



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 106

Thursday, October 12, 2023

Chair: Mr. Peter Fonseca



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• (0905)

[English]

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

Welcome to meeting number 106 of the House of Commons Standing Committee on Finance. Pursuant to Standing Order 83.1 and the motion adopted by the committee on Thursday, June 8, 2023, the committee is meeting to conduct the pre-budget consultations in advance of the 2024 budget.

The finance committee is honoured to be starting its cross-country tour on the pre-budget consultation in advance of budget 2024 right here in Atlantic Canada. We've been to P.E.I. and New Brunswick. We drove in from Fredericton yesterday. It was a beautiful drive, with some great scenery all the way here to Halifax. We're delighted to be in Halifax, Nova Scotia.

Our finance committee members are from right across Canada, although we are blessed and lucky to have three members from the Atlantic with us here today. From right here in Halifax, we have MP Diab, who is one of the members joining today. We also have MP Perkins from Nova Scotia and MP Thompson from Newfoundland. The other members we have are MP Daniel Blaikie from Winnipeg, Manitoba, and MP Gabriel Ste-Marie from Joliette, Quebec. I'm Peter Fonseca. I'm the chair, and I'm from Mississauga, Ontario.

Again, we're delighted to be here with our witnesses. We thank you for coming before us with your organizations to provide your testimony.

Also from Ontario, I forgot we have MP Eric Duncan. I apologize, Eric. Eric is from eastern Ontario. What's the riding?

Mr. Eric Duncan (Stormont—Dundas—South Glengarry, CPC): It's Stormont—Dundas—South Glengarry.

The Chair: He's from Stormont—Dundas—South Glengarry. We're delighted to have Eric and, again, all of you with us.

I'm going to let everybody know who the witnesses are today before they get into their opening statements.

From the Affordable Housing Association of Nova Scotia, we have Michael Kabalen. He's the executive director. From the Association of Atlantic Universities, we have Robert Summerby-Murray. He is the chair of the association. Joining Robert, we have Dr. Peter Halpin, who may jump in for some of the answers to the

questions from members. From Bear Head Energy, managing director Paul MacLean is joining us.

We are now going to start with some opening statements. We have some witnesses arriving as we speak. They'll make their way to the room and get seated, but we are going to start with our opening statements.

Mr. Kabalen, if you could start, please, you have five minutes.

Mr. Michael Kabalen (Executive Director, Affordable Housing Association of Nova Scotia): Thank you. I'm Michael Kabalen. I'm the executive director of the Affordable Housing Association of Nova Scotia. We were founded in 1990 as an advocacy group, even back then, to advocate for the need for continued investment in forever affordable housing in our sector and our region.

Today, we are builders of affordable housing, which I'll speak to a bit later, and we're the community entity for Reaching Home, which is the federal government's strategy to reduce homelessness. We receive a block of funding from the federal government to make targeted investments, both in the designated community of Halifax and in rural and remote Nova Scotia, to help reduce and prevent homelessness.

I'll talk a bit about that first, because I think that's where we'll likely spend some of our time. Through that, we receive about \$5.5 million for HRM in Halifax, and we receive about \$1.4 million for rural and remote Nova Scotia.

It's a community-led funding program. That's actually the key to the success of the program. The government does what it does well, which is hand the money over to the community and the experts. The experts on our community advisory board and panel then help make informed decisions on where we can make targeted investments in the community through other non-profits and with other partners to help prevent and reduce homelessness.

A lot of good work has been done through that program, but the need far outweighs the funding that currently exists. I think that's something you'll hear if you speak to any Reaching Home community entity in the country.

At the current scale, we always have to choose between the project types and any investments. If there's a capital investment—we wanted to buy a vacant building and turn that into permanent supportive housing for individuals experiencing homelessness—we have to weigh that against existing ongoing investments for support workers, shelters and the things that exist. That's the challenge at the advisory board level.

If funding in the next budget for Reaching Home was increased even by only 10%, that's not going to have a major impact to help reduce and prevent homelessness. If it was increased tenfold, it would have a substantial, huge impact, particularly in rural parts of the province, because the money is smaller in rural, the investments are smaller and the capacity of those organizations is reduced. We often say that we give less money to rural in this because the organizations are less sophisticated, but that's, in fact, preventing rural organizations from making the investments, growing, becoming more sophisticated and resolving the issue. Our colleagues who are from rural parts anywhere in this country would recognize that rural homelessness is often more difficult to understand, diagnose and measure, and it's often more difficult to resolve because of the geography and the lack of services that keep people housed longer.

I just want to highlight that as part of being the designated community for Halifax, we maintain what's called the “by name list”, which is all the service providers. They're all the people who are knocking on tents at night and asking people, “How are you doing? Can we help you? Can we support you?” They have to report back to the “by name list”, so we at AHANS maintain that data.

As of our most recent report on October 3, there are 1,005 people in HRM who are actively experiencing chronic homelessness.... I'm sorry. They're actually experiencing homelessness today, and 735 of those are experiencing chronic homelessness. That means they've been homeless for six months or more. They've been in and out of shelters, on and off their friends' couches, living in a car or worse, at times. To highlight that number, 254 are considered tri-comorbid, which means they have other factors that will typically contribute to ongoing homelessness. They're living with a mental illness; they may be living with a disability, and often, they're living with addiction. When we measure those types of things, they often make homelessness more difficult to resolve, so we measure them independently.

Since 2019, that number has been around 250, but the new number of 1,005 shows that the gap has grown substantially. We had only about 250 people experiencing homelessness in 2019, when we started taking this data. Now we have 1,005, but we still have 250 people who are high acuity. To understand what's happened over the last number of years, it's no longer what I would say is your stereotypical individual falling into homelessness because of something that's contributing to their life; it's external factors. It's the lack of available housing. It's the lack of being able to afford housing. If someone loses their job, they're more likely to fall into homelessness because of just that than they would have been prior to the crisis that we're all facing.

I'd be happy to share more about that as we talk, but I want to use whatever remaining time I have left to talk about how we are builders of affordable housing and users of many of the federal programs that exist through CMHC and through the federal land initia-

tive. We have built a property with the rapid housing initiative, where we now house 12 people.

● (0910)

We are building an additional 32 units through coinvestment, which is another CMHC program. We are active builders of affordable housing right across this province. We have about 150 units that we've built, bought or converted over the last two years, and we have about an additional 300 in our pipeline. We are going to be active in creating what we call “forever affordable” housing. If you have questions on how we make that happen, I think we can do that through the dialogue that follows.

That's what AHANS is. We continue to advocate. I think that we're at a moment in time—I'm at the end of my comments—I'll say, when we know what needs to be done, and we just need to do it. There are motivated people on the ground, willing to deliver. We just need the resources from the federal government, the provincial government and our partners in the municipal government to act on it. We're really excited to hear about all the attention, because we've been talking about this at AHANS since 1990. We're ready to go in Nova Scotia. We just need to see those investments come forward so that we can deliver.

● (0915)

The Chair: Thank you for that, Mr. Kabalen.

Now we'll hear from the Association of Atlantic Universities and its chair, Dr. Summerby-Murray.

Dr. Robert Summerby-Murray (Chair, Association of Atlantic Universities): Thank you very much, Mr. Chair.

[*Translation*]

I thank all the committee members for the opportunity to speak today.

[*English*]

My name is Rob Summerby-Murray. I chair the council of the Association of Atlantic Universities. I'm also president and vice-chancellor of Saint Mary's University here in Halifax.

I thought it might be useful to give a bit of context for the AAU. We are a member organization across Atlantic Canada that connects 16 universities across four provinces, and my presence with you this morning is an opportunity to highlight and amplify key components of our written submission made to the committee a few weeks ago.

It's important to note that we are a diverse group of institutions with a number of larger, research-intensive universities across our region; smaller, community-based institutions that may be primarily focused on undergraduate learning; and then specialist institutions across many parts of Atlantic Canada. We are a key part of the fabric of this region, a key driver of economic growth and change and of technology, medical research, health, wellness and social betterment for our region, and a key part of fuelling the region's economic prosperity.

We believe as well that there is opportunity here in Atlantic Canada to advance key agenda items for Canada as a whole. Particularly, those include increasing the Canada's competitiveness in the search for global talent. That's how we see our role. In building that out, we see a much bigger agenda than perhaps may devolve on an individual institution. We see something that is much bigger and much more significant at a national level.

Certainly, in our pre-budget submission—this is a short form of that—the AAU advocated for three key priority areas. I want to present those to you this morning in an abbreviated form.

The first of these is accessible housing, and it builds out very nicely on the previous witness's point about the ongoing need for access to affordable, appropriate and safe housing for Atlantic Canadians and, I would add to that, for a population in Atlantic Canada who are students across our region. In particular, we would call for a revision to the national housing strategy, and particularly the housing accelerator fund, to make universities eligible for funding from this program.

Right now, we are not eligible to apply for support from the Government of Canada to help us resolve the housing crisis. This is a housing crisis, not only for our universities and colleges but also for Canadians. The ability of universities to help to deliver on a resolution would be part of that. At the present time, we are not eligible for that funding. I'm not just seeking more money... I'm not sure how often this committee would hear someone say that.

Voices: Oh, oh!

I'm not seeking more money this morning. Rather, I'm seeking increased eligibility and access to existing funding, particularly through the housing accelerator fund.

The second is building a green economy. The key elements of what we have in our region for our universities include aging infrastructure, infrastructure that is not climate change-resilient going forward. We are looking to provide other opportunities, working with the green buildings strategy through NRCan, so that we can include all post-secondary institutions, including those in Atlantic Canada, with a fair chance to access funding for that programming.

I have a quick example from my own university. We are about to switch on North America's tallest retrofitted photovoltaic cell system. It will generate 100,000 kilowatt hours annually. It will power the attached residence building and several other buildings.

I will be very clear: There's not one cent of federal money supporting that initiative. We go to the bank. We're not eligible under existing programming. I just want to make that point clear: We do the right thing, but it's very important that we think about ways in

which universities could become eligible to be working in partnership with you to continue to do the right thing in terms of climate change resilience as we go forward.

Certainly, therefore, there is a further request, and it is indeed, I might suggest, yet another request that is not for new money but for increased access and eligibility. I know that my good friend Kody Blois has heard me make this pitch before, but really, it's about ensuring increased access for our universities as drivers of a regional economy.

The third key point is related to demography, demographic change and population growth in our region. Our universities in Atlantic Canada enjoy an important role in bringing students from around the globe to our region. International students are key drivers of our research, our diversity and our building out the next generations of high-quality employees for Canadian businesses.

We would call for continued focus on the part of IRCC around visa processing. We have concerns about disproportionately high rejection rates for international students in Atlantic Canada. Many colleagues around the table will be well aware of the House of Commons report of 18 months ago on those challenges. We encourage you to think carefully about those. The value of international education is significant for us in Atlantic Canada. It's our way forward. We enjoy and benefit from it, all of us in our region and indeed across our country.

Thank you very much, committee members.

● (0920)

The Chair: Thank you very much for that, Dr. Summerby-Murray.

Yes, Kody Blois has joined us. He is the MP for Kings—Hants in Nova Scotia.

We will now hear from Bear Head Energy and its managing director, Paul MacLean.

Mr. Paul MacLean (Managing Director, Bear Head Energy): Good morning. My name is Paul MacLean. I am the managing director of Bear Head Energy. I lead a team of engineers, project developers and permitting specialists who are seeking to develop, construct and operate a green hydrogen and ammonia production facility near Point Tupper here in Nova Scotia. We thank you for the opportunity to share Bear Head's perspectives on the standing committee's consultation process for budget 2024 and for travelling to Halifax to gather our feedback.

In April of this year, Bear Head's facility was permitted for up to two gigawatts of hydrogen electrolyzers. At full build-out and peak power inflow, Bear Head could produce up to 350,000 tonnes of green hydrogen and two million tonnes of green ammonia per year, positioning Nova Scotia to be a leader in the production of green energy and a critical contributor to the global energy transition.

Bear Head's facility will be developed in phases. Our development costs are being funded by Bear Head's owner, BAES Infrastructure, which is a diversified energy company focused on the development, construction and operation of the transition projects. Bear Head is busy working on detailed engineering designs, our power sourcing and transmission plans, and the remaining permitting that we will need for those building blocks. We are also actively engaged with the Assembly of Nova Scotia Mi'kmaw Chiefs, various first nations bands and the local broader community. We can clearly see a path to producing green hydrogen and ammonia well within this decade and bringing many skilled jobs to the province of Nova Scotia.

We are working to clarify our cost per tonne to produce ammonia. As you can imagine, this is of particular interest to the potential customers with whom we are in dialogue. Gaining more certainty and clarity around the investment tax credits for which we may be eligible would help us to quantify those costs and continue to advance our offtake discussions.

Once we are successful in organizing all the elements necessary for this viable project, especially customer contracts, we will approach the project finance debt market for the majority of the funds used to construct the facility and its associated wind farms. These financing sources will take into account and in fact assume receipt of certain investment tax credits when agreeing to the project's pro forma capital structure.

With that background, I would like to acknowledge the generous package of investment tax credits put forth in budget 2023. This budget was a very tangible and positive step for the development of a green energy industrial and export sector in Canada and in particular Atlantic Canada. Given the significant potential for both local industrial and export sectors in Canada, it is important that policy frameworks support the hydrogen industry on a global basis to ensure that the industry is competitive in world markets. For Bear Head, the clean hydrogen investment tax credit and the ITCs available for wind farm development will be critical in financing our project and helping it to be cost-competitive with similar projects located in other countries around the world.

