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# Standing Committee on Finance

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Chair: Mr. Peter Fonseca





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• (1535)

[English]

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

Welcome to meeting number 42 of the House of Commons Standing Committee on Finance. Pursuant to Standing Order 108(2), the committee is meeting on the subject matter of Bill C-19, an act to implement certain provisions of the budget tabled in Parliament on April 7, 2022 and other measures.

Today's meeting is taking place in a hybrid format pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely, using the Zoom application. Per the directive of the Board of Internal Economy on March 10th, 2022, all those attending the meeting in person must wear a mask, except for members who are at their place during proceedings.

I'd like to take a few moments to make comments for the benefit of the witnesses and members. Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your microphone and please mute it when you're not speaking.

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

I would remind you that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can, and we appreciate your patience and understanding in this regard.

Finally, I request that members and witnesses mutually treat each other with respect and decorum.

I would now like to welcome today's witnesses from the finance department. Please note that today's witnesses are here to speak about part 5 of the bill.

Today we have representatives from the Canada Border Services Agency; Canada Revenue Agency; Correctional Service of Canada; Department of Citizenship and Immigration; Department of Employment and Social Development; Department of Finance; Department of Foreign Affairs, Trade and Development; Department of Indigenous Services; Department of Industry; Department of Justice; Office of the Superintendent of Financial Institutions; Privy Council Office and Treasury Board Secretariat.

Members, I will be suspending the meeting at approximately 5 o'clock or so to go in camera. It takes about five to ten minutes to make that switch.

Since we don't have opening remarks by any of our officials today, we are going to move right into rounds of questions. For the first round, we'll start with the Conservatives, who are up for six minutes.

Go ahead, Mr. Chambers.

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

I appreciate all the officials joining us again today. I have some questions. I'll start with the Competition Act changes that are proposed in the BIA.

I have a couple of questions on the process and then some technical ones. With respect to the process, were the Canadian Bar Association or other people consulted on some of the changes prior to these changes being included in the BIA?

Okay. We'll go to the next question. Is there—

**The Chair:** Ms. Miller, do you want to answer? You have to unmute yourself.

**Ms. Jennifer Miller (Director General, Marketplace Framework Policy Branch, Department of Industry):** Thank you, Mr. Chair. I was waiting for acknowledgement.

I can speak to these amendments on behalf of the Department of Innovation, Science and Economic Development. The amendments that were proposed as part of the budget implementation act are the product of ongoing policy dialogue with stakeholders and the Competition Bureau dating back several years, and the Bar Association is included in those conversations. They're also informed by public stakeholder positions, such as those provided to parliamentary committee hearings and the ongoing policy dialogue on this important topic in the public sphere.

**Mr. Adam Chambers:** Thank you very much. I respect that there were some previous consultations.

Is there a plan for consultations either on these changes or on future proposed changes in the near future?

**Ms. Jennifer Miller:** May I answer, Mr. Chair?

Yes, Minister Champagne has signalled his intent to proceed with further consideration of changes to the Competition Act, as per the commitments in his mandate letter from the Prime Minister. There will definitely be engagement with stakeholders and consultation as part of that process in the coming months.

**Mr. Adam Chambers:** I have a couple of technical questions on some of the changes. On wage fixing, is it the view of the government that this would apply to ride-sharing services like Uber? Would they be considered captured under this new proposed rule, or is that part of the consultation that will be settled?

**Ms. Jennifer Miller:** As the Competition Act is a law of general application, it does not typically distinguish between specific business models or types of industry. The law applies broadly across the entire economy. In the enforcement of that act, if cases come forward, the Competition Bureau considers them in light of the general provisions and makes its determinations in the enforcements in that way.

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

In the situation where there's a relationship between a franchisee and franchisor, who would be the employer: the ultimate parent franchisor or the franchisee?

**Ms. Jennifer Miller:** I would say that it depends on the specifics of an individual case and on the business model of the participants in the case that was being brought forward at that time. It would be very case specific.

• (1540)

**Mr. Adam Chambers:** Thank you very much.

With respect to some of the changes or amendments to section 79 involving privacy, was the Privacy Commissioner consulted before these changes were proposed?

**Ms. Jennifer Miller:** Mr. Chair, the amendments, as I indicated, have been informed by inputs across a variety of different avenues and comments have definitely been made by a variety of people to parliamentary committees, or in the public sphere, or within an ongoing engagement between policy-makers and the stakeholder in question. Comments that the Privacy Commissioner would have made in those context would have been taken into account, but there was not a specific consultation directly with the Privacy Commissioner on that specific amendment.

**Mr. Adam Chambers:** Thank you very much for that clear answer.

Mr. Chair, there are some other questions that I may table later, with the pleasure of the committee or your indulgence.

I do note that we have some Treasury Board officials here, and with my remaining time I would like to take this opportunity to reiterate a question that was asked the other day. I suspect that it has maybe not been answered yet. As part of my duty on this committee, I'm trying to understand the number of individuals the government is planning to hire, both gross hires and the net full-time equivalent impacts of the budget measures through the forecast. This is important because we are in the tightest labour market in a generation and people are concerned about wage-price pressures. If the federal government is intending to hire at the existing rates it has been doing over the last five years, it will create significant

challenges for those in the private sector trying to access labour. If there's an answer to that question, I would love to have that now, but would appreciate an answer in writing if it's not available today.

**The Chair:** Did the Treasury Board capture that?

Do we have a representative here?

**Mr. John Millons (Director of Policy, Treasury Board Secretariat):** Yes, we've captured the question and we'll transmit it to our colleagues.

Thank you.

**The Chair:** Thank you very much.

That's your time, Mr. Chambers.

**Mr. Adam Chambers:** Thank you, Mr. Chair.

**The Chair:** We're moving over to the Liberals with MP MacDonald for six minutes.

**Mr. Heath MacDonald (Malpeque, Lib.):** Thank you, Chair.

I just want to continue on with regard to the Competition Act. I just have a quick question, maybe back to Ms. Miller, and hopefully this wasn't asked previously. Were there any situations or cases that spurred the need for these changes?

**Ms. Jennifer Miller:** With respect to specific cases that are under way, because the Competition Bureau is an independent law enforcement agency that operates with some fairly strict obligations with respect to confidentiality, I of course would not be in a position to speak to any of those. However, certainly the department and our colleagues at the Competition Bureau do follow trends in the marketplace, trends in business activity, and of course the public information on the cases that the bureau publishes very closely, and use that to inform any policy options for Parliament's consideration.

**Mr. Heath MacDonald:** I'm going to move to the finance department.

To make payments to provinces to address transit shortfalls and improve housing supply and affordability, will this money need to be requested, or are there criteria to determine when it would come into effect? It's division 4 in part 5.

**Mr. Galen Countryman (Director General, Federal-Provincial Relations and Social Policy Branch, Department of Finance):** There are terms and conditions attached to the funding as part of the bill. The funding could be spent based on the terms and conditions that the Minister deems appropriate. The minister has to communicate with provinces and territories, and the provincial and territorial governments must match the federal contribution. They have to allocate that funding within the jurisdiction of municipalities or regional transit agencies based on transit ridership, with flexibility for jurisdictions with federal public transit, or to allocate according to the needs; put funding towards transit operating shortfalls, transit capital, or housing; and provinces and territories must agree to accelerate their efforts to improve housing supply in collaboration with municipalities.

