo: Thank you, Mr. Chair.

I'll just make sure that I am speaking to the right one. This is the one about the Governor of the Bank of Canada's remarks. Is that correct? Yes.

I've said before to my colleagues on this committee that I am more than happy to actually have the governor come to speak about the impacts the banks have had on the housing crisis. I think about the fact that we have the Competition Bureau here today. We know that the big banks in Canada are surprisingly aligned in mortgage rates in this country.

I know that many people were advised not to lock into their mortgages at the beginning of last year, when we saw the mortgage rates rising. I feel strongly that this is about sales and sales targets. I know a number of people who work in the banking industry in Canada who, every single morning, are basically driven to meeting a sales target that day. I think the banks have lost sight of serving consumers. I certainly know many families in my riding that have had to change their living conditions because of these rising interest rates.

I'm sorry to say that I won't support this motion. However, I certainly would support having the Governor of the Bank of Canada come to this committee and be accountable for the fact that so many people can no longer afford their mortgage payments and account for whether they were involved in making sure that people didn't lock in when they knew they were going to be raising interest rates over time.

The Chair: Thank you, Ms. Zarrillo.

Next, we have Mr. Aitchison, on his motion.

Mr. Scott Aitchison: Thank you, Mr. Chair.

I actually think this could be an opportunity to start that process by getting the Governor of the Bank of Canada here to our committee, so I would encourage my colleague, Ms. Zarrillo, to actually support that.

I'm a little disappointed to hear my colleague, Mr. Fragiskatos, say that a debate about the housing crisis in this country, with new information from the Governor of the Bank of Canada causing a concurrence debate in the House of Commons, is a waste of time. This is a crisis. If the House of Commons is anything, it has to be a place where regular Canadian issues can be elevated, debated and discussed. That's what I'm calling for. Frankly, I'm shocked he would say that it's a waste of time.

I would like to call for a vote right now.

• (1150)

The Chair: Thank you, Mr. Aitchison.

Mr. Fragiskatos.

Mr. Peter Fragiskatos: Just quickly, Mr. Chair, the record is clear. At no point did I say it would be a waste of time. In fact, we regularly debate these matters in the House of Commons, which only proves my point. These are political games on the part of my colleagues, but we'll move to the vote.

The Chair: A vote has been called.

Seeing no further discussion, we'll vote on the motion of Mr. Aitchison.

You're all familiar with the motion you're voting on. Is it clear?

The clerk will read it.

The Clerk of the Committee (Mr. David Chandonnet): The motion reads:

That, given that the Governor of the Bank of Canada recently remarked that "supply shortages in our housing market are boosting prices for shelter", the committee concur in the Governor's remarks and report them to the House.

(Motion negatived: nays 6; yeas 5)

The Chair: We have 46 seconds left.

Mrs. Falk, please go ahead.

Mrs. Rosemarie Falk: Thank you, Chair.

Just to follow up on your last comment, has the bureau identified any legislative policies or conversations that currently, if introduced, would negatively impact our small businesses or even Canada's advantage within the AI sector?

Mr. Anthony Durocher: No, I don't think we've identified any specific ones. This continues to be a nascent space, where people are examining the appropriate ways to regulate. These are principles we would recommend policy-makers keep in mind to make sure we are fostering a competitive ecosystem.

Mrs. Rosemarie Falk: Perfect. Thank you.

The Chair: Mr. Collins, you have the floor for five minutes.

Mr. Chad Collins (Hamilton East—Stoney Creek, Lib.): Thanks, Mr. Chair.

Mr. Smith, we've heard that, with the change in the workforce, there is the whole issue related to training. As the organization seeks to implement AI in different parts of the organization, beyond some of those areas you've highlighted for the committee, can you advise what the municipality is doing in terms of training employees, either for job transformation or the whole issue related to job security?

We've witnessed many issues in the U.S. in terms of the United Auto Workers and employees striking to ensure that automation isn't replacing jobs in the workforce. All of us read with interest, at the heart of the Hollywood writers strike, how AI impacted job security there in language that was part of their collective agreements.

How is AI being communicated to the workforce? What kind of training do you have in place that might prepare employees whose jobs may be impacted by AI? Can you elaborate on those issues for us?

Mr. Ryan Smith: Thank you for the question.