In terms of Bear Head's commentary today, my suggestion is that the committee help promote adequate rules and interpretations set forth in budget 2024 to provide the clarity and certainty necessary for Bear Head and similar projects to benefit from the proposed ITCs and to quantify their impact. Our comments on budget 2023 were previously provided to the Department of Finance, but I will summarize our principal suggestions.

First, the industry would benefit from more detail as to which assets are eligible for which tax credits, especially the necessary common infrastructure assets that aren't specifically used in either hydrogen or ammonia production.

Second, the industry would benefit from specific guidance as to how the carbon intensity calculations are to be made. Given the complexity of this calculation and its potential for different outcomes depending upon when it is measured, our suggestion is that Canada provide as much detail as possible so that projects such as ours have adequate time to plan for our compliance with those rules.

Finally, our assumption is that a one-time carbon intensity test must be assessed at the time of successful commissioning of the facility. A predictable but rigorous one-time test will mirror the one-time nature of the ITC itself, and will therefore help to ensure that lenders have sufficient confidence in the availability of the ITC to give full credit to its financial benefit. A multiple testing requirement that extends beyond commissioning would create barriers to securing investment, and would therefore impair the developer's ability to finance the available investment tax credits.

As previously noted, more details on each of these points are included in our letter provided to the Department of Finance and separately provided to this committee. I would be happy to elaborate on any of those points.

I hope these suggestions are helpful to the committee. I will conclude by saying that Bear Head welcomes the government's ongoing dialogue in consultation on these important and consequential tax credits. I look forward to your questions.

• (0925)

The Chair: Thank you, Mr. MacLean, for your opening statement.

We will now hear from EverWind Fuels. The two representatives will be sharing their time. The founder and chief executive officer, Trent Vichie, is with us, as is the president and chief executive officer of Bayside Development Corporation, Rose Paul.

Mr. Vichie.

Mr. Trent Vichie (Founder and Chief Executive Officer, EverWind Fuels): Mr. Chair and honourable members of the committee, thanks for the time today.

I would say as a general comment that Canada has made the right statements and has sent the right messages to the world, and the world is paying attention.

Without going into the details, it's really a matter of acting and timing. Sitting here today, we've spent \$180 million in private sector money to make this decision easy for you. Most of the projects in the U.S., without exception, are literally sitting there waiting for the policies to come. We have taken on the risk where this makes sense. It's one of the only ways you can decarbonize and, when you want to ask for policies, show the plan. We're working aggressively today to make sure we can deliver a first-mover advantage.

The reason this is important—and you've seen it before—is that when you get a first-mover advantage, industry comes around. I'd say, sitting here today, that we've seen definitions of green hydrogen, green ammonia and mandates, both here in Canada and in Europe, that have come into effect in the last days. I can tell you for a fact that what we have seen in the last two months is enough in-bound custom demand to develop 15 gigawatts, which is the entire portfolio of wind that sits here today. This is very real. We're being approached on a daily basis. The reason for it is that we have spent the \$180 million and we have a full team of engineers going as hard as we possibly can.

We can absolutely deliver this. The economics make sense. When you're making green fuels, you really want to...but the whole point of tax credits is not for us: It's for the customers, so that we can bring it down. If you do that, you bring the cost down, and then all of a sudden the demand starts to go. That's the whole point about what we're doing here today.

There is a global race going on, and I think Atlantic Canada is uniquely positioned to take advantage of it. We have a report from McKinsey, which has looked at all of these various things. They are telling us very clearly that our project, other than one in Saudi Arabia, is the most advanced on the planet, and it's sitting here today, so you have an opportunity to take a lead over the U.S. Despite all the talk, they're waiting.

We've risked our money. We've received literally zero dollars from the federal government at this stage. That's fine. We'd like to show what we're made of first, before we ask and define a business plan. We've been completely transparent with NRCan. They've been fantastic. We don't have any secrets. We're a transparent organization.

Very simply, I would just say, “Act.” We've given the details. We can cover those later, but I really want to pass this over to Rose Paul. This is an important part of economic reconciliation as well.

Thank you.

Go ahead, Rose.

● (0930)

Ms. Rose Paul (President and Chief Executive Officer, Bayside Development Corporation, EverWind Fuels): Thank you and good morning, Mr. Chair and members of the committee. Thank you for giving us the opportunity to present today.

I'll introduce myself. I'm Rose Paul, and I am the CEO and president of the Bayside Development Corporation, which is the business arm of the Paqtnekek Mi'kmaw Nation.

Today, I'm sitting here to express my support for the economic development renewables project in Mi'kmaq territory. I am referring, of course, to the project that we are partnering and working on with EverWind Fuels. We're working on and partnering on bringing this to life in Nova Scotia.

As first nations partners in developing this project, we are putting our nation at the centre of what we believe are the great clean energy projects in the world, especially and certainly here in Canada.

As indigenous partners, we have developed much-needed opportunities for this project right in our backyards. It's really a true path to reconciliation. This is a prime example of ensuring that economic prosperity and environmental sustainability go hand in hand. This is a very important part for our first nations as we contribute to the clean, net-zero plans here in Canada. In fact, our partnership and our Mi'kmaq partnerships are actively trail-blazing to advance the net-zero goals of the federal government as a solid display of indigenous growth in the energy economy.

As a Mi'kmaq matriarch and a business leader standing here today with a voice before the Standing Committee on Finance, it is an honour and a privilege to display strength in partnering and developing these relationships that are so key right now to economic reconciliation. This project with EverWind gives us an opportunity to have a strong voice for first nations and to occupy a space that we have never occupied before.

Before closing, Mr. Chair and honourable members, in my Mi'kmaq language, *wela'liog*. Thank you for giving me this time together with you to allow me to carry the voice of my community to you as we move past measures needed for these projects to succeed. Specifically, I would be remiss if I didn't urge you to acknowledge the importance of indigenous involvement and to support partnerships in these projects by allowing our indigenous entities, not just taxable corporations, to fully participate in investment tax credits.

I bring this question. Why does corporate Canada get 30% ITCs while first nations get 15%?

We know that global investors can go anywhere. However, we want them to choose Canada—preferably here in Nova Scotia. Putting in the right tax initiatives and supports will quickly help us ensure that Canada is the global leader in this quickly emerging energy sector. Moreover, we can show the world that with the right approach and by working together, social licence is truly possible here. We are witness to that.

In closing, I will reiterate that we support all efforts that the federal government will provide to help projects like ours move quickly. Our communities are counting on these projects, as are all Canadians.

In respect of treaty obligations, aboriginal and friendship, *wela'liog*, thank you and *merci beaucoup*.

I will be happy to answer any questions the committee members may have.

The Chair: Thank you, Ms. Paul.

What an innovative and dynamic group of witnesses we have with us here today. I'm sure there are going to be many questions from the members, so we're going to get on with it.

In our first round of questions, each party will have up to six minutes to ask questions. We are starting with MP Perkins for six minutes.

Mr. Rick Perkins (South Shore—St. Margarets, CPC): Thank you, Mr. Chair. That's six minutes for questions and answers, not just questions. That's just to be clear. I did a bit of filibustering in this committee. I won't be speaking directly for six minutes myself. I'll try not to.

Thank you, as well, for the wonderful presentations in this important part of the process of this committee providing advice to the Minister of Finance as she prepares her budget. It's great to get our perspective from Nova Scotia and hear about the diverse projects and issues you are dealing with.

Maybe I could start with Dr. Summerby-Murray.

I'm a proud Saint Mary's graduate as well, as I think Lena is. I'm not sure...Kody is as well. All right. You have a lot of supporters here who love your institution. I certainly enjoyed my time there and the alumni stuff I did afterwards.

I would like to start off by asking about accessible housing. We've read a lot recently, not just about the general housing challenges in Canada, but also about the housing challenges of students.

Can you tell me how bad the housing issues are here in Halifax, in particular, where I think there are five post-secondary institutions?

In your view, what are the primary drivers of the shortfall of housing and the challenges students are having with the affordability of it?

• (0935)

Dr. Robert Summerby-Murray: Thank you. I very much appreciate those university connections in the room. Thank you so much.

Yes, there certainly are challenges across our region in Atlantic Canada. I can speak for Saint Mary's University, where we maintained a wait-list on our residence but cleared it Labour Day weekend. We housed all of our students. What we don't know is the number of our students who are in what I would describe as "precarious housing" situations. We run at about 18% of our population in residence, but the remaining 82% are in local areas, and that's where much of the challenge is.

Certainly, across our region, we have students who have deferred the university experience. They cannot come to Halifax, Sydney, Moncton, Fredericton, Saint John or Charlottetown because of the lack of housing. It's a key issue for us as we go forward.

The highlighted challenge, of course, also has been related to international students who come to our region, often with less access to housing at the beginning and less familiarity with landlord-tenant relationships. We have programs to address this, but that remains a big challenge for us.

The primary drivers of the shortfall, I'd suggest, are the increased pressures on our local markets for housing that have come simply from immigration itself. There's a good-news-bad-news story there as we bring population in. Certainly, I've had colleagues from the

federal government say that we need more people to build the houses but we need the houses to accommodate the additional people.... That vicious circle is one that we need to break going forward.

Certainly, from the university's perspective, access to federal support for long-term capital, including working with private developers, would be very important for us by way of a solution going forward.

Mr. Rick Perkins: Just briefly, how much is the cost of the housing, as well as the lack of housing stock, an issue both in attracting students and for the affordability? We're recently reading that universities have their own food banks and are seeing a large increase in food bank usage, obviously because the cost of food and the cost of housing are impacting them.

Dr. Robert Summerby-Murray: Absolutely, and we are a university that began a food bank approximately six years ago. It is well subscribed—oversubscribed—and overwhelmingly used by international students. They're in that food insecurity and housing insecurity situation.

Certainly, there are opportunities for us to be working together in partnership with the three levels of government—municipal, provincial and federal—to find solutions and opportunities. We, as a sector, are willing to do that. We cannot do it on our own. Our biggest challenge is in terms of access to long-term capital, and I would just note that the reason for that is that we are essentially running public institutions on a private funding model.

Mr. Rick Perkins: That's right. Yes.

I have only about a minute left, Mr. Kabalen. Your numbers were stark on the increase in three years in the "by name list", and the reasons. Of course, I represent part of Halifax, but also a large rural riding, where we have a housing challenge everywhere, as you're dealing with over the whole province.

With the increasing cost of things like heat, how much of a challenge is that causing people who are trying to find affordable housing in terms of actually attaining housing or being able to afford housing? Our heating costs here, with oil and electricity, are quite high.

• (0940)

Mr. Michael Kabalen: I think most rental housing usually includes the energy or the heating. However, the cost of everything has gone up, and low-wage workers in particular are not receiving cost-of-living increases or even having access to generate more income, so they're more vulnerable to falling into homelessness.

In Nova Scotia, and in particular in rural Nova Scotia, you'll see the folks on a fixed income who work: the person who works at the Tim Hortons drive-through or is pushing the carts back into the local Walmart. When the price of everything goes up, what's the first thing they choose to not pay? It might be their housing. Then they'll fall into homelessness, and then there's a downward spiral into all the other factors, such as addiction. I don't think that the cost of fuel is necessarily the only factor. It's that the cost of everything is really inflated and the wages of the lowest-income workers actually are the last to catch up.

The Chair: Thank you, MP Perkins.

We will now go to MP Blois.

Mr. Kody Blois (Kings—Hants, Lib.): Thank you, Mr. Chair. It's great to see the finance committee here in Atlantic Canada. Thank you for your leadership on that.

I'm going to start with Bear Head.

Paul, I certainly know about the concept, where you have your facility in northeastern Nova Scotia looking to export markets. Can you tell the committee where you're going to actually get the electricity that will drive the electrolysis process? Is that something you'll procure externally, or is that something you're intending to do internally as part of an integrated process?

Mr. Paul MacLean: We were quite fortunate that we participated in a provincial Crown lands process and were awarded sufficient lands for 500 megawatts of onshore wind power production. We've also secured private lands for an additional 500 megawatts, which would give us, in round numbers, about a gigawatt of onshore wind production that would power the initial phase of the project.

Mr. Kody Blois: Do you intend to go offshore at all? Is that part of the plan? I know that Mr. Vichie, for example, is starting on land and then looking to go offshore. What is your company planning?

Mr. Paul MacLean: We absolutely are, and we were very encouraged by the province's announcement last year on the goal to have a call for bids for five gigawatts of offshore wind production by 2030. Our initial phase will be for 800,000 megawatts of installed electrolyzer capacity. We've been approved for two gigawatts of installed electrolyzer capacity, and we anticipate that the second phase will be largely driven by offshore wind.

Mr. Kody Blois: The legislation in Bill C-49, which is before the House, is important. Is this something you were involved in the consultation on? I presume that, as energy stakeholders, you at least had some feedback mechanism into the work that was happening there.

Mr. Paul MacLean: You're absolutely correct. We, as a company, participated directly in the consultation process, but we're also active in the Canadian Hydrogen and Fuel Cell Association and in the Marine Renewables Canada organization. We also provided feedback in that regard.

Mr. Kody Blois: Trent, I'm going to go to you. You mentioned that we're in a global race; every day matters. I take notice that, of course, your first plan is similar to Paul's: It is on land with wind shore development. Then I think it is potentially phase three of your project that is offshore.