• (1545)

**Mr. Heath MacDonald:** Thank you.

Mr. Countryman, I come from a fairly rural province, Prince Edward Island. I'm trying to envision how you differentiate between rural communities compared with larger urban centres in this funding.

**Mr. Galen Countryman:** Again, there was flexibility for jurisdictions such as Prince Edward Island and others where there are not large transit systems.

[*Translation*]

**Mr. Gabriel Ste-Marie (Joliette, BQ):** On a point of order, Mr. Chair.

The poor sound quality prevents the interpreter from doing her job properly.

[*English*]

**The Chair:** I believe we're having some challenges with the sound, Mr. Countryman.

**Mr. Galen Countryman:** Can you hear me now? Is that better?

**The Chair:** Maybe slow down and see our interpreters and members can hear a little better.

Thank you.

**Mr. Galen Countryman:** I will endeavour to be clearer.

In the cases of small jurisdictions like Prince Edward Island, those jurisdictions have flexibility to allocate according to needs, as long as these fit in the category of transit or housing.

**Mr. Heath MacDonald:** Thank you.

I'm going to move on.

How will the measures contained in division 23 part 5 help Canada utilize immigration to fill some of the labour shortages we currently see across the country?

**Mr. Philip Somogyvari (Director General, Strategic Policy and Planning, Department of Citizenship and Immigration):** The amendments to the express entry system will further support Canada's ability to respond to a broader variety of labour market needs across the country by allowing what are called "rounds of invitation" to be tailored to more specific attributes that would be assessed and recommended to the minister, for which the minister would relay through instructions. It would give essentially more flexibility with regard to the attributes possessed by the immigrants themselves and thereby respond to a wider variety of labour market or economic issues across the country.

**Mr. Heath MacDonald:** Thank you.

Also, we have a many who want to ensure permanent residency, and citizens who are trying to create equality of employment across the country for some of them. What opportunities are there via training through this source, or how do you evaluate the criteria that are relevant to matching skilled workers with some of the openings or labour shortages that we have?

**Mr. Philip Somogyvari:** Currently, these needs are assessed through the express entry profile builder, for which the candidate

will relay various attributes, including human capital, education, skills and work experience. In the presence of an offer of arranged employment, those would essentially be assessed and scored for us to be able to respond to the needs across the country in that manner.

**Mr. Heath MacDonald:** Thank you.

**The Chair:** Thank you, Mr. MacDonald. that's the time.

Now we'll have questions from the Bloc and MP Ste-Marie.

[*Translation*]

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

I thank all the officials from all the departments who are here today to answer our questions.

My first questions concern the Employment Insurance Act and relate specifically to divisions 26 and 27 of part 5 of Bill C-19.

With respect to division 26, as I understand correctly, the bill seeks to ensure that previous intergovernmental agreements are respected. This is referred to in section 408 of the bill relating to part II of the Employment Insurance Act.

However, I wonder if the changes included in division 26 are not intended to circumvent these agreements by, for example, withdrawing existing federal assistance for employment support.

Could you shed some light on this?

• (1550)

[*English*]

**Ms. Saajida Deen (Director General, Employment Program Policy and Design, Skills and Employment Branch, Department of Employment and Social Development):** Absolutely.

The changes that are being proposed related to division 26 have to do with the provisions in part II of the Employment Insurance Act. We are looking to modernize some of those provisions that have been in the act since 1996 to bring them into line with the current labour market needs.

To your question as to whether this is an effort to remove federal supports, that is not the intention. The intention is to make the framework more flexible so that we can serve more individuals and respond to the labour market pressures that we're all seeing right now.

Thank you.

[*Translation*]

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

Section 403, in particular, seems to specifically allow the commission to sign agreements with any government or agency to administer employment assistance measures on its behalf.

We know that agreements are already in place with most provinces for labour market training.

Could the federal government then free itself from its commitment by using the power referred to in section 403 of the bill?

Could it offer the funding and management of these measures to non-profit organizations, or even to a private organization?

I'm actually concerned about this because it reminds me of the WE Charity case.

Could you shed some light on this?

[English]

**Ms. Saajida Deen:** Absolutely. There have been agreements in place, like I mentioned, since the mid nineties with provinces and territories, and there's no end date for those agreements. Those agreements were signed and will continue, so it's certainly not the intention to end agreements. Budget 2022 did signal the government's intent to negotiate and modernize those agreements to meet the modern labour market needs, so those agreements continue to be in effect.

Thank you.

[Translation]

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

I will now move on to division 27 of part 5 of Bill C-19, still on the Employment Insurance Act.

We are pleased to see that the government will support seasonal workers. However, once again, this is a renewal of a temporary measure to address a problem that requires a permanent solution. The government itself acknowledges this in its budget.

The Minister of Employment, Workforce Development and Disability Inclusion has been mandated to implement an EI reform plan by the summer, given that the temporary measures in the program end in the fall. So time is of the essence.

Mr. Pierre Céré, of the Conseil national des chômeurs et chômeuses, had this to say: "We were expecting a concrete announcement, but that is not the case. We ask the question: are we postponing a possible reform to the next budget, in 2023, or worse?"

What are your observations on this?

[English]

**Ms. Anamika Mona Nandy (Director General, Employment Insurance, Skills and Employment Branch, Department of Employment and Social Development):** What I would say is that the government is undertaking consultations on EI modernization that will inform changes to the EI system to better meet the current and future needs of workers and employers, including seasonal workers, who are an important group of workers. The government will release its long-term plan for the future of EI after the consultations conclude.

[Translation]

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

In the context of the pandemic, the government does not seem to have suspended the obligation for the employment insurance fund to restore a balance over seven years. This policy could have a dis-

astrous effect on premium planning, as the fund has a significant deficit due to the various benefits related to the COVID-19 pandemic.

Could I have some clarification on that?

[English]

**Ms. Anamika Mona Nandy:** So that I can understand, is this in relation to the EI operating account?

• (1555)

[Translation]

**Mr. Gabriel Ste-Marie:** Yes, it is.

The government does not seem to have suspended the obligation for the EI fund to restore a balance over seven years. This could lead to a serious problem, since the fund has a significant deficit because of the various benefits related to the COVID-19 pandemic.

Could I have some clarification on that?

[English]

**Ms. Anamika Mona Nandy:** I will turn to my colleague on this question.

Go ahead, Joel.

**Mr. Joel Reimer (Manager, Strategic Initiatives and Policy Support, Employment Insurance, Skills and Employment Branch, Department of Employment and Social Development):** I'm sorry; I missed part of the question.

[Translation]

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

I will repeat it a third time.

In the context of the pandemic, the government does not appear to have suspended the requirement for the EI fund to restore a balance over seven years. This policy could have a disastrous effect on premium planning, as the fund has a significant deficit due to the various benefits related to the COVID-19 pandemic.

Could I have some clarification on that?