As one of the fastest-growing municipalities in Canada right now, our experience may be a little bit different from that of others. In a lot of areas of our operations, we have employees running at 115% to 130% capacity. They're not at 80% capacity, where we're going to reduce them to 50% capacity. As we start to deploy AI in different business areas, we will watch this. Are there areas where we expect very transformational change? If so, we'll really need to

do some business planning on how that change impacts the workforce.

We also don't want to go in and do that planning in areas that are changing just a little bit and that are taking employees back from 115% to 95%. That's where we want them, so that they have time in their day for innovation and we're not burning people out. Our biggest challenge is that we believe we're burning people out. We can't onboard fast enough the people with the right skill sets.

Our experience may be different from that of other municipalities, but to answer your question, in areas that would be impacted by greater levels of change, we will be implementing programs to either retrain or redeploy staff.

• (1155)

Mr. Chad Collins: That would lead me to the question of job satisfaction. We did have a witness at our last meeting who talked about how, with some of the improvements in innovation that come with AI, it has led in some workplaces to increased job satisfaction. Are you seeing that with those who have been impacted in the areas where you've implemented AI? I think you alluded to that a couple of times in your answers.

Do you have anything with satisfaction surveys? I know it's early, because you've just implemented AI in some of the areas of the organization, but are there any early results in terms of employees providing feedback as it relates to job satisfaction?

Mr. Ryan Smith: Yes. I think the employees in some of the areas where we've deployed chatbots, whether it's at our airport or with our clerical staff who support our snow removals team, will report back and say that their jobs are much better now that they're not answering that same question over and over during overtime shifts and in snow events. They can really get to the residents who have problems that matter, and make sure that they're servicing those residents with the bulk of their time rather than those who have, again, the same question about when their street will be plowed. It's helping residents who have real issues, such as your plow plowed in my driveway and I can't get out and I have a work meeting, or someone could have mobility issues. How do we deal with that?

Again, it's kind of a uniquely Canadian example, but we believe the satisfaction of those staff, who can really make a difference in somebody's day, goes up.

Mr. Chad Collins: As a long-time councillor in the city of Hamilton, I'll be honest and say that I don't miss the plowed-in driveway calls here in Ottawa.

Can I ask about the whole issue related to transparency and privacy issues with the public? You touched on that earlier in response to another question from one of my colleagues. As it's used more in our daily lives, there's the whole issue of security in airports and facial recognition. We've seen some push-back from the public in terms of what they're willing to live with as it relates to being consumers and frequenting certain establishments in society, whether it be an airport or other areas. There's a line.

Can you advise us in terms of where that line is in your municipality? Do you have a corporate policy in place yet in terms of where AI might be used when you're dealing with constituents in the day-to-day tasks of responding? In some cases, it's just providing basic information. Do you have a policy municipally that seeks to address where AI might be used in the organization or areas where you may not want to use it because there may not be public acceptance or buy-in yet?

The Chair: You can give a short answer, Mr. Smith, or maybe provide a written response to the committee. It's your choice.

Mr. Ryan Smith: I'll give a quick answer.

Yes, we have a digital strategy that guides the areas of our operations where we believe there's an opportunity for AI to make a difference in our citizens' lives. We haven't had much push-back yet, if any, in any of the areas where we've deployed AI tools. We believe nobody wants to wait in line at city hall or wait on hold for city hall.

The Chair: Thank you, Mr. Collins and Mr. Smith.

[Translation]

Ms. Chabot, you have the floor for two and a half minutes.

Ms. Louise Chabot: Thank you very much.

Mr. Durocher, you're the deputy commissioner of the Competition Promotion Branch and our committee is studying the repercussions of artificial intelligence for the labour force.

The use of AI has begun and I don't think it's about to stop. From the labour perspective, this presents many challenges in terms of ethics and surveillance, among others. The world will become increasingly virtual, which is where this notion of surveillance comes in.

On the subject of working conditions, we're hearing that the larger industries with 100 or more employees will be most impacted, not small business. It seems to me that regulation supporting these larger industries would be more useful than deregulation.

In your opinion, should these industries be more regulated in terms of the labour force?

• (1200)

Mr. Anthony Durocher: Thank you for your question.

Unfortunately, I don't have much insight into this question since we specialize mainly in the area of competition.