Mr. Trent Vichie: Absolutely.

Mr. Kody Blois: How important is it to get that regulatory certainty in place so that you can actually start scoping the ocean plots or even looking at areas in which you can build out there?

Mr. Trent Vichie: It's incredibly important. One of the things we made a statement about in June—that we made a real point about—was having three first nations who actually own clear water be actively in support. That was important.

I just want to send a message around. Sitting here today, I will say that that's absolutely important for the long term. There are only so many hours in a day, and we are absolutely, psychotically focused on delivering the first phase. A lot of this talk around hydrogen and all of the rest of this could be theoretical very quickly if we don't act now. The world is looking at the U.S. and Canada. I can't stress enough how important it is to execute now.

Mr. Kody Blois: I have a quick question for both of you. Please answer as quickly as you can, because I don't have much time.

Yesterday, the province talked about increasing wind capacity by 30% to help decarbonize, to help get off coal. Do you have any concerns about where you're going to find the space in the province in terms of the land?

I see a no from you, Trent.

Is there anything from you, Paul?

You guys are good.

Trent, I want to get to the point that you're making about acting quickly. I think it's very clear that the ITCs will be something that this committee takes back in order to push the government to clarify exactly what those look like. How is it working with BDC or EDC in terms of...? You mentioned that you have \$180 million of private capital. There are supports out there that are coming, but what about other agencies to help support your future development?

● (0945)

Mr. Trent Vichie: At the end of the day, I just want to see some skin in the game from Canada. We put our skin in the game, so over time we'll bring in private capital to support what we're doing...and my own money. I've been doing private equity investing for 20-odd years. I know how to raise capital and all of the rest of it, but getting to the conditions where you have an FID—that is, the ITC is defined—is important. Getting to the conditions where you have customers, where they have the rules in place, is important. We want to ask only for the help that we need, so support for pre-FID capital is critically important.

Mr. Kody Blois: That's perfect.

I want to go to Rose very quickly because, unbeknownst to me... You mentioned the 30% ITC for Canadian incorporated companies. However, as I understand it, you were saying that it's only 15% for indigenous-owned businesses that may not be falling under Canadian registered businesses. Is that correct?

Ms. Rose Paul: That's correct.

Mr. Kody Blois: Hopefully that's something this committee can take back.

Ms. Rose Paul: I certainly hope so.

Mr. Kody Blois: I would encourage all of you, as stakeholders—I'm going to go to you, Rob, and I have about 45 seconds—is to think about things that don't cost money. We're in a context now in which I think the government has to be very judicious about how it spends money moving forward. There's a lot on regulatory reform and non-cost measures.

Rob, just so I can understand it—and you can clarify at the end—what you were saying, from a university perspective, was around this: “Let us be eligible under the new framework of what infrastructure.... If the provinces want to access and pull down, we just want to be an eligible participant. Let us be eligible under the Canadian housing strategy. Let us be eligible under the CMHC, such that we are important stakeholders in the community. It's not as though we want to have preference over municipalities, but we want to be an eligible partner where, right now, we're not.”

Is that what you were saying, Dr. Summerby-Murray?

Dr. Robert Summerby-Murray: I could not have said that better. Thank you.

Mr. Kody Blois: Okay. I think I'm out of time, Mr. Chair, so I'll leave it at that.

The Chair: You are at time, MP Blois. Thank you very much. There will be more opportunities in subsequent rounds.

Before we move to the Bloc, members and witnesses, you'll see that we have interpretation devices. Channel one is for English and channel two is for French.

Go ahead, please, MP Ste-Marie.

[*Translation*]

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

Ms. Paul, gentlemen, good morning. Thank you for your presence.

Once again, we have some very interesting witnesses, presenting a variety of elements. As we often say, not every MP will be able to ask every witness all the questions they want to ask. That said, we are taking notes and will take the witnesses' demands to the minister.

My first questions are for the representatives of EverWind Fuels and Bear Head Energy. I'm trying to get a clear understanding of their project. If I've understood correctly, these are wind farms used to produce green hydrogen. Is this the case for both companies? If so, are these wind farms used to supply the power grid? When wind farm production exceeds demand, is the surplus energy converted into green hydrogen? I can see Mr. Vichie nodding his head.

Is that the case, Mr. MacLean?

[*English*]

Mr. Paul MacLean: That's certainly our goal. I think your question raises a great point. We are a completely green hydrogen project, so we'll be relying on 100% renewable sources of electricity for the hydrogen production. It is our goal, yes, to reach a point where in periods in which we have access to a supply of wind energy, we could spill that back into the grid and help Nova Scotia further decarbonize their system.

● (0950)

[*Translation*]

Mr. Gabriel Ste-Marie: Mr. Vichie, we're listening to you.

[*English*]

Mr. Trent Vichie: There's one point I want to make that I don't think is well understood. When you put wind onto our system initially, it's very easy for that to be fully utilized. As you go deeper into the decarbonization and wind becomes 50%, because it's intermittent you end up in a situation in which wind energy is curtailed or not used. What you actually need is a flexible power user, such as hydrogen, that can match. You add wind so that it's new and green, and it's flexible. It actually has massive grid benefits for both the stability of rates and decarbonizing the grid. Without those flexible users, you'll hit a limit. If you have 30% of your wind being curtailed, a \$50 per megawatt hour wind becomes \$70. That makes everyone's job harder.

This is a perfect complement. Whether there's a loop or no loop, for example, it's really, really important. It then allows for domestic supply. Everyone is talking about our project being.... I don't care where it goes, but we will be supplying into the domestic market. Without domestic supply, you don't have domestic users. It's absolutely critical, what we're doing.

The learnings on the technical side have been astronomical as well. We've found ourselves getting a lot of inbound interest from the largest oil majors in the world, saying, “Hey,” and trying to figure out what we've learned through optimization and all these other processes.

There are massive advantages to being first and early, no question.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you. That's very interesting.

I think you've answered another question I wanted to ask you. The green hydrogen generated by wind turbines is used to produce electricity when there is no wind. Basically, green hydrogen is not used to power other industries, such as transport. It's a complement in order to have clean electricity at all times.

Is that right?

[English]

Mr. Trent Vichie: It's going to be used for a variety. It will be used for that. It will be used for transport. You really want it to be used for everything.

The other thing I would say is that by having the investment, we're seeing new longer-duration batteries. All of a sudden, there's an economic use for them. They're dragging in investment.

One of the things we've been working on is getting production early and offering it up as a working laboratory. We can have 50 or 100 times the impact. Forget about the region here. If you learn it and you're smarter, you can spread those learnings across the world. CO2 doesn't have borders. It just doesn't. One of the things we are working on is a working laboratory.

The hardest thing in clean tech is proving commercialization. I'd say it's across the board, and that includes green steel. Canada is blessed with some of the highest-grade iron and ore on the planet, and I can tell you now that people are figuring that out and saying, "Gee, we'd like to bring that industry here."

Anything we can do to show that Canada is supportive, moving quickly and making things happen will bring money that will help universities, health care and the whole economy, as well as helping decarbonize. We have a once-in-a-generation opportunity here. We should grab it.

[Translation]

Mr. Gabriel Ste-Marie: Would you like to add anything to that, Mr. MacLean?

[English]

Mr. Paul MacLean: Trent covered the question well. While, initially, we were very much export-focused for our project, we're also working with companies in Nova Scotia to help develop a hydrogen economy here at home. It's not only an environmental benefit for us as a company; there's also an economic benefit.

The more hydrogen we don't have to convert to ammonia and ship abroad, the greater the economics for us.

[Translation]

Mr. Gabriel Ste-Marie: You said so in your presentation, but I thank you very much.

[English]

The Chair: Thank you, MP Ste-Marie.

Now we go to MP Blaikie for six minutes.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you very much.

Certainly, one of the messages we've heard for a while now—really, since the announcement—is that there is a need for government to develop the regulations that will explain to folks exactly how they're going to work, so they can incorporate those important details into their business model and see what's possible.

I'm curious to know from you, Ms. Paul, the mechanics of the exclusion of indigenous organizations from that tax credit. Do you

think that's something that might be able to be fixed in that regulatory process? How exactly do you imagine that solution unfolding?

That's a specific mechanical question, and then there's a larger question of how ensuring that the government performs that work and includes indigenous organizations is important for economic reconciliation.

If you would like to take some time to give the committee some more insight into that, I would be grateful for it.

• (0955)

Ms. Rose Paul: Definitely, having active players in industry and really utilizing the investment tax credits for first nations.... We are taxpayers, but we are not fulfilled the same way with our equitable or equal opportunities. We could be in major projects such as this.

My first nation, Paqtnekek Mi'kmaw Nation, and Bayside Corporate have developed a lot of procedures, policies and frameworks that support us in having tax power in our first nation and actually exercising and utilizing it in our jurisdiction. We have already developed a framework whereby we feel the government could support and further advance this opportunity for us to participate in this world economy of green hydrogen ammonia and work together as a team.

When we look at the tax incentive plan, it's very vague on the indigenous participation in how these are going to be applied in Canada. My question is why. Why is it not exclusive, or why isn't it more exclusive to first nations, especially where the first nations are very proactive in that area?

To your question, Mr. Blaikie, that would be something I would really like to see the House of Commons review. We are ready for business. We are equity owners. We are open for partnerships. These are all key elements of what we're trying to achieve in economic development for our nation and being able to exercise energy sovereignty for Paqtnekek.

Mr. Daniel Blaikie: Thank you very much.

Mr. Kabalen, we've talked about the importance of building new housing, but one of the other things that have been going on in Canada for some time has been the loss of existing affordable units. I wonder if you're experiencing that here in Nova Scotia, and if you could explain a little about the impact of losing existing affordable and social housing.

Actually, sometimes I think it's happening more with the social housing, particularly after the expiration of operating grants that were tied to 40- and 50-year mortgages.

Mr. Michael Kabalen: In Nova Scotia, the provincial government is committing to maintain what they call their "baseline" of 11,200 units. They're building more public housing for the first time in a long time.

It's still a small investment relative to what's needed, but the NOAH, the naturally occurring affordable housing, is disappearing at a rate...and that's probably what a lot of the students are experiencing. A lot of the housing down around the universities is also in the most attractive service core, and that's right across the province and in other towns outside of Halifax as well. We're seeing that disappear to higher-end development, so those sites are off-line for a period. That's initially impacted. From a supply perspective, if you're a free market economist, eventually you'll have more housing responding, but it likely won't be leased to students. It won't be attainable for students from a price perspective.

I think the things that Dr. Summerby-Murray was speaking about around student housing and the strategy are necessary. I think the universities are going to want to take care of their own, but the naturally occurring stuff in other regions is also kind of... I don't want to say it's under attack, but there's nothing to support our retaining it, and I talked about the community-led initiatives and things that don't cost money, as Mr. Blois said. It takes a long time for federal dollars to flow to not-for-profits through CMHC.

That's not meant to criticize the good people who work there. The process is the underwriting that's required. It doesn't take as long for Reaching Home dollars to get out the door to resolve and respond to homelessness, so one thing we would advocate is that if the federal government is looking to promote more investment in not-for-profit housing, let's duplicate what has been successful with Reaching Home and put those dollars in communities.

Let communities decide where they want to invest to buy things like the naturally occurring affordable housing, because we don't have what the private sector has. We don't have equity, or if we do, it's encumbered. It's limited by the previous existing programs. I can't mortgage an old building to go and buy another old one that I can keep. The provincial program requires a 20% down payment even if it will write the mortgage up to \$10 million. There is no federal program that exists today that allows us to purchase those, so for coinvestment and a lot of the financing programs that exist, if we could make those community led, that would be better.

• (1000)

Mr. Daniel Blaikie: Very quickly, because I know I'm running out of time here, one of the things in the national conversation is about a non-profit acquisition fund to try to create ready access to capital for non-profits that want to preserve existing affordable...or buildings with affordable units when they go on the market. Do you think that's something that would have application here in the Nova Scotia context?

Mr. Michael Kabalen: If I have to wait seven months for the loan from CMHC, like I do for coinvestment, it will be ineffective. It needs to be community led. Give the money to organizations like ours to go out and purchase the buildings ourselves, as opposed to my bringing you the building and then your taking seven months to decide if we can buy it or not.

Yes, it's needed, but it needs to be different from how the current programs are structured.

The Chair: Thank you, MP Blaikie.

Witnesses and members, we're moving into our second round. We are starting with MP Duncan.

You have five minutes.

Mr. Eric Duncan: Thank you, Mr. Chair, and thank you to our witnesses who are here today.

As a Carleton University alumnus, I feel outnumbered here this morning. Nevertheless, I will try to proceed to maximize my time here.

I want to pick up on what you said there, Mr. Kabalen, about the CMHC. Please be harsh on them. They deserve that, I think, frankly, for the service standards that we have seen from them in the last couple of years. We hear endlessly about where there are dollars here for programs, and they're flowing through either not at all or not in a timely manner.

I'll go to Dr. Summerby-Murray. I take the point on affordable housing. I appreciate the suggestion on the expansion of eligibility.

The other part, I think, builds on exactly what needs to be repeated by partners over and over again, and I'll go to that fund you specifically mentioned on the housing accelerator fund. That was announced in December 2021 to accelerate housing being built in every part of this country. Not one single unit has been completed in this country, two years later.