[English]

**Mr. Joel Reimer:** I'm not sure I can speak to that—

**Ms. Anamika Mona Nandy:** Maybe I'll step in just to help on that.

There was an announcement in budget 2022 with regard to increases to the premium rate, and there are no proposed changes to the financing of EI in the legislation.

[Translation]

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

[English]

**The Chair:** Thank you.

[Translation]

Thank you, Mr. Ste-Marie.

[English]

We are moving to the NDP.

Welcome to our committee, MP Gazan. You have six minutes.

**Ms. Leah Gazan (Winnipeg Centre, NDP):** Thank you so much, Chair. It's a real privilege to be on this committee today. I have big shoes to fill, as you all know.

My first question relates to division 30 of the BIA, which amends the Canada Business Corporations Act.

It's my understanding that this section would establish a public and searchable beneficial ownership registry. I'm hoping that officials will be able to describe what the changes to the legislation will accomplish to get us closer to establishing that.

**Ms. Jennifer Miller:** Thank you very much, Mr. Chair, for the opportunity to respond to this question on the establishment of a beneficial ownership registry.

The changes in the BIA are intended to be a first and concrete step toward establishing that registry, so there are things the government is proposing to do immediately to make progress in the near term. This would obviously be the ability for the information to be sent to and held by Corporations Canada. That's the very important first step.

Also, a very important step for Corporations Canada is to be able to hold onto that information and not immediately publish it, subject to the development of privacy and security protocols for the information. We need to make sure that the information is treated appropriately, which will be an intermediate step, and share it in the meantime with appropriate enforcement agencies—FINTRAC or other entities—that would be prescribed by regulation so that there is also that control over the initial distribution.

The remainder of the amendments required to fully establish the public and searchable registry would require some consultation with stakeholders on the specifics of the implementation and the management of certain privacy considerations. So they will be consulted and the feedback returned as soon as possible.

**Ms. Leah Gazan:** Thank you so much for your answer.

I'm wondering when the government will be moving to implement these changes with additional legislation. Can we expect to see the next steps in the fall economic update?

**Ms. Jennifer Miller:** Unfortunately, I can't speak specifically to the government's future legislative plan for those amendments, but I can indicate, because of the accelerated timeline that has been announced as part of budget 2022, that the work plan toward defining and proposing those amendments will be greatly accelerated. There will be a consultation process in short order, and then the finalization of work required to put them forward.

• (1600)

**Ms. Leah Gazan:** It's no secret that the EI system is broken. We certainly saw that when the pandemic hit. Government on the fly had to create an entirely new suite of benefits to get money to people who were unable to work in accordance with public health advice in a quick and efficient way. It's no secret that I've been push-

ing for a guaranteed livable basic income with Bill C-223 to make sure that everybody can live in dignity.

I will continue to push for that, but in the interim, though, the EI process needs to be fixed. You know that I've been on other committees where officials, working in the area, have called the system archaic. I know there are consultations that have been ongoing about ways to modernize this dinosaur system.

My understanding is that division 32 of the BIA will establish an employment insurance board of appeal and limit the social security tribunal. This has been a longstanding commitment of the government. We in the NDP are hearing that these changes fall short of the commitments to create truly tripartite and accountable appeal structures. I'm hoping that the officials could speak to the intent of their amendments, as well as what those amendments would actually do.

**Ms. Rouba Dabboussy (Director General, Benefits and Integrated Services Branch, Department of Employment and Social Development):** Good afternoon. I will speak to that.

The intent is, in fact, to launch a tripartite board of appeal. It will include approximately the same number of members from GIC appointees, as well as members representing labour, employers and workers.

**Ms. Leah Gazan:** Thank you so much for that.

The GIS reference in division 24 offers a technical amendment that will firm up changes in the previous legislation.

The government is ensuring that accessing pandemic benefits does not negatively impact recipients of GIS and the calculation of the GIS. We certainly saw that in my riding with many seniors. This change had a huge impact on the lives of seniors in my riding of Winnipeg Centre, the third poorest riding in the country.

Another issue that my office is being contacted about is the Canada child benefit, which is impacted in the same way the GIS is by the interaction of pandemic benefits in the calculation. I'm wondering if any of the officials on the call could comment if they've been asked by government to draft fixes to the similar issue with the Canada child benefit that will have a huge impact on the lives of low-income families.

**Ms. Kristen Underwood (Director General, Seniors and Pensions Policy Secretariat, Department of Employment and Social Development):** Division 24 refers to a change that was made around GIS eligibility for those who were getting the 75-plus increase. It's not specific to the changes that you're talking about, but indeed those changes did go through this year. The CCB is a separate issue, and not part of these pieces. The officials who are on the line for those pieces of the GIS are not at liberty, or don't have the information, to talk to you about the CCB.

**The Chair:** Thank you, MP Gazan. That's the time.

We're moving to our second round.

MP Albas from the Conservatives is up for five minutes.

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Thank you, Mr. Chair.

I would like to thank all of the officials who are here for their service to our great country.

I'd like to start with division 4, "Payments in Relation to Transit and Housing". I'm piggybacking on MP MacDonald's work.

First, I'll make a quick comment. The member of Parliament for Vancouver East has commented previously on the government's record on allocating the national housing fund's mechanisms fairly, and that B.C. did not receive it.

Let's start by asking this. In this maximum payment of \$750 million, is there anything in this particular clause—which, by the way, is about 80 words long for \$750 million—that limits this or provides a way for this to be fairly allotted to each province and territory?

• (1605)

**Mr. Galen Countryman:** Mr. Chair, I'll respond to that question.

The funds for this measure will be allocated based on the formula already used for the public transit stream of the investing in Canada infrastructure program. It's calculated on a mix of transit ridership, with a 70% weight, and population, with a 30% weight. That's how it's allocated across jurisdictions.

**Mr. Dan Albas:** Again, going back to Mr. MacDonald's point, urban centres will be far more likely to receive these funds. Is that correct?

**Mr. Galen Countryman:** Because the primary focus was on transit, where there are urban centres, the allocation was based on that.

**Mr. Dan Albas:** Okay. But again, this can mean that the minister has sole discretion as follows:

Any amount payable under subsection (1) may be paid by the Minister of Finance out of the Consolidated Revenue Fund at the times and in the manner, and on any terms and conditions, that the [Minister] considers appropriate.

That is a lot of latitude, is that not, sir?

**Mr. Galen Countryman:** This is just how that section is provided—

**Mr. Dan Albas:** Well, I understand that you have a difficult job, and I'm not going to make it more difficult than that. What I will say, though, is that I am concerned about, as MP MacDonald said, the fairness and allocation of this.

I would like to move to division 12, entitled "Prohibition on the Purchase of Residential Property by Non-Canadians Act". I've noticed that there were a number of loopholes in the budget, and in the budget implementation act there seems to be a whole host of them.

First, I'd like to first confirm the enabling provision with regard to the coming into force:

237(1) Section 235 comes into force on a day to be fixed by order of the Governor in Council.

That ultimately means that Parliament can approve this, and give royal assent, but the government can choose to bring it into force or not, at its total discretion. Is that correct?

**Mr. Robert Sample (Director General, Financial Stability and Capital Markets Division, Financial Sector Policy Branch, Department of Finance):** Thank you, Chair.