I do believe, however, that it's fairly obvious that, when we start using new AI technologies, this will in large part be due to the competition process. Indeed, there will be pressure on competitors to reduce costs or put more innovative products on the market.

From our perspective, the main thing is to ensure the market remains competitive. In terms of employees and competition, we need to avoid any and all schemes designed to limit their opportunities, for example.

Ms. Louise Chabot: As we've seen in Quebec, sadly, some sectors like telecommunications and communications have been considerably weakened. We definitely need to change course, because jobs are being affected.

I understand you don't have expertise in employment and consequences on the labour force, but how can healthy competition contribute to developing these sectors instead of seeing them diminished or outright eliminated?

[English]

The Chair: We need a short answer, Mr. Durocher.

[Translation]

Mr. Anthony Durocher: I would say that healthy competition is very important for the economy as a whole and that it plays a key role in boosting productivity, which was mentioned earlier.

About two weeks ago, the Competition Bureau released a report on the Canadian economy's competitive intensity. This report, which is the culmination of a 20-year study, definitely shows that this intensity is on the decline, which isn't a good sign for the country's productivity.

[English]

The Chair: Thank you.

Ms. Zarrillo, you are next for two and a half minutes.

Ms. Bonita Zarrillo: Thank you, Mr. Chair.

I've really enjoyed having the Competition Bureau here, and I hope we can have them come another time. We've been able to talk about telecoms, banks, grocery chains—lots of spaces where Canadians are suffering right now and need more competition. I think about the growing privatization of health care too. It really concerns me.

At this point, I'm going to take a minute on airlines, and I have a motion, Mr. Chair.

The Chair: Ms. Zarrillo before you do that, if you introduce it now, it's non-debatable at this moment because it wasn't received in time. It would be debatable if you wanted to move it under committee business. It's your choice.

Ms. Bonita Zarrillo: Okay, but are we going in camera for committee business?

The Chair: Yes.

Ms. Bonita Zarrillo: Then I'll read it out now and then we can debate it another day.

The Chair: It's your time. Go ahead.

Ms. Bonita Zarrillo: Thank you, Mr. Chair.

I've sent it to the clerk. The motion is:

That, given multiple recent reports of persons with disabilities facing discrimination and unacceptable treatment while travelling with Air Canada, and that Air Canada admitted it violated Canadian disability regulations, that, pursuant to Standing Order 108(2), the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities invite Air Canada's CEO Michael Rousseau as soon as possible to committee for a minimum of one hour to explain these violations related to persons with disabilities and how they will rectify this situation; that a report of this meeting be prepared and presented to the House; and that, pursuant to Standing Order 109, the government table a comprehensive response to the report and explain how they will rectify this situation.

Thank you, Mr. Chair.

The Chair: Thank you, Ms. Zarrillo.

It has been moved, but it's not debatable at this time. You still have roughly 45 seconds of your time.

• (1205)

Ms. Bonita Zarrillo: That's perfect.

I hope I can talk to you another time about the airlines, but right now I want to talk about something that I believe Madame Chabot brought up.

Right now, Microsoft already holds a lot of embedded knowledge and data. They already hold that, and there are many large players that already hold that embedded data. Also, I heard Mr. Smith from Kelowna say that, right now, all of the intelligence they're gathering from their staff in Kelowna is going to be free to everybody out there.

What I'm worried about is that Microsoft is also gathering that data from what's happening in Kelowna. Are they going to be sharing that data for free, or are they going to be using that data to create something similar to maybe what Kelowna's doing or go wider into the United States and across the world? How does the City of Kelowna, which owns that IP and IC, get compensation for that? I'm interested in what you think about that.

The Chair: We'll have a short answer, gentlemen, from whoever wants to do it.

Mr. Trevor MacKay: The short answer is that open markets lead to better competition. While it's true that large players have a lot of data and it will be beneficial for them in competing in burgeoning markets like AI, that principle of open competition is what we'll always be advocating for. That's really all I can say.

The Chair: Thank you.

Thank you, Ms. Zarrillo.

Thank you to the witnesses for appearing today on this very important evolving topic.

Thank you, Mr. Smith, Monsieur Durocher and Mr. MacKay.

At this moment, we will suspend for three minutes while the committee goes in camera for committee business.

[Proceedings continue in camera]

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