I've always said as well, on advocacy, that it's A for an announcement about programs all the time, and availability and funds, and then an F for follow-through, for actually going through. Eligibility is a problem, but it's the actual follow-through. You could do the same thing for converting federal buildings. There has been a commitment for the past eight years to convert some of the 37,000 federal buildings we have, with 6 million square metres of space and land available. We asked the question: In the last eight years, how many have been converted and new homes built as part of that priority? It's 13. It's not 13 in Halifax or 13 in Nova Scotia. It's 13 in the entire country over eight years. Again, I think the delivering aspect of this is equally important on a lot of these programs.

Could I ask this on trying to quantify some of the numbers? You've mentioned the percentage of units that are available on campus or by the university. Are you trying now to follow up to quantify the number of people who are in precarious housing and perhaps what they're actually paying? I believe that students are probably paying even more than the average doubling of rent in this crunch situation that we have. Are you going to be providing any data or looking at that data in the network that you have?

Dr. Robert Summerby-Murray: We are certainly pulling that together across the region. I know that in the Halifax data we are seeing that. There are quick surveys of students that are being undertaken by Students Nova Scotia here in the province. Dalhousie University is in the middle of a survey process. We are pulling that data together. I think that your assessment is probably correct—that the almost doubling of rates has had a tremendous impact.

I want to pick up on a point that my colleague Michael Kabalen made, and that is the relationship between university housing and the rest of the housing stock. Our goal is to ensure that universities are providing solutions for housing for students, yes, but that by doing so we take the pressure off the, as you put it, naturally occurring affordable housing in our region. We see a partnership there to deliver.

I think the point on speed is vitally important as well. That's why eligibility for programs is important for us, but so is partnership. We will be working increasingly with the private development industry to access funding to support affordability. We see it as a partnership that's emerging at multiple levels of government and in the private development industry.

Mr. Eric Duncan: With regard to statistics and numbers, I also think about the story from CBC Nova Scotia about the university food bank and the demand. The article was published just less than a month ago. It was overwhelming. Fifteen volunteers couldn't keep up with the demand a few days into the school year. There are statistics there as well. You mentioned needing partners. Obviously, it's a volume.... Hearing that students are having to ration their food is depressing—the interviews and the context that many students are facing, having to ration food themselves. Now even the university food bank has to do the same thing.

Do you have data you can share with the committee in terms of the increase of usage, the volume of usage, and perhaps even things like the number of international students or the percentage versus Canadian students, so that we can get a better idea?

Is there any comment that you might have at a high level or that you could provide to us?

• (1005)

Dr. Robert Summerby-Murray: Yes. I'll answer very quickly.

I don't have that data with me, except to say that more than 50% of the usage of the food bank at Saint Mary's University is by international students. I can get a more detailed number to follow.

Certainly, we also partner with other organizations. We do research work, working with Feed Nova Scotia, for example, to focus in on where the food insecurities lie in the province. We're doing that, on the one hand, from a self-interested perspective—to know more, as you are suggesting—and also to see what the solutions are for our region and for our city, etc.

Mr. Eric Duncan: If that could be tabled through the committee or whatever, that would be great to have, so that we can follow up. It would be good to have those numbers.

The Chair: Thank you.

Now we're going to MP Diab, please.

Ms. Lena Metlege Diab (Halifax West, Lib.): Thank you very much, Mr. Chair.

I just want to thank very much the panellists who are with us today. You are all truly economic drivers here in Nova Scotia and in Atlantic Canada. Thank you very much. We really do have a diverse panel this morning.

I know that my colleague Kody Blois asked quite a bit about EverWind and Bear Head. Certainly, both of you have presented to us at one point or another. Keep doing what you're doing, and we want to thank you.

Certainly, for you, Madam Paul, and the Bayside Development Corporation, Membertou First Nation in Unama'ki, Cape Breton, is really the role model for all first nations to follow in Canada and throughout. Thank you very much to Chief Paul for everything he's done, and thank you for everything that your group is doing across our province on economics and also on reconciliation. The two go hand in hand. I don't think you can have one without the other.

I want to speak about housing. I think my colleagues have done a pretty good job around the table. However, with regard to housing, obviously, the international student side is one that.... When I was a minister in Nova Scotia for eight years, certainly international students and immigration.... You're right; we've come a long way in the last 10 years. We are facing challenges just like everywhere in the country and, I would say, everywhere in the world. We are here to figure out what we can do.

Thank you to the finance committee for coming to Atlantic Canada and specifically here—Halifax, Nova Scotia—to hear from our community first-hand.

Mr. Kabalen, I know you've been involved in housing and in development in many ways. It is a passion of yours. I know there were a few more things that you—certainly as the executive director now—wanted to share with us on numbers and on housing. What else can we do that you have not yet been able to tell this committee about? What can we as a federal government do, obviously also collaborating with other levels of government, your group, developers and anyone else who can help us deliver on housing?

Mr. Michael Kabalen: First of all, the reason I spent most of my remarks talking about Reaching Home or the homelessness strategy is that this is community led. The federal government identifies organizations across the country and gives them a block of funding to respond to the crisis of homelessness.

I would suggest that we do the same to facilitate not-for-profits in rapidly developing affordable housing that can stay that way forever. You pay for it once with us and then you're done. We're not coming back every time for additional subsidies. It's not a set term, like the other agreements that exist with the private sector. When a coinvestment loan expires with a private developer, after 10 or 20 years they can up the rent. We're not interested in doing that. We want to maintain forever affordable housing. Our challenges are that we don't have the capital; we rely on the government programs, and the timelines are too long. They'll always be too long when we're competing with the private sector for the same opportunities and they want to demolish the naturally occurring affordable housing or build higher-end or more expensive housing.

We're losing our competitive advantage. We didn't pay HST for a long time. It's great that the federal government...and the provincial government in Nova Scotia followed and extended that to the private sector. However, it's another loss for the not-for-profit sector. We've never paid the HST. We could compete with the private sector and use that as our equity, in a sense.

I think the new competitive advantage needs to be unencumbered capital and more grants in the coinvestment program as opposed to loans in the coinvestment program. I would design it as we've designed Reaching Home, which, as we've demonstrated, is successful. If you were to give us a block of funding, we could go out and buy buildings with that block of funding. Those programs are well overseen by good civil servants at Infrastructure Canada. They're smart. They know what they're doing. They don't have to mitigate the same risks that the civil servants at CMHC do, because they're taking that risk themselves.

I think there's an opportunity there to create more community-led initiatives around affordable housing supply and affordable housing investment by the not-for-profit sector. That would be one thing to take away that would actually cost you less, probably, because you wouldn't need all the underwriters to oversee these deals.

• (1010)

The Chair: That is the time, MP Diab. It goes very quickly, but there will be another round after this.

We're off to the Bloc and MP Ste-Marie, please.

[Translation]

Mr. Gabriel Ste-Marie: Mr. Summerby-Murray, you talked about the obstacles associated with the Department of Immigration, Refugees and Citizenship. I think all my colleagues experience all kinds of difficulties when it comes to representing their constituents when it comes to this department. Quebec universities and colleges have talked about the systematic rejection of French-speaking African students. We've reported that.

I'd like you to tell us more about the hassles associated with the department. From your point of view, does it lack resources, organization or will?

Dr. Robert Summerby-Murray: Thank you for your question.

[English]

Yes, the challenges of study permit processing and concerns about disproportionate success rates were certainly highlighted in

the House of Commons report last year, as were the particular challenges for students applying from the Francophonie, with the therefore particular negative impacts on universities in Quebec. I think that is important to recognize.

Some of those same challenges exist in other jurisdictions, and I would suggest also here in Nova Scotia. It's not only because our universities recruit heavily from the Francophonie.... I'm speaking of colleagues at, for example, Université Sainte-Anne and Université de Moncton. Those challenges are here in our region as well.

We appreciate very much the importance of the House of Commons reporting on that and also the steadfast response of the then minister that these issues need to be addressed. I believe 32 or 34 recommendations were accepted. I would suggest that it is the responsibility of the federal government going forward to continue to address those. That includes the need for more resources and study permit processing. We are seeing some of that. It also includes the importance of working with institutions across Canada, in what is being described at the moment as a "trusted partner" or "trusted institution" model, to ensure that all those parameters are in place to support international students globally.

Again, to your earlier point, this is something that affects all our universities and is part of ensuring greater competitiveness of our universities across Canada, including Quebec and francophone universities.

[Translation]

Mr. Gabriel Ste-Marie: Thank you.

[English]

The Chair: Thank you, Monsieur Ste-Marie.

Now we'll go to MP Blaikie.

Mr. Daniel Blaikie: [Technical difficulty—Editor] and ask specifically about social housing. There's not a ton, actually, in the national housing strategy that provides for the creation of properly social housing, in which rent is calculated as a function of the tenant's income. I'm wondering whether you have some ideas about the best way for government to do that, whether it's through ongoing operating grant arrangements or through a larger infusion of granted capital at the beginning of the project to create room in the financing model for lower rents. I'm wondering whether you could talk a bit about developing social housing, the challenges and how government can best do it.

• (1015)

Mr. Michael Kabalen: The struggle with current social housing is that we haven't built much of it in a long time, so people see it as a cash suck, in a sense. It's expensive to maintain, and it always will be.

The federal government, under the rapid housing initiative, is essentially creating social housing. You have to have rent geared to income. That has been a strategy to create more of it.

Any construction has its problems. I think a lot of the delays in the rapid housing initiative are misconstrued. It takes time. You're dealing with multiple jurisdictions all at the same time to build stuff.

That was a good program to kick-start how the federal government could create forever rent-geared-to-income housing.

I wouldn't recommend, necessarily, that that's what we continue to build. First of all, if you had a piece of land where you could build all the supply you need for RGI or rent-geared-to-income housing—say that you need 6,000 units in Halifax—the outcomes for individuals who live in that community would be very poor if they're surrounded only by other rent-geared-to-income individuals. If you create mixed-market housing where some tenants are paying RGI, some are paying affordable rents and some are paying near-market rents, you actually have way better outcomes in that community, and you end the dependence on rent-geared-to-income housing generationally.

The challenge, though, is that government hasn't done a great job of managing the stock it has. That's not a Nova Scotia problem; that's a Canada problem. It's because you don't fix things. All of you in government don't really attack things until they become really expensive. That's why we advocate for the non-profit sector. We'll manage the housing with capital reserve. We have good governance with independent boards made up of volunteers who are committed to it, and we have professional property management that fixes things when the problems arise.

I would suggest that we make more investments in mixed-market housing. You'll add supply. You'll add sustainable financial housing. You'll also create capacity for rent-geared-to-income housing. It takes longer, but it will solve the problem more permanently as you invest in it.

Mr. Daniel Blaikie: Thank you very much.

The Chair: Thank you, MP Blaikie.

MP Perkins.

Mr. Rick Perkins: Thank you, Mr. Chair, and thank you, witnesses.

I guess my first question is for Mr. MacLean and Mr. Trent.

You mentioned to MP Blois that some of your eventual plan would come from offshore. When you do it offshore, that cable runs along the ocean bottom. Have you done any research in terms of the impacts on lobster and crab in the areas where you propose this happen?

Mr. Trent Vichie: I can begin.

I'll speak a bit about what is anecdotal around this. For example, there's a pipeline that was built from Nova Scotia out to the Sable fields. It has all of the types of issues that you would think of. I heard stories that, when they were doing the remediation, the fishermen actually didn't want it disturbed, because it created a great habitat for fishing, etc. This is just anecdotal and what I've heard

from others. There's a lot of science around exactly these types of things from other fisheries around the world. My understanding, at least, is that it's very manageable and, in some cases, actually creates habitat for the fish that—

Mr. Rick Perkins: I'm not a scientist, but there is some sort of an electromagnetic field that can impact crustaceans and their migration patterns. Also, there are usually limits on allowing fixed gear to be placed anywhere near that, which then restricts fishing ability.

Mr. Trent Vichie: I think that's a fair comment. I'm probably a bit out of my field of expertise on that. I'm just sharing with you what I've heard.

What I can tell you is that there is a very large industry of offshore wind in Europe, where you could go and get data. I'd be happy to go and get data.

Mr. Rick Perkins: I would encourage you to do so and to consult with the fishing groups, because the ones on the eastern shore of Nova Scotia are not thrilled with the plan right now. They have only a two-month lobster season, and you may be ending their ability to earn a living with what's being proposed now. I would encourage you to make sure it's done in a way that does not prohibit that from happening.

Mr. Trent Vichie: To be clear, we support the industry. We're focusing on onshore first. I believe in doing things systematically, but that's a fair point.

Mr. Rick Perkins: Mr. Kabalen, my understanding, from people who do development in the HRM, the Halifax area, is that when you put together all the building permits and the infrastructure costs the city charges, etc., if it's an individual residential unit, it's \$150,000 per unit on average in HRM costs before you get going.

I don't know if that's been your experience. If it has been, how do you make something affordable when the municipality charges \$150,000 in fees?

Mr. Michael Kabalen: I think the government's share, including federal and provincial taxes, is about 35% to 40% for market housing. It's a form of tax—other fees or taxes. I think we need to recalculate that since the discussion around HST waiving has come on. That's a number that came out of CBRE, which is a local firm that has a lot of expertise in this. I would say that number has gone down considerably since the recent announcements.

The HRM fees are actually less than Mississauga's or Toronto's. It's a talking point for developers, but they are lower.