Yes, that's correct that the government would bring the prohibition into force at a later date, on its choosing, via an order in council.

**Mr. Dan Albas:** Thank you very much.

Under "Non-application", which is proposed subsection 4(5), it states:

Subsection (1) does not apply if the non-Canadian becomes liable or assumes liability under an agreement of purchase and sale of the residential property before the day on which this Act comes into force.

Essentially, for anyone who wants to purchase a property, regardless of the big holes in the exemptions the government has talked about with regard to this, and will probably deal with through regulation, none of this matters if the government never puts it into force. Is that correct?

**Mr. Robert Sample:** Yes. The prohibition will be applicable only when the Governor in Council approves an OIC to bring it into force. What this provision does is essentially grandfather—

**Mr. Dan Albas:** That's okay. I don't need to know that particular part, sir.

Just quickly, under the definitions sections, it states that "control has the meaning assigned by the regulations". Essentially, by control I'm assuming you mean beneficial ownership. How precisely is the minister going to be able to make an application to a court that someone has violated this? How will the minister be alerted to that?

**Mr. Robert Sample:** Speaking on the provision of control, control of a corporation is an additional policy that's being worked through now and will be brought through via a statutory instrument at a later date. Should a superior court or a provincial court find that there has been a contravention to the prohibition, as you have outlined, the minister could then apply to the court for a judicial sale of the property.

Thank you.

**Mr. Dan Albas:** Thank you.

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

We're moving now to the Liberals and MP Dzerowicz for five minutes, please.

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

I too want to thank all the officials for being with us today.

My first question is about the Copyright Act. There is a change under clause 276 of the budget implementation act. It talks about a period of "70 years". Is the change from 50 years to 70 years? Can someone clarify that?



• (1610)

**Ms. Jennifer Miller:** Yes, Mr. Chair. I would be happy to clarify that question.

The change is from “50 years” after the life of the author to “70 years” after the life of the author.

**Ms. Julie Dzerowicz:** Thank you.

The arts community has been asking for this forever, so I think they'll be very happy to hear about that. It actually brings us in line globally to where I think other countries are.

My next question is on the Federal-Provincial Fiscal Arrangements Act, and I believe it's under division 6. I believe that there is a total payment of \$2 billion that's allocated here. Can I just confirm that it is for backlogs in procedures and surgeries and that it is going to be sent down to the provinces and territories?

**Mr. Galen Countryman:** Yes. That is the purpose of the funding.

**Ms. Julie Dzerowicz:** Perfect. How will it affect the Canada health transfer base?

**Mr. Galen Countryman:** It does not affect the Canada health transfer base. It is a one-time top-up.

**Ms. Julie Dzerowicz:** Thank you.

The funding allocated is based on what you have listed between paragraphs (a) and (m).

**Mr. Galen Countryman:** Yes. It's based on equal per capita allocation, the same that is used for the Canada health transfer.

**Ms. Julie Dzerowicz:** Wonderful. Thank you so much.

Getting back to division 4, “Payments in Relation to Transit and Housing”, are there restrictions on how the provinces and territories allocate the funds within their jurisdictions?

**Mr. Galen Countryman:** The provinces and territories have been asked to allocate the funding based on transit ridership within their jurisdictions.

**Ms. Julie Dzerowicz:** Okay. Is that the only restriction? Is that the only criteria for them?

**Mr. Galen Countryman:** They also have to also match the federal contribution and then allocate the total of that funding based on transit ridership. The funding is to be used towards transit operating shortfalls, capital or housing.

**Ms. Julie Dzerowicz:** Okay. Wonderful.

I'd like to head over to the Special Economic Measures Act. It's under the “Economic Sanctions” division. How will the proposed changes in this section help fight the illegal invasion of Russia into Ukraine?

**Dr. Lynn McDonald (Director General, International Economic Policy, Department of Foreign Affairs, Trade and Development):** Good afternoon. I can provide a response to that.

In response to the invasion of Ukraine by Russia, Canada and its G7 and other allies have taken numerous steps, including imposing a range of new sanctions measures. In the context of these amendments, this has been a proposed change aimed at promoting accountability and ensuring that the sanctioned persons are no longer

able to access their assets in Canada, as well as to return ill-gotten gains to those affected.

To that end, these proposed amendments will create the necessary authorities to identify, freeze, seize and dispose of assets belonging to sanctioned individuals and entities.

I'm happy to provide a bit more information if that would be helpful, but I'll pause here.

**Ms. Julie Dzerowicz:** Maybe continuing on that line of thought, how will the government identify the assets to be seized and forfeited?

**Dr. Lynn McDonald:** The Russian Elites, Proxies, and Oligarchs Task Force has been set up with allies in the G7. Canada and its allies in the task force have all committed to taking measures along these lines, which are to work together to track the assets of key Russian elites and proxies and to deny them the ability to hide their assets and benefit from assets in all of these jurisdictions.

The plan is for our government to work with domestic law agencies, other domestic departments and agencies, and our foreign allies to target relevant assets. That would be a connection through the amendments to allow the government to go forward and seize assets that are linked to a sanctioned person or entity seen as contributing to the great breach of international peace and security and inappropriate circumstances and manage those assets. It would lead to the forfeiture of the assets through a court-administered process. After the asset is forfeited, the appropriate disposal and repurposing of the assets would be determined, including if it goes back to victims of the Russian invasion or contributes to the reconstruction of Ukraine.

These are a number of the steps that have been proposed through the amendments in division 31.

• (1615)

**Ms. Julie Dzerowicz:** Thank you so much.

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

We're moving to the Bloc and MP Ste-Marie for two and a half minutes, please.

[Translation]

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

My first question is for Mr. Countryman and relates to the subject addressed by my colleague Ms. Dzerowicz.

Division 4 is about payments in relation to transit and housing. I would like to know how this will work with Quebec.

Will Ottawa transfer to Quebec the amounts owed to it unconditionally, or will there be a negotiation process to frame all this?

**Mr. Galen Countryman:** There have been direct discussions with the Quebec Minister of Finance regarding the program and the measures taken by the Quebec government to meet the objectives for the funds. Indeed, there is an agreement between the two governments.

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

That is very clear.

Thank you very much.

I will now move on to division 23 of part 5, which deals with the Immigration and Refugee Protection Act. Division 23 of the bill amends several elements of this act.

I would just like to make sure that, under the Canada–Québec Accord relating to Immigration and Temporary Admission of Aliens, which dates back to 1991, the provisions in this division would not apply to Quebec, since it is up to the province to decide on its targets.

I would like to have confirmation of that.

[English]

**Mr. Philip Somogyvari:** Thank you, Chair, for the question.

That is correct. This is an area of selection, which is an area of jurisdiction of Quebec, pursuant to the accord.

[Translation]

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

Mr. Chair, if I have any time left, I would like to give it to my NDP colleague.

Thank you very much.

[English]

**The Chair:** You have ceded your time to your colleague.

MP Gazan, you have three and a half minutes.

**Ms. Leah Gazan:** Thank you so much. That's very generous from my colleague from the Bloc.

Division 3 of part 5 of the BIA repeals a Safe Drinking Water for First Nations Act. This is long overdue and is a response, in fact, to a court decision. That's very unfortunate that it had to go to court.

I don't think anybody in this room on the committee would disagree that everybody has a right to clean drinking water. It's a basic human right and one that is certainly upheld at the United Nations.

Are any of the officials able to comment on why the repeal of this colonial act took so long?

**Mr. Curtis Bergeron (Acting Director, Regional Operations, Indigenous Services, Department of Indigenous Services):** I'm happy to respond to the question, Mr. Chair.

Although I can't respond directly to why it took so long, I can say that it supports relationships and reconciliation efforts. It's in direct response to concerns raised by first nations. I think it demonstrates Indigenous Services Canada's willingness to act and support communities.

**Ms. Leah Gazan:** The court decision also indicated that new legislation would be developed to replace the act.

I am just wondering if any officials on the line would be able to enlighten the committee on what types of consultations are taking place and who is being consulted.

**Mr. Curtis Bergeron:** I would start by saying that the Assembly of First Nations has been leading engagements with first nations since about 2018. That's been through a number of forums, including water symposiums and water summits with chiefs and council, water operators and water experts. That is one area.

The second area would be engagements through negotiations on the settlement agreement for the safe drinking water litigation.

Third, there were direct engagements around repeal just in March.

We're also working with the Assembly of First Nations moving forward on legislation, as the budget announced.

• (1620)

**Ms. Leah Gazan:** Just so that it's clear to me, the overarching organization you're working with is the Assembly of First Nations. Are you working with any of the Inuit organizations and Métis organizations, or is it just the Assembly of First Nations?

**Mr. Curtis Bergeron:** This is largely a first nations-led engagement, yes.

**Ms. Leah Gazan:** That's unfortunate, especially with what's happening in Nunavut right now with clean drinking water.

Has the development of the new legislation begun?

**Mr. Curtis Bergeron:** Currently we're working on establishing a framework that will help inform legislation, and that's with the Assembly of First Nations.

**Ms. Leah Gazan:** We can expect this new legislation when?

**Mr. Curtis Bergeron:** What I can say, as was pointed out through the settlement agreement, is that it commits Canada to developing and introducing replacement legislation in consultation with first nations by December 31 of this year.

**The Chair:** Thank you, MP Gazan. That is the time.

We are moving to the Conservatives for five minutes.

**Mr. Jake Stewart (Miramichi—Grand Lake, CPC):** Thank you, Mr. Chair.

Mr. Chair, first of all, I'd like to give notice of motion for the following:

That, pursuant to Standing Order 108(2), the Standing Committee on Finance undertake a study of the Canada Revenue Agency's conduct regarding the decision on Advanced Pricing Arrangements and:

That the Commission of the Canada Revenue Agency appear for two hours at the beginning of the study;

That the Commission of the Canada Revenue Agency appear again for two hours at the end of the study;

That the Canadians for Tax Fairness as well as business and academic experts be invited as witnesses;

That whistleblowers be invited to testify in camera;

That the committee allocate four (4) meetings to hear from witnesses, and;

That the committee report its findings and recommendations to the House.

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

**Mr. Jake Stewart:** With respect to this motion, Mr. Chair, the clerk will be getting it as well as a translated version.

I just want to put the members of the committee on notice and give them time for their consideration.

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

I was thinking it was the same as MP Albas's motion, but it is a different motion. Yes, we have that.

**Mr. Jake Stewart:** Yes, it is a different motion.

**The Chair:** Now you still have—

**Mr. Jake Stewart:** Hopefully the members have just been put on notice, and that will give you some time to think about it.

I do have some questions for the officials as well.

Do I have two more minutes?

**The Chair:** You have three and a bit.

**Mr. Jake Stewart:** To the officials, thanks for being here today as well.

How much money is government expecting to collect as a result of debt repayments on the initial CERB advance payment?

**Mr. Steven Coté (Executive Director, Employment Insurance, Skills and Employment Branch, Department of Employment and Social Development):** As of right now on the advance payment activity, there have been over one million people who have repaid among the people who have been identified. I don't have the number of the exact amount of money that's expected to be fully paid, but there are notices of debt being sent out now to the remaining individuals.

**Mr. Jake Stewart:** The government does not have an expectation or a target for what the amount is.

**Mr. Steven Coté:** There's a target number of people who have been identified as having advance payments that are outstanding. I believe there are 1.7 million in total, of which 715,000 have had notices sent out. However, for the total value, I don't have that number.

**Mr. Jake Stewart:** Can you get back to us on that with an answer?

**Mr. Steven Coté:** Yes, I can check into that for sure.

**Mr. Jake Stewart:** Thank you.

How much money is the government expecting to collect as a result of debt repayments on the CESB payments for those deemed ineligible by the CRA?

**Mr. Steven Coté:** My CRA colleagues are with me here now and can correct me, but I can take a shot at that answer first, Mr. Chair, if it's okay.

That work is not under way as of yet. There is an integrity process that goes under way to determine ineligibility. That work has been delayed as a result of ongoing benefits delivery and the omnicon variant, so that work has not been undertaken.

• (1625)

**Mr. Jake Stewart:** Are expected repayment revenues from debt repayments on CERB and the CESB for those deemed ineligible included in budgetary revenues outlined in budget 2022?

**Mr. Steven Coté:** I can defer to my Finance colleagues on this, but I don't believe there are any calculations for expected payments that are included in the budgetary financial tables in the budget.

**Mr. Jake Stewart:** Considering the 1.7 million CERB recipients who have been told they need to pay back money, how much has the CRA spent or does it expect to spend on administrative costs to collect those repayments?

**Mr. Steven Coté:** Thank you, Mr. Chair, for the question.

In the fall economic statement of 2020, the government announced that there would be \$260 million over four years for ES-DC and CRA to increase their capacity to detect, investigate and address the cases of fraud or misrepresentation related to the Canada emergency response benefit. That's the amount that's been announced.

**The Chair:** Thank you.

Thank you, MP Stewart.

Moving to the Liberals, we have MP Chatel for five minutes.

[*Translation*]

**Mrs. Sophie Chatel (Pontiac, Lib.):** Thank you, Mr. Chair.

I thank all the officials for being with us today and I congratulate them for the great work they have done over the past few weeks.

Mr. Countryman, I'd like to follow up on a question asked by my colleague Mr. MacDonald about transit and housing payments, which is in division 4 of part 5.

I really don't understand how rural communities are going to benefit from this provision and how it's going to apply to public transit, because it's a very limited thing. Sometimes we talk about two daily bus trips, one in the morning and one in the evening.

Can you elaborate on that?

**Mr. Galen Countryman:** Thank you for the question.

It's the responsibility of each province and territory to distribute the funds as needed. They have been asked to allocate this money based on the number of transit users. However, the provinces and territories whose public transport system is not very well developed have the option of using this money to meet other needs, particularly housing.

**Mrs. Sophie Chatel:** Okay.

If possible, I would ask you to send us a written example of how this will apply to rural communities. We would be grateful.

Ms. Miller, I know that several countries have adopted a beneficial ownership registry. In fact, I am very happy to see that the date for the implementation of such a registry has been brought forward. However, what is important when you decide to set up a registry is to ensure the quality of the data. This requires a sound definition and application of the concept of beneficial owner.