• (1020)

Mr. Rick Perkins: That's not the standard. For multiresidential units in Toronto—that's over four units—the building permit alone is \$60,000 per unit, so I wouldn't hold Toronto up as the model of how to reduce the cost of developing affordable housing.

Four in 10 Canadians are relying on assistance from friends to help pay their bills. Four in 10 Canadians who rent say their finances are poor to terrible. We know from multiple surveys over the last few years that 50% of Canadians are living paycheque to paycheque. They're one paycheque away, I guess, from being on your list.

Have you seen more and more of that increase over the last three years, primarily caused, as you said, by most of the folks on the list now not having...?

Mr. Michael Kabalen: High acuity.

Mr. Rick Perkins: Yes. They do not have that. They have economic circumstances such as lost jobs and increased costs that have caused it.

Are you seeing those as the primary issues? Are you seeing people coming directly from owning a house to losing that house and being homeless because they can't find rental housing?

Mr. Michael Kabalen: Most of the people coming in on the data were renting and lost that rental, or when a relationship broke down, they could typically find another piece of housing, but because of the cost and the availability, they're now less likely to find it. That's what's happening.

I don't think you're seeing homeowners necessarily yet. I think the recent interest rate increases are starting to take effect only now, so we may see more of that. That's anecdotal, but as it stands now, the renters are going to feel the shock first, and then we'll see what happens with homeowners in the next eight months as the interest rates pick up.

The Chair: Thank you, MP Perkins.

Now we go to MP Thompson, please.

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

For clarity, I'm the member of Parliament for St. John's East in Newfoundland and Labrador. I'm so pleased to be here as part of this Atlantic conversation.

Welcome to all the witnesses.

If I could just make a quick note, the accelerator fund was introduced in March 2023, and the application process ended in June 2023. I'm pleased to say that in September, London, Ontario, was awarded 2,000 units. I wanted to start on that note to say that number is really where we need to be in terms of looking at our housing challenges.

Mr. Kabalen, I'll begin with you. Thank you for the work you're doing. It's really quite tremendous. However, if we have a crisis situation, and we know that we do, I think we need to look at our housing needs along that continuum. I spoke about this briefly yesterday.

From that entry point to the place in the market where the housing needs need to be market-driven, in their understanding you need supportive housing. You need to have affordable housing. You need rentals. You need all players at the table, including the universities—I'll link you into this—because it's all interconnected.

How do we begin to break down those silos—the levels of government and the community—to max out and quantify what the need is along that continuum, so that when we roll out solutions like the project in London, Ontario, which is significant, we're able to do that?

I can tell you that in my riding, zoning approval is an issue for larger projects. It's over to you on that, please.

Mr. Michael Kabalen: The housing system is messy, isn't it? You have homelessness and shelters. You have the people who are homeless and it goes all the way up to the "big REITs", which still only represent less than 20% of the whole housing system. It's a lot of small players, whether not-for-profits or the private sector. It's really hard to bring everyone together. I think the intention is that the policies incentivize people to work.

Your first question, I think, was on how you map it. It's already been mapped. We know where different solutions are needed. I think the "by name list" is intended to serve people all the way from homelessness into supportive housing. We're very focused on that. We have a community organized around there. We're investing federal dollars through Reaching Home, on your behalf, to resolve that.

The challenge is resources. There's not enough being invested. In Halifax, or in rural and remote Nova Scotia anyway, it's not that we don't know what we need to invest in. It's that we don't have enough to make the material impact to house those 745 people who have been homeless for the last six months.

I think we like to dehumanize homeless individuals as well, but when we do our work, we talk about how we need to see their faces. We need to remember who they are. Most of the folks are not what you think. They're not stereotypically there because of their choice. They're there because life has been tough on them. They've fallen into homelessness.

To answer your question, we know what we need to do. It's about resources and it's about the speed with which we can deploy those resources.

• (1025)

Ms. Joanne Thompson: Thank you. I really appreciate your comments.

Perhaps I could quickly turn to Mr. MacLean and Mr. Vichie.

Could you speak in a little more detail about hydrogen storage? How does that storage really allow for the ongoing capacity? How does it fit into the picture of greening the economy? Where are we in our capacity for significant amounts of storage?

Mr. Paul MacLean: I'm actually happy to comment on it. It's the third leg of the stool that's often ignored. Electrolysis and ammonia production seem to captivate attention.

We're pursuing a number of storage strategies almost as a portfolio to offset the variability of wind production, including battery storage, as Trent referenced earlier. We're also looking at the potential in the long term for long-term thermal storage and other opportunities.

We're also trying to develop underground salt cavern storage for hydrogen in the area. We're blessed in Cape Breton. We not only have access to fresh water for our projects; we also have significant salt deposits directly in the region that would allow us to store large volumes of hydrogen, which is very important for the opportunity to offset that variability of wind production.

Believe it or not, in Newfoundland and Cape Breton the wind doesn't always blow. It's important to have storage as backup.

Mr. Trent Vichie: I have a few other things I've learned along the journey here. There are ways you can manage through that. Hydrogen is tricky to store. It's a very light element, and in heavy air pressure it takes a lot of energy to liquefy it and so on.

I've picked up along the way that if you are making hydrogen, for example, and then green ammonia, ammonia can actually be used quite effectively in a combustion turbine. You can be storing it and also providing peak load. There are companies in Japan that have been doing that. It's actually easier to combust than hydrogen. Hydrogen burns so hot that it melts the injectors. A lot can be learned there on that front.

There's also just the outright design and how you design things. If you use a better spread of catalysts, you can actually manage pretty easily through the flow of those things. We're certainly very keenly aware of that. Even with pipelines themselves, we'll get to good answers on that front. We are very focused on that.

There's one other thing. You didn't ask a question on this, but as we do a transition, where, for example, you transport.... Take renewable diesel. That is something we can do today. Sitting with our facility, where we have 7.5 million barrels of storage, we'd like to try to bring in renewable diesel so that at least we can get it from a 100% CO2 impact down to 20%. It's not a permanent solution, but we have the assets there and we're working on it.

This is a holistic solution. It's going to take time.

The Chair: Thank you, MP Thompson. That is our time.

Before we suspend and transition to our second panel, we want to thank our first panel of witnesses. You've been excellent. We've talked about energy, housing, academia and our universities and colleges. This will help inform our study and our report that's done in advance of the 2024 budget. Thank you on behalf of the committee.

We're suspended.

- (1030) _____ (Pause) _____
- (1040)

The Chair: Members and witnesses, we're going to get started.

We just heard from our first panel, and now we're on to our second panel on our cross-country tour on the pre-budget consultations. We're here in the Atlantic provinces. We've been to P.E.I. and New Brunswick. We're in Nova Scotia now, and from here we're headed to Newfoundland.

We're delighted to be here in beautiful Halifax.

With us today as witnesses, we have, as an individual, Norman Nahas; Nourish Nova Scotia, with Lisa Roberts, executive director, and Lindsay Corbin, coordinator of the Nova Scotia chapter of the Coalition for Healthy School Food; Nova Scotia Community College, with president Donald Bureaux; and from Syria-Antigonish Families Embrace, retired school board superintendent Jack Beatson.

Welcome, everybody. We are going to our opening statements.

We are going to start with Ms. Lisa Roberts from Nourish Nova Scotia.

Ms. Lisa Roberts (Executive Director, Nourish Nova Scotia): Thank you so much for this opportunity.

Nourish is a provincial non-profit and registered charity that partners with schools and communities to promote the healthy nourishment of children and youth so they can live, learn and play.

Over the last 10 years, we have been instrumental in extending universal and healthy daily breakfast programs to most public schools in Nova Scotia, but in the current context of dramatic increases in housing costs and food inflation, we know that school lunch is needed to improve attendance, behaviour, students' ability to focus and learn, and their sense of belonging in their schools. It is past time that the promise of a pan-Canadian school food policy and investment be made good.

I will share just one brief story from our work with a school that serves a community of diverse but predominantly lower-income families. We partner with community organizations around the school to help the school provide food access to improve the quantity and quality of their contributions. This is a school that doesn't have a kitchen or a cafeteria. Most schools in the Halifax region do not.

A local restaurant owner is willing to cook lunch each week for about 150 students for the cost of the ingredients—about \$1.50 a portion—but the school administration is not confident that they'll have enough budget for breakfasts for the school year, so they can't authorize spending on a low-cost "from scratch" healthy lunch. A federal investment in school food could be transformational, and our kids deserve it.

Nourish is a founding member of the Coalition for Healthy School Food, and I'm glad to turn the rest of my time over to Lindsay Corbin.

Ms. Lindsay Corbin (Coordinator, Nova Scotia Chapter, Coalition for Healthy School Food, Nourish Nova Scotia): Good morning.

As you may know, Canada lags behind as the only G7 country without a national school food program.

The Coalition for Healthy School Food is a Canada-wide, non-partisan network with more than 270 non-profit organizations and over 130 endorsers. We advocate for public investment in a universal, cost-shared nutritious school meal program with consistent standards.

The coalition has consulted widely with members, supporters and stakeholders to develop its pre-budget submission, which your committee would have received, but today I would like to focus on Nova Scotia's needs and our readiness to work with the federal government to implement such a program.

Based on new data, we know that one in four children under 18 in the 10 provinces lives in a food-insecure household. These rates increased 27% from 2021 to 2022. Families in Nova Scotia are especially affected. A recent report from Food Banks Canada gave Nova Scotia an F on poverty and food insecurity. We are the only province to receive this grade.

Inflation and affordability pressures mean that more and more children don't have access to nutritious food at home. However, we also know that school meals can take the pressure off household budgets. One study found that grocery bills could decline by as much as 19% for families with two children if they participated in a universal program.

School food programs have strong support from the majority of Canadians. A recent Breakfast Club of Canada omnibus survey found that 84% of Canadians want a national school food program, and 77% are upset and disappointed in the government's inaction.

I recently had the opportunity to reach out to Nova Scotia's Minister of Education, the Honourable Becky Druhan regarding this issue. She has written an excellent letter to Minister of Finance Chrystia Freeland expressing her province's readiness to partner with the federal government to work towards a national nutritious school meal program. She states that, apart from the nutritional value, programs provide students with opportunities for nutrition education and leadership and a chance to connect with friends, classmates, teachers and volunteers. Federal funding would have a positive impact in addressing system challenges and expanding offerings to children and youth, such as a healthy lunch program.

Nourish Nova Scotia and the Coalition for Healthy School Food call on the Government of Canada to include a minimum of \$1 billion over five years, starting in budget 2024, to establish a national nutritious school meal program as a key element of the food policy for Canada. This \$200 million per year would be allocated to provinces, territories and first nations, Inuit and Métis partners to fund their school food programs. This would match the approximately \$200 million already being invested by provinces and territories and provide much-needed nourishment to support children to live, learn, play and reach their full potential.

Thank you.

● (1045)

The Chair: Thank you, Ms. Corbin and Ms. Roberts.

Now we're going to hear, as an individual, from Mr. Norman Nahas.

Mr. Norman Nahas (As an Individual): Good morning. Thank you. Welcome to Halifax, all of you who don't reside here.

My name is Norman Nahas. I'm an engineer by profession. I'm involved in the food and beverage industry and also in the construction industry. As well, I head up the Lebanese Chamber of Commerce in Nova Scotia. It's quite interesting to be sitting beside Mr. Jack Beaton, who heads up the Syria-Antigonish Families Embrace association at the other end of the province.

As an association, we believe in entrepreneurialism and removing roadblocks to enable business to thrive, because that in itself will allow for employment and the additional tax base to help fund many of the great things that are being proposed here today and across the country.

When it comes down to development in Halifax, we have a housing crisis, which is similar to those across the country. We aren't immune to any of these things that are happening. We've been big advocates for removing roadblocks, enabling development to happen and supporting those who are willing to take the risk to build—especially in uncertain times, with interest rate creep and the lack of tradespeople, which is a big problem here. I know there's a big announcement coming in 11 minutes, which we're all looking forward to hearing, but we still need to continue to incentivize and promote entrepreneurialism and development. At the end of the day, that is the only way the housing issue is going to be taken care of, because I don't believe we can rely on government to take it upon itself to fix every issue that's in front of us, especially the housing one.

I was born and raised here. My father came to Pier 21 on a boat in 1967 and married a local lady, my mother. I'm the product of a Canadian and Lebanese put together. I'm a proud Canadian. I'm also proud of my heritage and lineage, but I believe we need to continue to promote an entrepreneurial spirit and enable that to thrive so that employment can get more in check and the other issues we need to fund will be helped along the way as well.

That's it for opening statements. Thank you.

• (1050)

The Chair: Thank you, Mr. Nahas.

Now we'll go to the Nova Scotia Community College. We have its president, Donald Bureaux.

Please, go ahead.

Mr. Donald Bureaux (President, Nova Scotia Community College): Good morning, everyone.

Mr. Chair, thank you. It's a true honour for me to be here this morning. As was mentioned, I have the privilege of being the president of the Nova Scotia Community College.

I want to begin by acknowledging that the Nova Scotia Community College is located in Mi'kma'ki, which is the unceded territory and traditional homeland of the Mi'kmaq Nation.

It's truly an honour, Mr. Chair, to be here this morning to present to you and your colleagues as you learn and as I learn more about the budget priorities for our federal government in 2024.

The mission of the Nova Scotia Community College is very succinct. We are here to build the economy and quality of life of Nova Scotia through education and innovation. In deeper terms, we are here to democratize post-secondary education. We do that by providing education that is accessible to individuals who, quite frankly, wish to transform their lives.