I know that the Financial Action Task Force, the FATF, has made recommendations to Canada and several other countries on how to achieve very high standards with respect to beneficial ownership. It has made specific recommendations to Canada.

What are the next steps to establish not just a registry, but a quality registry?

**Mr. Martin Simard (Senior Director, Corporate, Insolvency and Competition Policy, Marketplace Framework Policy Branch, Department of Industry):** Thank you for the question, which I'm happy to answer.

First of all, I would like to say that the standard is already established in Canada and is in line with the international standard, because we have been working on beneficial ownership transparency for some years now.

For some years now, companies under federal jurisdiction have been required to collect information on their ultimate beneficial owners. The criteria for determining who is a beneficial owner are already in the law and we will build on that. At this stage, we are centralizing this information. Currently, every company has this information in its records and the police have been able to access it without a warrant for the last two or three years.

In the next stage, we will centralize the information so that it is in one place. The advantage of this is that when companies are investigated, they will not be informed. At the moment, if the police knock on their door, companies may suspect that an investigation is underway. But if this information is in a centralized registry, the companies will have no clue.

• (1630)

**Mrs. Sophie Chatel:** Mr. Simard, the chair tells me that I am running out of time.

Can you confirm to the committee that we have responded to all the FATF recommendations concerning the beneficial owner?

Thank you very much.

**Mr. Martin Simard:** Yes, that will be done.

**Mrs. Sophie Chatel:** This information will be sent in writing.

[English]

**The Chair:** Madame Chatel, you still have 40 seconds, if you want to finish that.

[Translation]

**Mrs. Sophie Chatel:** Mr. Simard, I think there is still work to be done in certain areas concerning the beneficial owner. If that is indeed the case, we should indicate what the plan is to respond to all the recommendations.

**Mr. Martin Simard:** Yes, we will do so in writing.

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

[English]

Members, we have enough time to do one full final round—a third round—before we go in camera.

We have the Conservatives up first.

MP Fast, you have five minutes.

**Hon. Ed Fast (Abbotsford, CPC):** Mr. Chair, thank you very much for the opportunity to ask a few questions of our officials.

I also want to ask some questions on the beneficial ownership registry.

First, to be very clear, right now the legislation that is before us under the BIA is not creating a publicly searchable or a publicly accessible beneficial ownership registry.

Is that correct, Mr. Simard?

**Ms. Jennifer Miller:** Mr. Chair, if you don't mind, we will answer this question together, as we are jointly responsible for implementing this commitment.

The current amendments are step one of what will be required to enact a publicly accessible and searchable beneficial ownership registry. There are certain consultations that need to be undertaken with industry on the details of the implementation, and also some work that needs to be done—as the federal government must always do when collecting personal information—on the privacy requirements associated with holding that data. Therefore, there will need to be a second set of amendments to fully implement the commitment.

**Hon. Ed Fast:** Could I get you to confirm that in writing to the committee?

**Ms. Jennifer Miller:** Absolutely, Mr. Chair. We would be happy to follow up on that.

**Hon. Ed Fast:** I am a little bit puzzled that in this case our government is seeking to consult before implementing the searchability of this registry, but when it came to the Competition Act, the consultations were being done after the fact rather than before the fact, which is very disappointing.

Again, going back to the registry itself, I'm going to read the provision of section 433 of the BIA which establishes the registry. It reads:

A corporation...shall

on an annual basis, send to the Director the information in its register of individuals with significant control over the corporation, in the form and within the period that the Director fixes;

I want to emphasize the words “individuals with significant control over the corporation”. Is that term defined anywhere in the BIA or in the Canada Business Corporations Act?

**Mr. Martin Simard:** I can take this one, Jennifer.

Yes. It's already defined in the CBCA, the Canada Business Corporations Act, pursuant to prior amendments—the 2018-19 amendments that I was referring to earlier.

**Hon. Ed Fast:** The director fixes the information that has to be deposited and the form in which it has to be deposited in the registry. Is this correct?

• (1635)

**Mr. Martin Simard:** That's correct. This is a bit of a standard formulation in the CBCA. You will see it in other provisions. For example, the director of Corporations Canada already corrects information on the directors of the corporation, so it's a similar formulation.

**Hon. Ed Fast:** Going back to the definition of “significant control over the corporation”, will it actually capture the full extent of beneficial ownership that is often used as a means to avoid compliance with the law?

**Mr. Martin Simard:** It's an international standard, so in the CBCA “significant control” is defined as 25%. For example, there are different criteria. It's not only share-holding. In the past we would define “control” just by ownership of shares, but it's broader than that. It's all forms of control. It could be through debt. It could be through other means.

The definition is fairly robust and complies with the international standard. Again, that's been in place since 2018, when the first step was to have all federally regulated corporations know who their beneficial owners were. So right now, all businesses are already supposed to have in their register information about who their beneficial owners are. What this step does is centralize it. The director will collect it.

**Hon. Ed Fast:** I have just one last thought. It is really the expectation of Canadians that this be a publicly accessible registry. I just want to make sure that the officials know that. Certainly we, as a Conservative opposition, will be following this very closely to make sure that what we get at the end of the day is in fact a publicly searchable registry that Canadians can access.

Thank you.

**The Chair:** Thank you, and thank you, MP Fast.

We are now hearing from the Liberals. We have MP Baker for five minutes.

**Mr. Yvan Baker (Etobicoke Centre, Lib.):** Thanks very much, Mr. Chair, and thank you to all of our public servants who are here with us today.

I know we have officials here from Finance, Treasury Board, Global Affairs and other departments. I just want to reiterate what others have already said, which is our sincerest thanks for your service to Canada, especially for the way that all of you have come to-

gether and worked incredibly hard to support and lead Canada's work in supporting Ukraine as it tries to defend itself, and the rest of us, from Russia.

The first set of questions I want to ask about relates to the special economic measures Ms. Dzerowicz was asking about a little earlier. Could one of our officials tell me what the value is of the assets belonging to the sanctioned people and entities believed to be in Canada at this current time?

**Dr. Lynn McDonald:** Good afternoon.

Again, this is Lynn McDonald from Global Affairs Canada.

Currently, every person in Canada and Canadians abroad have to disclose to the RCMP the existence of any asset in their possession or control that they have reason to believe is owned or controlled by a sanctioned person or by an entity owned or controlled by a designated or sanctioned person. That information is disclosed into the RCMP.

At this present time, Global Affairs Canada is not in a position to have an accurate or up-to-date figure to share. That, as I mentioned, is within the knowledge of the RCMP.

**Mr. Yvan Baker:** Ms. McDonald, I appreciate that those records are confidential, because they are shared with the RCMP, and there would be a whole series of considerations as to why that information would be kept confidential. I'm very interested in this measure, and I think it's excellent. But just for the folks at home, my constituents who are watching or other folks who are interested in this measure, they are curious about what the impact would be of this measure.

You spoke earlier in response to Ms. Dzerowicz. When Minister Freeland was before the committee, she spoke about why these measures were put in place. It was partly to ensure, at least in my mind, that those who are responsible are punished for what they've done in supporting Russia's war on Ukraine, but also to ensure that we have the resources, as you pointed out earlier, Ms. McDonald, to support the victims of this war and help rebuild Ukraine.