Every year, I have the honour of participating in numerous convocation ceremonies around the province. We have a unique model in Nova Scotia—a single-college system. Most provinces have multiple colleges. We have one, with 17 locations in the province.

In June, I travelled around the province and completed 22 ceremonies. I got to shake the hands of almost 4,100 people. During that short interaction on the stage, I had 12-second exit interviews with 4,100 people over a period of two weeks. In spite of what's happening in the world today, I'm always inspired by their enthusiasm, their appreciation and their hope for a different future.

In our college, over one-third of our students are the first people in their family ever to go to post-secondary education. Think about the changes that occur when a family has a family member who has successfully experienced the transformational powers I mentioned earlier of a post-secondary education and what it can do to change their lives. When we do graduate follow-up surveys, we're very pleased that 91% of our graduates are employed. Of those, 93% stay, working and living in the province of Nova Scotia.

I give you that stat because across Canada we have over 140 public colleges from coast to coast to coast. I think the stat now is that over 95% of Canadians live within a half an hour's drive of an

access point to a Canadian college, institute or polytechnic. We believe that's becoming the true backbone of our country, by which communities are able to provide localized, just-in-time, rapid training for individuals to be ready for the economy of tomorrow.

Now, as a system of 140-plus colleges, we've benefited greatly over the years with strong partnerships with our federal government. Here in Nova Scotia, we've also done that. We've been very fortunate to have a federally funded marine training program focused on women, indigenous and Mi'kmaq learners. We have also been very active in the Irving Shipbuilding contract to modernize and build the new fleet for the Canadian Navy over a period of 30 years, and we have focused on under-represented individuals who have not seen themselves participating in large industrial projects in the past. We have had very successful cohorts from our African Nova Scotian community, indigenous community and women in trades programs.

I humbly ask this committee to consider going forward the ability to maximize and leverage this incredible network we have in this country in order to continue to provide opportunities for Nova Scotians and all Canadians to get the skills they need and, quite frankly, a radically different economy from the one we had just three years ago.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Bureaux.

Now we'll hear from Syria-Antigonish Families Embrace and Mr. Jack Beaton.

Mr. Jack Beaton (Education Lead, Syria-Antigonish Families Embrace): Thank you, Mr. Chair. It's an honour to be here.

I just want to point out that although I was introduced earlier as a school superintendent, I no longer am. I'm retired. I'm living an entirely different life now.

Voices: Oh, oh!

Mr. Jack Beaton: I don't want to get the two confused.

Syria-Antigonish Families Embrace was formed in 2015 in response to the refugee crisis caused by the Syrian civil war. The news was inundated with stories of refugees fleeing the destruction of their homes and their country. Canadians responded by forming community groups, raising money and sponsoring families.

A small group of people from Antigonish got together and committed to raising enough money, finding a house, finding furniture and providing transportation so that a refugee family could get a start in Canada. The appeal went out to the Antigonish community and money was raised. In fact, enough money was raised to sponsor two families. This led to additional sponsorships. As of 2023 SAFE has sponsored and settled more than 20 Syrian families—over 100 people in a community of 5,000—totally by volunteer efforts.

I want to point out that we are a registered society, totally run by volunteers. We don't own anything. We even borrow paperclips. Everything that happens, happens through volunteers.

SAFE became a sponsorship agreement holder with Immigration, Refugees and Citizenship Canada in 2018. This allowed SAFE to identify which refugees it would sponsor, an essential part of family reunification. When our first wave of families came in, of course, they all left people behind and had a strong interest in bringing those people along. You need to have the ability to identify those folks in order to bring them in.

It also allowed SAFE to work as a liaison between IRCC and other community groups. There are three or four other community groups in the Antigonish area that are involved with bringing in refugees. We've had people coming in from Afghanistan, Somalia, Iran, the Democratic Republic of Congo and some other places that I'm missing. There is a wide variety of people coming in.

Almost eight years after the start of SAFE, more than 30 refugee families from various parts of the world have arrived in Antigonish—sponsored, helped, mentored and counselled by the good people of the community. On arrival, each became a permanent resident of the country. Many of them have now moved on to gain citizenship.

I should also mention that about 12 babies—I've lost count—have been born in those families since the families arrived. One of the characteristics of rural Nova Scotia, particularly in the part of the world where I live, is that the demographics have shown us that we are getting older and that we need people in the workforce. As a former school superintendent, I'm very, very conscious of the declining enrolment in our schools and the effect of that. Just from the Syrian families alone, there are about 20 additional kids in the school system. That has obviously made a big difference.

It's not in my notes, but I also want to mention Ukrainian settlement. Because of the expertise built in the community, another probably 15 to 20 Ukrainian families have arrived in the community and have accessed volunteer help. That's a story for another day. I don't want to get into the details of that, because there are some particular challenges for that group. Antigonish has become a bit of a target community for them.

There are some major challenges to what we're trying to do here. I'm sure it's common in other parts of the country, particularly in rural parts of the country. Of course, you need to have the money in the bank to provide support for the family for a year. That money should cover start-up costs and a monthly allocation that lasts for the first 12 months. However, this amount of money is tied to whatever the income assistance rates are for the province.

• (1055)

In Nova Scotia, income assistance rates are dismal. Families are still eligible for the Canada child benefit, which has been a saviour. Still, a family of two adults and two children is living on about \$33,000 a year, which is well below the poverty level.

According to the Canadian Centre for Policy Alternatives, 33.1% of children in immigrant families that arrived in Nova Scotia between 2016 and 2020 are living in poverty. The national rate for this group is 21%. Also, 15.9% of children in non-immigrant families in Nova Scotia lived in poverty during this period, with the national rate being 10.7%. When we look specifically at various racialized groups in Nova Scotia, we find that 55% of Arab children in Nova Scotia, compared to 26.3% of Arab children in all of Canada, are from low-income families. I think the reason for that is that a lot of those children came in since 2016 and are in refugee families that are being settled, going back to the rates we just talked about.

• (1100)

The Chair: Thank you, Mr. Beaton, for your hard work, your advocacy and your retirement.

Voices: Oh, oh!

The Chair: We thank you for that.

There will be a lot of opportunities for the witnesses to answer many of the questions from the members, and that's what we're going to do right now. We're going to move into our first round of questions from the members.

Witnesses, just so you are aware, each party will have up to six minutes to ask questions in this first round.

We are starting with MP Perkins, please.

Mr. Rick Perkins: Thank you, Mr. Chair, and thank you, witnesses. That's six minutes for questions and answers.

For the benefit of some of the members here who aren't from Nova Scotia.... I know all the witnesses will know this; they'll know the importance of the Lebanese community to our province.

My first question will be directed to Norm. Six minutes isn't enough time to talk about all the accomplishments of his family and the entrepreneurial businesses that he spoke about and about how the Lebanese community has changed our community for the better. You're seeing evidence of it outside of all these windows here, from residential to commercial development. They are a positive force.

I grew up here in Halifax, in a subdivision that was developed by the Butlers, an early Lebanese developer in Nova Scotia.

From the King of Donair on, I know your family has a lot of interests, but I'd particularly like to talk about the issue of residential housing development and the challenges that you see, not only as the Lebanese Chamber of Commerce but as an individual who has property developments. I know you and I have talked about that over the last years and about the difficulty of getting residential development done in any kind of a timely manner. Even though it's a private business, there's still a limit to how long you would take for your return on capital to get something developed.

Could you talk a bit about your experiences and the barriers that you find with the regional municipality in particular?

Mr. Norman Nahas: To digress a bit, you talked about the development that's happened in towns. I think we did a study back in 2016 with Halifax Partnership to see the impact of the Lebanese community in Halifax from the perspective of creating employment and a tax base. It determined at that point that 87% of the residential development was done by the community. It wasn't done to pat the community on the back, by any means, but to show that immigrants create jobs and are a benefit to the economy. I think there were 3.4 jobs created for every man, woman and child in the community.

This was the first study that was done along that.... At that point, there was a lot of negativity around immigration. "Immigrants are taking jobs" was the type of rhetoric going on, so we did that study and it was a testament to the community. It's also been a poster child for immigration. I've had many discussions with many immigration ministers on how we believe immigration should happen with a community base.

However, I'm sorry: I'll move on to your question about residential development and housing. It is a long process. Design is a long process. Good practices take time. It ultimately comes down to a lack of trades, a lack of skilled workers and a lack of professionals that we have here in town. I don't know where people are going. There are still universities.

To get out and to actually be able to practise and move things along, the process has been slower from a design point, but also from an approval perspective within the city. The cities try their best to try to hire additional people, but it seems that when they hire more people, there are additional roadblocks and departments that need to get involved. The process from conception to actually being able to put a shovel in the ground.... I'm looking at my project right there, out the window. It took about four years from concept to putting a shovel in the ground.

It's going on to about three and a half years now since it was started. Some of that is because of trades not being available, and everybody's spreading themselves thin because there is a big demand, as there should be, to check the housing box. Halifax doesn't have all the trades we need to be able to handle the demand. It's a chicken-and-egg type of scenario. I believe immigrants and refugees coming in, if they have the skill sets that we need, will help fill the void to enable the industry to move forward in the direction we need it to.

For example, even with heavy equipment operators, if there are only so many in a city who can dig holes, do blasting and even get

ready to start the project.... Coming down to plumbers and electricians, there are only so many. Things can only move at such a pace.

The reality is that even though new approvals are coming through the federal and provincial governments to incentivize growth in housing, the crux is going to be logistically getting it done.

● (1105)

Mr. Rick Perkins: I'll have some questions for the president of the NSCC on that, maybe in my second round, because I have a bit of time left.

You told me a story about a piece of property you had in Halifax where you wanted to build 21 storeys, I believe, and it took five years for municipal approval. At the end of the day, they didn't approve the 21 storeys.

I wonder if you could share that.

Mr. Norman Nahas: Yes. It's a long story. It could be a chapter in the book on this.

The long and the short of it is that the biggest privately owned downtown parcel of land, sitting probably three or four blocks that way, bringing east and west...both 20-some storeys. A willing developer—that being me—wanted to build something similar and house a couple of thousand people in there, and the city put a limit on it of four storeys.

There's been a back-and-forth battle going on for over a decade now. It's unfortunate, but a site like that is not going to be developed because of, I guess, short-sightedness on height restrictions and allowances.

The Chair: Thank you, MP Perkins.

Members, in two rounds, you'll get an opportunity to expand.

Now we'll go to MP Blois for six minutes.

Mr. Kody Blois: Thank you, Mr. Chair, and thank you to all the witnesses for taking the time. It's great to have the finance committee here in Nova Scotia.

I'm going to start with Nourish Nova Scotia. I have only six minutes, so I'm going to move quickly.

You mentioned there's about \$200 million being spent at the provincial level right now on food and school programs. Would you have a gold standard at the provincial level? Which province is doing it best?

I know Prince Edward Island is a good model in the maritime provinces, but just quickly, who's doing it best across the country right now?

Ms. Lindsay Corbin: That's a great question.

The Coalition for Healthy School Food was certainly very pleased to see what P.E.I. has done with the resources it has. We're also very excited to see what is happening now in British Columbia. There is historic investment—I believe it's \$240 million—in that province.

It is too soon to tell, but I'll let you follow up.

Mr. Kody Blois: If you could go away and take a look at that, perhaps that's something you could provide in a submission to this committee, to see which province is doing it best. I take the point on what you're pushing for. I represent Kings—Hants. We are the breadbasket or the food basket of Nova Scotia, if you will. Having talked to my constituents, I know there's a lot of passion in the valley for driving what you guys are talking about. I think it's really important.

We are in a context right now in which, let's be honest, we're in a challenging period with fiscal finances. What about the \$200 million a year that you were talking about? That would represent about \$6 million to Nova Scotia by national proportion. Have you had conversations with Minister Druhan? Let's say it was \$6 million a year that the federal government could provide to supplement what's happening. Do you think that would be at least a good starting point?

Ms. Lindsay Corbin: I haven't had a conversation with Minister Druhan about that, but based on what I know about the current investment in Nova Scotia, \$1.7 million is our typical investment. There was an additional \$2.5 million in emergency funding that came in last year, which was very helpful. Certainly, if we were to increase that by \$5 million or \$6 million in Nova Scotia, that would triple what we have.

I'll let Lisa expand on that.

• (1110)

Ms. Lisa Roberts: Just to answer really briefly, what we're seeing on the ground right now is that schools facing a lot of demand for food access at school know they're already over budget at the end of September. With regard to a lot of the budget that ends up being made available for school food from the province, many of those funds are actually supposed to be wellness funds. They're not specifically school food funds, so effectively, other things are not happening because funds are being diverted to school food.

A federal investment specifically for school food would make a huge difference.

The Chair: MP Blois [*Inaudible—Editor*]

Mr. Kody Blois: I'm not going to touch the mike. Don't worry, Mr. Chair. I'm used to being in Ottawa.

I've got to keep moving here—

The Chair: We're going to stay away from the mike button.

Voices: Oh, oh!

Mr. Kody Blois: You'll give me those 15 seconds back.

The Chair: We will. There you go.

Mr. Kody Blois: Thank you, Mr. Chair.