I think a lot of people are interested in the impact of this measure, which depends of course a little bit on the amount of assets we are going to be able to seize. Do we have a ballpark sense of that? I'm not asking for the data shared with the RCMP. I'm thinking more broadly. Are we talking about tens of millions, hundreds of millions, or billions of dollars in order of magnitude? Do you have any sense of that?

• (1640)

**Dr. Lynn McDonald:** I regret that I don't have that type of ballpark figure to disclose at this point in time. What I can say is that the measures are aimed at giving the government the opportunity to seize and, where appropriate, forfeit assets that would include, for example, financial assets like cash and securities or non-financial assets such as real property and other tangible assets. There are a great number, as parliamentarians will be aware, of individuals whom Canada has sanctioned and entities pursuant to the SEMA Russia regulations. It's not clear that all of those individuals would have assets based in Canada.

As I mentioned, it would be through the operation of the obligation and duty to disclose that Canadians and Canadian financial institutions would disclose to the RCMP when they were aware of those assets being present. It would be a combination of those, and also an assessment made as to whether the appropriate evidentiary basis can be established that's set out in the amendment to ensure that the government could proceed with the seizure and then the forfeiture order. Certainly the opportunity is now there through the amendments, but with regard to providing you with a ballpark figure, I regret that I'm not in a position to do so this afternoon. Certainly the groundwork is laid through these amendments.

**Mr. Yvan Baker:** Thank you for laying that groundwork.

Thank you.

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

We move now to the Bloc with MP Ste-Marie for two and a half minutes please.

[*Translation*]

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

I will make a brief comment and then ask a question. Of course, it could be more political and it could be addressed to the Minister of Finance or the government, but since they are not here, I would still like to ask the officials of the Department of Finance to give me a technical answer following my comment.

It is about the structure of the bill's budget implementation divisions. We have to study 421 pages by the end of June. Today we are looking at part 5, whose elements are very disparate. All kinds of topics are covered.

In my opinion, the first parts should be about the budget implementation. However, division 18 is an act in itself: the Gateway Civil International Space Station Agreement Implementation Act. It talks about how Canadian law will apply in space. What does that have to do with the budget that was presented?

Division 19 is even more appalling. It's about strip searches, body cavity searches, and being held in a bare cell until the ingested object is expelled. Why are we studying this at the Standing Committee on Finance?

Can senior officials from the Department of Finance explain to me the logic behind this budget implementation bill, which covers lots of topics?

[*English*]

**The Chair:** Was there a question there for the officials?

[*Translation*]

**Mr. Gabriel Ste-Marie:** Yes, that's right.

I'm asking the senior officials of the Department of Finance if there is a technical logic to proceeding in this way, or if it's a political choice to have fewer votes in the House.

• (1645)

[*English*]

**Mr. Jason Wood (Executive Director, Space Exploration Policy, Department of Industry):** Thank you, Chair.

With respect to division 18, I'm not in a position to speak to the rationale behind the composition of the budget implementation act. I can, however, speak to the economic benefits related to the implementation of the lunar gateway. The gateway itself will generate 600 highly skilled jobs across Canada and contribute \$71 million annually to Canada's GDP. I can also speak to the timeliness of putting forward this legislation in terms our need to be able to ratify and fully implement the treaty with the United States that enables us to implement the gateway agreement. Currently it is being provisionally applied. Most, but not all, of the agreement is in place, and it's necessary to move forward swiftly with this implementing legislation in order to achieve the economic benefits that I mentioned earlier.

Thank you.

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

Now we'll move to the NDP and MP Gazan, for two and a half minutes.

**Ms. Leah Gazan:** Thank you so much.

I asked questions about water, particularly relating to Nunavut. Part of the reason that we know the federal government wastes between \$500 million to \$1 billion a year on fighting indigenous peoples in court. We know that there was an allocation given to Nunavut, which was probably not enough to rectify the problem—a huge waste of taxpayer dollars—but I'll leave it at that.

Today is the National Day of Awareness for Murdered and Missing Indigenous Women and Girls. When I ask questions in the House about where things are at, the current government usually defers to the 2021 budget, because, as we know, there was zero budgetary allocation in this budget to deal with the crisis of violence.

I'm wondering if any officials online can tell me how much of the 2021 budget that was allocated has been spent to date.

Do I take that as a no, or is somebody able to answer that?

**The Chair:** Is there an official who can answer that, or at least take the question and venture to find the answer for the member?

**Ms. Leah Gazan:** I think I'll leave it at that. Please send that in writing.

I put forward an order paper question and I'm still waiting for a response. I say that because we're not really seeing movement on the ground and I can't seem to get any sort of indication on what's been spent or what the plan is. As everybody knows—and I certainly appreciated the support and solidarity in the House of Commons today from all parties—solidarity only goes so far. As for action, I'm not seeing any action.

Moving to a different area, one thing that the pandemic really highlighted was the necessity for paid sick days. We know that people are going to work sick. They should be able to stay home and get well, especially with what we saw during the pandemic.

I was pleased to see the inclusion of 10 paid sick days in division 29. I'm wondering if officials would be able to walk the committee through what the changes in this section will do.

**Ms. Zia Proulx (Director General, Strategic Policy, Analysis and Workplace Information Directorate, Department of Employment and Social Development):** Good afternoon. I'm Zia Proulx.

I'd be happy to walk you through the key changes. Basically, there are five key things, including in BIA Number 1.

I'll give you just a general overview. They're basically in response to some amendments that were made during the legislative process of Bill C-3, which happened in the fall of 2021, and also stakeholder feedback that we received in March. We did consultations on the implementation of the paid sick leave provisions and on the regulations.

The first key point is that it would simplify how employees earn paid sick leave days. Stakeholders told us that the rules setting out the rate at which employees earn their days of paid sick leave are complex. The rule was that you would earn three days of leave after 30 days of employment, and then you would need to wait another 60 days before being able to earn additional days, but always for up to 10 days per year. The proposed amendment would remove the 60-day period, so it would make it simpler. The earnings model would be simpler for employees, employers and for enforcement.

The second part is that it would align the requirements for the provision of medical certificates for paid sick leave and unpaid sick leave. Bill C-3, which received royal assent in December, created a misalignment between the requirements for medical certificates under the Canada Labour Code for paid sick leave and unpaid sick leave. It was five days for paid sick leave, and it had to be three days for unpaid leave. If the proposed amendment is adopted, employers would be entitled to request a medical certificate if the leaves of absence are five days or longer, regardless if it's paid or unpaid.

The third key point is, as currently drafted, employees whose employers change as a result of a transfer of business or contract retendering process could lose their earned days of paid sick leave, despite working the same job. That is inconsistent with other parts of the Canada Labour Code, like annual vacation, so the legislation—

• (1650)

**Ms. Leah Gazan:** Sorry, can I just—

**The Chair:** I'm sorry, Ms. Gazan, but that's the time. We've gone way over.

**Ms. Leah Gazan:** Thank you so much.

**The Chair:** Ms. Proulx, maybe you can send the rest of that response to the committee. That would be great.

**Ms. Zia Proulx:** I will do that.

**The Chair:** Thank you.

We're moving to the Conservatives for five minutes.

Go ahead, MP Chambers.

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

I'd like to return to some of the process questions with respect to the Competition Act changes. Just for clarity, will future consultations be on the interpretation and how these new provisions will be applied, or do they relate to new changes that have not yet been proposed?

I'm wondering if industry will be consulted on these changes and how they'll be interpreted.

**Ms. Jennifer Miller:** Mr. Chair, the consultations will be forward-looking consultations, and thus on the broader matter that was outlined in the Prime Minister's mandate letter to the Minister of Innovation, Science and Industry. We'll be looking at some of the broader questions related to the function of the Competition Act in today's digital society and economy, as opposed to changes in the BIA.

**Mr. Adam Chambers:** Thank you very much for that answer.

Just for full disclosure, I asked the Deputy Prime Minister to review the Competition Act, so it was welcome to see some of these discussions in the budget, and I look forward to the consultation.

Where I think I'm having a bit of challenge is that we had consultations with industry before some of these changes were proposed. Now we have proposed changes in a budget bill that is going to be rushed through Parliament, and now industry does not appear to have a consultation period on these proposed draft legislative changes.

Mr. Chair, I would ask, through you and the clerk, given that these changes are significant and that we also have changes to the CBCA, that we invite the minister to appear. It's probably unfair to ask some of the officials the questions that we have, but the Minister of Industry should come to this committee. These are very significant changes.

Frankly, if industry's not provided the opportunity to consult on these proposed changes, I think we'll have a problem passing this legislation at the speed the government would like us to pass it, because I think we otherwise should be getting this committee doing the consultations that the government has failed to do on the proposed changes.

That is something I think we need to be very careful about. I'm open to some suggestions, like bifurcating or separating the bill, so that we can do the proper consultations and add these into the budget bill changes that have been reviewed by industry, and add to the budget bill in the fall. Maybe you'll be open to that, but I think we'd be very interested to hear from industry on these proposed changes at this committee.

I have some additional technical questions. I won't bore the committee with reading them into the record now, but I will submit them through you so that we can get them answered.

My request to our Department of Industry officials, who I think have been great today with giving us some clear answers, is that we need answers to these questions before our industry partners come to testify before committee so that we can test those answers with our industry partners. That will be very important for this committee.

Perhaps, in my remaining time, I'll ask for a clarification. In February, there was a notice provided about changing the Excise Tax Act with respect to digital asset companies and miners. I did not see changes in the budget bill with respect to input prices. Can I just get a clarification that any changes are not in this budget bill, but will come in the future, or is there also planned consultation with industry on those changes? It's probably a question for the Department of Finance.

Mr. Chair, I'd happy to have the Finance officials follow up in writing, and I can also follow up with the parliamentary secretary.

• (1655)

**The Chair:** Okay, so that's being directed to Finance, but it could be any one of the officials who—

**Mr. Adam Chambers:** Whoever has the appropriate authority.... I believe that would be Finance on the Excise Tax Act changes.

We'll leave it there and, Mr. Chair, I'll yield to you my last 10 seconds. I know you've been generous in previous rounds. Thank you.

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

This is our final question. We'll go to the Liberals and MP MacDonald for five minutes.

**Mr. Heath MacDonald:** Chair, I'm going to follow up on Mr. Chambers' summary, but I'll take an approach that's a little different.

Obviously the officials talked a bit about the consultations, but here's what I would like to know from the officials, and maybe Ms. Miller, if I remember correctly: How will the amendments benefit businesses, workers and consumers?

**Ms. Jennifer Miller:** Thank you very much for the question, Mr. Chair, I would be happy to answer these questions as they pertain to the Competition Act.

Generally speaking, the Competition Act is, as some of you probably are familiar with, a law of general application that really aims to encourage a competitive economy where the players are acting in predictable ways that encourage competition. Competition of course benefits consumers in a variety of ways. It produces certainly lower prices often when there is strong competition in the sector, and it also leads to competitive intensity and innovation between competitors, improving the services and the goods offered to consumers in terms of looking at prices and also at the quality of offerings.

When it comes to benefits to workers, of course, again, a strong Competition Act, including some of the amendments that are being proposed around looking at stronger conditions around wage-fixing and "no poach" agreements and that create a more competitive marketplace for the labour of those workers as well. It not only offers them ideally more job opportunities in more successful and grow-

ing companies, but it particularly offers them some protections through these specific amendments as well.

**Mr. Heath MacDonald:** Further on that, are there best practices that you're looking at relevant to this, along with the consultations you're providing?

**Ms. Jennifer Miller:** Certainly, Mr. Chair, and, once again, I would be happy to clarify that with respect to the Competition Act.

Part of the work towards developing any potential set of amendments really does look at what's going on internationally and at ways in which Canada's current system compares. It's not always the case that another country's system is in fact the best answer for Canada.

It's important to be informed by these systems, but ultimately, the Competition Act and its administration in Canada depend on cases that have been previously investigated and ruled on. They depend on the behaviour of players in Canada. They depend on the particular qualities of the market or regional economy. Therefore, the amendments always do have to be specific to the Canadian context but certainly informed by international best practices.

**Mr. Heath MacDonald:** Is there consideration for further reforms to the Competition Act as we move forward?

**Ms. Jennifer Miller:** Certainly, Mr. Chair, and again, I would be happy to answer that question.

The government has committed to undertaking further work to consider the place of the Competition Act and what further reforms might be considered. That will be the subject of further engagement and consultation in the coming months, as there is a commitment for our minister in his mandate letter accordingly.

• (1700)

**Mr. Heath MacDonald:** Thank you.

I want to go back to the \$2 billion in health care funding. I know that my province is receiving about \$8.5 million. I guess I want to follow up on Mr. Ste-Marie's relevant question.

There have always been issues and discussions when funding is allocated on what that funding can be used for. Are there specific criteria around this that ensure the funding allocated to each province is going to be used for its purpose?

**Mr. Galen Countryman:** Thank you for the question.

Just to clarify, is this with respect to division 6 and the \$2 billion for the one-time top-up for the Canada health transfer?

**Mr. Heath MacDonald:** Yes.

**Mr. Galen Countryman:** The funding for that is being transferred to each province and territory. The purpose of the funding is to support them in reducing backlogs created by the COVID-19 pandemic.

It is the responsibility of each province that has its own ways to allocate that funding to address that need. It will be up to P.E.I. and other jurisdictions to do so.

**Mr. Heath MacDonald:** Thank you.

I want to move back to a couple of questions or possibly one if—



Oh. I guess I can't.

**Voices:** Oh, oh!

**Mr. Heath MacDonald:** Thank you.

**The Chair:** Thank you very much, MP MacDonald.

**Mr. Heath MacDonald:** I was on a roll, Chair.

**The Chair:** You were on a roll.

We want to thank all of our officials who came before us today to answer the many questions, and to those that they will follow-up with for the members of the committee. Thank you very much on behalf of the committee, the clerk, the analyst, the interpreters, everyone for the hard work that you do.

Members, we are now going to suspend to go in camera.

*[Proceedings continue in camera]*

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