Look, I think what I want to have on the record is that I certainly support the concept of the federal government playing a convening role in trying to drive the provinces. At the same time, I look at the transfers that have been made in health care and others. Certainly what I can promise, at least, on the record here today, is that I will be pushing the provincial government to also invest and step up and

be a part of it. Minister Druhan can write to Minister Freeland, but they have the ability to go back to the legislature right now to move, the way P.E.I. has done. I really appreciate the point. I know this committee will take that away.

I want to go to you, Mr. Bureaux, very quickly. I have about two and a half minutes left.

What specifically do you need? You heard Mr. Nahas saying that, look, we need skilled labour. You are the purveyor of bringing young people through in a skilled trades context. What is one thing you need that you could recommend to this committee? Is it more spaces? Is it more resources? What exactly do you need?

Mr. Donald Bureaux: I think there are two things. Obviously, we need infrastructure. If you look at the training of skilled labour, the training equipment and simulators and tools that we need to train a modernized workforce change very rapidly. A federal investment in the infrastructure backbone of the college system in this country to allow our labour to be at the leading edge would be number one.

Number two, and I agree with Norm, we see our industry partners benefit greatly by a skilled workforce that's coming through the immigration channels. We need to work collectively with licensing bodies to make sure that when they come to Nova Scotia, they are recognized for the training they received in their homeland.

Mr. Kody Blois: Thank you.

I have about a minute and 15 seconds left. I want to go to you, Norm.

I would echo everything Rick Perkins said in terms of the contribution of the Lebanese community. We actually had Lena Metlege Diab here earlier. Certainly on the political side she's done great work.

I want to ask two things. The way Rick was framing the questions about the frustration with municipalities, boy, Mayor Savage had better be looking out, given what Rick was saying on the record. We have the housing accelerator fund, which is trying to drive and...“manipulate” might not be the right word, but get the municipalities to start working to build housing quicker. We also put the GST measure in place.

For a developer right now, as interest rates go higher, I have to assume that the available cash flow to continue moving over to the next project becomes more difficult because of the debt financing. Can you speak a bit to how some of those conversations where the municipalities moving to densify the peninsula might help drive those developments that Rick was talking about, but also help finance, with the GST removal, to get you to your next project?

Mr. Norman Nahas: You summed it up quite well. Interest rates are through the roof, but the HST holiday, I guess you would call it, on both the federal and provincial sides will help with that. You definitely need to be able to thread the needle to be able to finance and bridge the gap to get the project to succeed.

Again, this is even though contracts aren't worth anything anymore. When dealing with an electrical company, if the bundled wire costs \$500 in the beginning when they bid it, it costs \$2,000 when you're halfway in, so the costs continue to escalate weekly. During COVID, it was unbelievable, especially when dealing with metal and things coming from abroad.

I agree with what Rick is saying. We have this issue, and I feel that some of these things are definitely going to help. They're going to enable people to roll the dice and see if they can go and proceed with them, because a lot of people put the shovels up over the past bit, with the uncertainty in the market and with rates continuing to creep up, announcement after announcement.

• (1115)

The Chair: Thank you, MP Blois.

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

[*Translation*]

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

Good morning, ladies and gentlemen.

My questions will be addressed to Mr. Bureaux, but before I ask them, I'd like to say that we're very grateful to you for being here and that we're taking a lot of notes. Everything raised here is very interesting and varied.

Mr. Bureaux, I really enjoyed your presentation, which focused on the importance of the colleges you represent. In Quebec, the CEGEP system is very different. I also liked the fact that the institutions you represent are close to the people. Often, the first generations to access post-secondary education go through your institutions. There's also a whole network between the technical needs of certain industries and the training you offer.

Can you briefly explain again how the federal government can better recognize and support colleges?

[*English*]

Mr. Donald Bureaux: We've benefited greatly over the years from the federal government investment, as I mentioned earlier, in infrastructure. We are a place-based training environment in which, yes, we can do learning virtually, but it's still largely a hands-on environment. That is not to say that technical advances in virtual simulations have not been critically important.

Number one would be a continued look at the federal government's investment in the infrastructure, because the return on that investment is very high.

From a human capital perspective, research tells us that a young person's decision about what career to go into or what education to pursue is still predominantly determined by their parents. It's a conversation that happens at the dinner table, not in the guidance counsellor's office at school. Twenty-five years ago, there was a public

policy decision in parts of this country that hands-on technical training and technical careers were less important. When I hear Norm speak, that keeps me up at night. We've lost a generation of people in this country who think it's cool and a great career option to become a skilled tradesperson.

Imagine if we had a national campaign, like we had years ago around Participation, to make every Canadian feel that a healthy lifestyle was a valued lifestyle. Imagine if we created a national movement whereby young people in this country thought it was, in fact, a calling to pursue a career in building this country from the ground up.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

Do colleges need student residences? There are housing shortages everywhere. Is this a problem for college students?

[*English*]

Mr. Donald Bureaux: Absolutely. We are seeing impacts on enrolment, which is going down because students cannot find affordable housing. If you think about students who are not staying in a university or college residence, those who can find housing are taking housing from the public inventory, so we are in a build mode right now.

I mentioned earlier that we have 17 locations in Nova Scotia, 13 of which are called campuses. Of those, five right now have either residences or on-campus housing, or soon will. There are literally hundreds of students who are currently living in an apartment who will now be living in an inventory of rooms dedicated to students.

It's impacting our enrolment; it's impacting our ability to provide the labour market of tomorrow, and it's impacting the public stock of housing. We have wait-lists for those residences right now.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you for those answers.

Do colleges receive many students from abroad? Are colleges having problems with the Department of Citizenship and Immigration when it comes to that?

• (1120)

[*English*]

Mr. Donald Bureaux: Yes, it's kind of an unknown surprise to some people that colleges do have a number of international students. For colleges in some parts of the country—Ontario, for example—70% or more of their enrolment would be international students.

In Nova Scotia our enrolment is around 10% of international students. Our strategy is to encourage international students to come, study and remain in Nova Scotia upon graduation. It's very important that we connect them to the job market as quickly as possible. We have a program called study and stay. We do a wraparound to connect students so that they stay after they complete. In fact, in Nova Scotia we have over 78 countries represented in our international student enrolment.

The Chair: Thank you, MP Ste-Marie.

MP Blaikie, you have six minutes.

Mr. Daniel Blaikie: Thank you to all our witnesses for joining us here today. It's lovely to be able to consult people in their home community. I'm very glad to be here in Halifax this morning.

Ms. Corbin and Ms. Roberts, we've certainly heard on other files, such as housing, that money is quick to be announced but slow to roll out. The process for accessing funds can be quite cumbersome.

I'm glad to hear of the good work that's already happening here in Nova Scotia on school meal programs. I'm wondering if you have some advice for the committee on how best the federal government could become a partner without disrupting the good work that's already going on. How could we be there to supplement what's happening in a way that doesn't create a lot of extra administrative work for your organizations, which are already helping to fill that need, so that you could simply focus on expanding your operations to serve more people?

Ms. Lisa Roberts: I'll begin by saying that in Nova Scotia, Nourish was created 10 years ago with a lot of support from the provincial government, in large part in order to support school food programs. We have the mechanisms and the relationships in place such that, for example, during COVID, when there was emergency food support for schools made available through Agriculture and Agri-Food, that money flowed through the Breakfast Club of Canada to Nourish. We cut the cheques. We cut cheques on a regular basis and work with public health on a formula related to not just population enrolment but also need.

In Nova Scotia, if federal dollars arrived, the federal dollars would be distributed very directly and quickly. They would make a difference on the ground very quickly.

Mr. Daniel Blaikie: Whether it's infrastructure programs or housing programs, often money will flow first to provincial governments. Then provincial governments will flow that money out and have a pretty substantial say on the conditions upon which that money flows. Do you think sending the money to the provinces makes sense, or do you think having a more direct relationship with the federal government in some cases makes sense? What do you think should be in the minds of federal officials when designing a national school food nutrition program?

Ms. Lindsay Corbin: This is a question that the Coalition for Healthy School Food has talked about at length. Our position is that the funds should go through provinces and territories, and directly also to indigenous communities. We do recommend that the agreements be struck with those provincial and territorial governments.

Mr. Daniel Blaikie: What do you think are some of the metrics that should be used to evaluate the success of a federal program?

What do you think are some reasonable outcomes for the federal government to set as goals for its funding and reasonable reporting back requirements to give some sense of accountability for that federal funding and whether it's accomplishing the intended purpose?

Ms. Lindsay Corbin: At this point, I would love to have a more detailed answer for you, but I can say that on some of the topics along those lines we have discussed, we don't have a specific position on exactly what those should be at this point, but certainly, having standards that are in line with Canada's food guide, no marketing to kids, things like that.... We want to make sure of the quality of the food. We want to talk about both the quality and the quantity of food that's getting into schools, so certainly metrics around whether the foods that are getting into schools follow Canada's food guide, whether there is no marketing to kids and that part of the agreement.... Those would be two very key standards that we'd like to see, and, of course, the number of meals served is absolutely a great metric.

In Nova Scotia, I will say, as Lisa mentioned, that we have a very strong breakfast program. It's not perfect, but most students in Nova Scotia, if they go to school, can access breakfast for free with no stigma. Having no stigma is a huge piece of this as well. We do not want any child to feel singled out or shamed for accessing food. The way to do that is through a universal program that is open to all students and really creates a welcoming, inclusive community within the school.

Those are a few of the key aspects of metrics that we would want to see. In Nova Scotia, for lunch we have some pilots going, but we could benefit greatly from additional funding to create a lunch program.

● (1125)

Mr. Daniel Blaikie: Where there are bountiful and reliable resources provided by the public sector for food in schools, it's important for the federal government to set as an objective that they work with community organizations, putting emphasis on scratch-made food and trying to build food-making and food-preparation capacity in communities.

I think there will be a temptation for companies like Chartwell and others to say that there are potential contracts up for grabs. Do you think we should also see this as a community capacity-building exercise, not just as trying to deliver something to eat at the lowest cost?

Ms. Lisa Roberts: Here in Nova Scotia, the Auditor General did a report on healthy eating in schools. That came out just over a year ago. The findings were quite conclusive that only 9% of meals sampled from privately run—predominately Chartwell—cafeterias were in compliance with the school food and nutrition policy.

Again, in some ways, we're in a privileged position in Nova Scotia, even versus P.E.I., which I know the committee visited just yesterday. P.E.I. has a universal pay-what-you-can lunch program, which is amazing, but they actually don't have a school food and nutrition policy. One thing that was shared with us by the executive director when we hosted a webinar with them is that their lunch program can be undermined, challenged or competed with by a "hot dog day" done as a fundraiser for a school team, for example, whereas in Nova Scotia we already have a policy that this sort of thing shouldn't happen. Either the actual cafeteria services are not available, as is the case in Halifax, where more than half the schools don't have kitchens or cafeterias, or they just don't perform in compliance with the policy in regions where they are run predominantly by Chartwell.

We have great examples of success in Nova Scotia. Halifax, with older infrastructure and a huge population increase, including a population increase in schools, is struggling to meet the performance of the Annapolis Valley, where the population has been a bit more stable and schools were built with cafeterias, etc.

The Chair: Thank you, MP Blaikie.

We are moving into our second round.

We have MP Perkins, please, for five minutes.

Mr. Rick Perkins: Thank you, Mr. Chair.

Mr. Bureaux, I remember that when the shipbuilding strategy was announced by Peter MacKay—I think Premier Dexter was the premier back then—there was a massive amount of excitement in the city. There was also an incredible collaboration that went on: "How do we find and train the people to actually work at the new shipyard in the trades that are needed for that?" It really was a great partnership, I think, of a lot of groups that got us there.

I think we're facing a similar situation now when it comes to housing, and I don't see that level of working with the community college, working together as business and with everyone else, to try to figure out exactly what the need is in terms of skilled trades and the best way to go about producing that for the community. If we're going to address this problem over the next five to 10 years, we really need a lot more skills than we have now. Do you feel the same thing, or is NSCC being left on its own?

• (1130)

Mr. Donald Bureaux: No. I would argue that there is a considerable amount of work being done.

Let's take the apprenticeship program in the province of Nova Scotia. We had a ministerial panel that recently put together recommendations from any representatives in the province of Nova Scotia—private industry, post-secondary institutions, trade unions, etc.—as a way to make a dramatic change in the apprenticeship pathways, for example, both to move people more quickly through the system and also to have higher completion rates on those who start the apprenticeship work. We work very closely with agencies such as the Construction Association of Nova Scotia on ways to make sure young people are considering a career in the construction sector.

There is a lot of activity happening right now. We're doing a lot more work in the public schools, as I mentioned earlier. There was a generation that was lost, with people not considering this to be a viable career, but we have many more of what we would know as industrial arts shops being placed back into high schools, for example.

The difference, though—and I think perhaps you're on to something, Mr. Perkins—is that the shipbuilding contract or proposal was a focused single project, and it created this coalescing force with a one-time bid and 30 years of activity. That call to action, that kind of war room mentality that we need, I think, could perhaps be missing.

Mr. Rick Perkins: Who do you think should lead that? The federal government, the provincial government, the industry...?

Mr. Donald Bureaux: Yes, yes and yes: I think it should be everyone at the table.

That's what happened with the shipbuilding contract. That was a table much like this, with 30 people who said, "This is our single focus; winning is the only option, and winning is getting that 30-year contract." Well, winning for housing is that no Nova Scotian or Canadian lives without a roof over their head, and we all should be in it together.

Mr. Rick Perkins: Thank you.

Mr. Nahas, maybe just to follow up, I was speaking earlier in the week with another developer who has been working for a few years to try to develop 4,000 housing units and who said that the process, besides being tremendously long with the municipality, is tremendously costly to get through.

In his case, he said that their estimate on those 4,000 units for municipal costs from beginning to end in the process is about \$150,000 a unit. I don't know when you're developing, including the infrastructure and everything that goes in and the multiple changes.... They're not at final approval yet. I wondered if you had any thoughts on the cost part of it.

Mr. Norman Nahas: The number doesn't surprise me. I know it's a massive number. That would be, I would imagine, from the subdivision/residential lot perspective. I don't have any recent information on that. I haven't done a subdivision in probably over a decade, but I know that on the multiresidential side, from permits from Halifax, from their HRM and into the water commission...then you're into different encroachments. The fees continue to escalate. You might have only a few line items, but every year they continue to grow, or they have some incentivization, say, on encroachment specifically—

Mr. Rick Perkins: Obviously, you have to get a return on investment on whatever it is you're building, whether it's affordable housing or not. How do you do that when the fees are so high? Doesn't that force the housing level up past the affordable housing accessibility framework?

Mr. Norman Nahas: That's what the affordable housing framework is, but at the end of the day, the costs need to be passed along. The new federal and provincial initiative on the tax freeze is a great initiative to start housing, which will have its own issues in terms of fulfilling those trades and supplies, but if that initiative were to be retroactive to anything that was still going to be completed, it would help push that tax credit to the end-user at the end of the day. If that's the ultimate goal, then it should be not just before projects get started that the HST or the taxes of both of the governments are held; it should be on anything that's currently not occupied.

• (1135)

The Chair: Thank you, MP Perkins.

Now we go over to MP Thompson for five minutes.

Ms. Joanne Thompson: Thank you.

Perhaps I could begin with you, Mr. Beaton.

First of all, I have to say thank you for the work you're doing. I think it's really quite incredible in terms of how communities come together, as are Atlantic Canadians' and Nova Scotians' volunteer and community efforts.

Could you provide more detail on what, once a family or a number of families come to a rural community in particular and the initial supports start to be pulled back, really makes the difference for a family or a number of families really being able to spread their roots, continue to grow their family and feel at home in a place? What supports do you need to have for that success?

Mr. Jack Beaton: For the families we have worked with, probably the primary thing is learning English in our community. If it's somewhere else in Canada, it could be French. Learning English is key, because you can't navigate the community if you don't know English. You're relying on volunteers. You really can't get a decent job. You can't get a job that pays even minimum wage. You just can't access things. You can't deal with your kids' school, for example. I got a call yesterday to deal with a very minor item, but mom couldn't understand the language.

I think what happens, too, is that people have to make a choice because of those low rates, the low payment they get each month, and often they're pushed to go out into the workplace, even for a minimum-wage job, just to support the family. That takes them away from learning English. Then you end up with this vicious circle of, "I need to go to work to support my family, so I can't go to English class."

The other major piece that's going on in our community right now is a total lack of child care. There are four or five day care centres in town. The waiting list is about 300 people. I know it's in the works. I know it's one of those things that are in the works. We're pushing private day care providers out but there's nothing in their place. For a newcomer family—let's say mom is at home and dad's gone to work—she can't get out and go do anything. She has kids at home. She can't go to English class. She can't socialize. English class kind of becomes the centre of their world. It's not just learning English; it's learning the community. It's socializing. It's meeting other people from your own country and perhaps from all around the world. English is the key but it moves all around to....

I'm glad to hear you talk about the cost of housing, because in Antigonish a family of four or five is going to pay \$2,000 a month. If your income is \$33,000 a year, all of your money is being sucked up by your rent. Again, that's if you are forced out into the workplace prematurely, not having had the opportunity to learn English.

It's hard to nail down one thing, because everything kind of ties in. I say to people that if you want to pressure-test services in the community, bring in 20 or so families from around the world and settle them. Housing is an issue. Child care is an issue. Education is an issue. All of those things are issues.

Those are issues for everybody but primarily for the newcomer families.

Ms. Joanne Thompson: Thank you. I don't mean to rush you, but I want to link to Mr. Bureaux. Thank you, because I hear that in my own community.

It's good to see you again. I did have the pleasure of hearing you present in another committee around the shipbuilding strategy, but the comments you made around the wraparound supports for vulnerable youth and how you were able to ensure they were part of that workforce still resonate. Embedded in their workforce experience, probably a challenged school experience turned into a successful career. I don't know if in the few minutes remaining you're able to reference that wraparound for vulnerable youth and how you work with families as well, which will link somewhat to what Mr. Beaton was saying.

• (1140)

Mr. Donald Bureaux: Yes. Thank you.

The Irving Shipbuilding project has been a great microcosm. Pardon the pun, but we needed all hands on deck in order to build those ships, and we still found that certain communities did not feel that the workplace was a safe workplace for them to enter—women pursuing non-traditional trades, African Nova Scotians, members of our Mi'kmaq communities—and Irving stepped up.

Irving stepped up and said, “What do we need to do to ensure the success of these learners?” We had a program called “20-2020”. Twenty young African Nova Scotians started the program in 2020. All 20 completed the program, and all 20 were hired by Irving to be very successful apprentices. It was that kind of focused cohort. We worked with the unions, and we worked with providers of personal protective equipment. It was a complete package to help those individuals to be successful. At many of our campuses, we have day care, as was mentioned. We have food banks that people have to rely on.

I talked to a young mother who graduated from one of those programs. She said, “I went from asking myself if I had enough money to pay for the bus fare to go to the drugstore to earning over \$40 an hour as an apprentice electrician.” That's the kind of transition that can happen very quickly. Her son, by the way, said, “I have the coolest mom in the world: She makes cookies at night and she builds ships during the day.” It can change the family dynamic.

When we talk about education, we have to think as a country of supports, not only from the classroom door in but from the classroom door out. If we need every single hand on deck, there's a hidden job pool or an employee pool in this country that we need to tap into.

The Chair: Thank you, MP Thompson.

Now we're going to the Bloc.

Members and witnesses, we'll be able to do only the second round. I am being very lenient on the times.

We have MP Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you for your comments, Mr. Chair. We'll see in 10 minutes if that's still the case.

This is a joke.

A voice: Ha, ha!

My question is for Mr. Bureaux again.

There's one aspect of the colleges that I appreciate, and that's the fact that they partner with certain industries in terms of applied training. I think we've talked about partnerships with shipyards. But there are also partnerships with local industries in terms of applied research and innovation.

Have these partnerships reached their full potential in Nova Scotia?

What could be done to raise the profile of this research and innovation support with industries?

[*English*]

Mr. Donald Bureaux: *Merci*. That's a great question.

The notion of applied research is the second half of the work that the Canadian college system and CEGEPs do. We provide the human capital, but also the innovation, in an applied manner. When we work with our industry partners, we are solving real-world problems, and that can be implemented and used immediately.

Has the potential of the Canadian college and CEGEP system been maximized and leveraged? No, it has not. We have an opportunity to do more.

From a federal government perspective, in the past you have greatly supported the university sector in this country, and that's been wonderful, but I would argue that the college system has been under-resourced from a federal funding perspective in terms of the capacity for us to unlock and unleash the research potential in colleges. That's number one.

Number two, because we are in every single community, is that the research we do does not live just in large multinational businesses. We are here to support the small and medium-sized business sector too. As we all know, in talking about backbone, the backbone of the Canadian economy is the small and medium-sized businesses that live in our communities. If a business has access to a college—or a CEGEP in rural Quebec—where they can go and solve a real-world problem in a quick manner, it is going to help out that business locally. That's a big bang for your dollar, if you will.

● (1145)

[*Translation*]

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

My next question is for Ms. Roberts or Ms. Corbin.

When I was in high school, my English teacher's name was Mr. Corbin, and he was from the Atlantic. I had a long way to go, but he managed to teach me the basics of English.

I'm not sure what I'm going to suggest, but according to my colleagues, the government announced a commitment of \$1 billion over five years to support the breakfast club and the association. That was in 2021, but the money still apparently hasn't been disbursed.

Is that what you're hearing, too?

If this money was paid out, how would it change the situation for organizations like yours?

[*English*]

Ms. Lisa Roberts: I'm not sure if I can entirely answer that question. You're referring to the Breakfast Club of Canada. That is its own charitable organization. It works through Nourish Nova Scotia, but it also has its own operations and many other relationships across Canada.

I'll just share one story that actually backs up the point that Ms. Corbin made about its making sense for the federal investment in school food to go through the provinces and territories.

I recently had an opportunity to meet with the Child Nutrition Council of Manitoba, which is the organization in Manitoba that is most similar to Nourish. However, unlike Nourish, it doesn't have a relationship with the Breakfast Club of Canada.

When the emergency support was made available during COVID, when the federal dollars flowed through the Breakfast Club and came to Nourish, we divided it, according to a formula, among the different regional centres of education.

In Manitoba, it went from the federal government to the Breakfast Club of Canada to the schools with which the Breakfast Club of Canada has relationships. Therefore, there were some educational regions that didn't get any federal resources. That's my understanding from the Child Nutrition Council of Manitoba. It was because the BCC doesn't have a relationship with every region, so some schools got a lot of money and were able to maybe really invest in a garden or in a cafeteria, but it didn't accomplish the sort of system-wide, relatively equitable distribution of that resource that I think is what you would want public dollars to serve.

[Translation]

Mr. Gabriel Ste-Marie: Thank you very much, Ms. Roberts.

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

Your five minutes are up.

[English]

Now we're going to MP Blaikie.

Mr. Daniel Blaikie: Mr. Bureaux, I take your point that the college system needs to do a better job on the “coming out of training and into a job” aspect. In Manitoba, I sat on the Apprenticeship and Certification Board there before being elected. I'm also a construction electrician myself. There were a number of folks in the pre-employment program that I was in who ended up working at a Home Depot or somewhere else. There's nothing wrong with that, but it's not maximizing the public investment in their education in those skills to have them diverted into retail instead of pursuing a career in the trades. Often, that was just because there was no assistance in getting hired on with a contractor. They couldn't start their apprenticeship in Manitoba unless they were registered with a contractor, so their educational journey that began quite hopefully with the pre-employment program came to a sudden end when they couldn't find employment as a first-level apprentice.

Therefore, I'm glad that the shipbuilding strategy created opportunities to work with industry to place people after that initial start in a trade. I wonder if there isn't a similar opportunity in housing that comes only with predictable and reliable funding. I think what we've seen is that, for instance, the coinvestment fund, which is one plank of the national housing strategy, is committed now, and it's not clear when the funds will be replenished. The rental construction financing initiative hasn't had a new project announced in at least 18 months, I think. There's this kind of feast and famine, not just in the construction industry, which is normal for the industry, but within government funding itself.

I wonder if you could speak to the importance—if you think it is important—of having reliable, predictable annual offerings of funding in an industry like housing, so that contractors feel more comfortable staffing up because they know there's some more work coming. Then we could increase the baseload of work so that companies and the college system can train for a higher baseload, which also creates opportunities for contractors who aren't thinking about

that regular work. However, there are just more people available, so they can grab from that larger base stock.

● (1150)

Mr. Donald Bureaux: Mr. Blaikie, I think you're spot on. This avoidance of peaks and valleys was exactly the philosophy behind the shipbuilding project: a 30-year arc of time that would prevent shipbuilding initiatives that last for three or four years and then the entire trained workforce having nothing to do for a period of time and leaving the industry. I am a big fan of that long arc of time, that ability for an individual to see themselves pursuing not a job but a career, and a career that will last many years, as well as an industry being able to see a predictable future in which it can invest.

We find that if in the long arcs of time we build only 25 to 30 warships over 30 years, then we've failed, because that is a priming of the pump for other types of innovation and creativity.

When President Kennedy challenged the U.S. to put a man on the moon by the end of the 1960s, the money spent on putting the man on the moon paled in comparison to the other spinoff innovations that occurred. My point is that economic growth happens exponentially when you have a long arc of time beyond the core project. We focus on housing as a national strategy. The spinoff from that will be exponential.

The Chair: Now we go to MP Duncan.

Mr. Eric Duncan: Thank you, Chair, and thank you to our witnesses for being here. This has been informative this morning.

Mr. Nahas, I want to build on some of the earlier comments. I was in municipal politics as a mayor in rural eastern Ontario. You mentioned the example of it taking four years from idea to vision to actually getting shovels in the ground or completing a project. We've heard this attitude even in some of the different panels, which I have found very frustrating. When I hear this attitude from the federal level, when it says this is just the way it is or it has to be, I don't buy that or believe that at all.

We talk about accountability in measures. If any one of us were to walk out in the street today and say to somebody who is struggling to find a place to buy or to rent, “Don't worry—we have a new plan, and in four years we'll have a spot for you,” we had better run pretty quickly. I think the response would be pretty harsh.

There has to be some accountability. The government now claims it is spending a record amount of money, and the results have never been worse. We have that flow-through, not only in a project being completed but also in funds actually being approved and given to get a project done.

In the four years it takes to get a building completed from vision to reality, in the last four years, what have your inflationary costs been to build an actual building, such as in the development right behind me? I imagine inflation being at record, 40-year highs. In terms of the general number across the country for construction inflation, some of the numbers we heard earlier this week were 30% to 40%.

Can you elaborate on just how much worse it's gotten in terms of costs to build in the last couple of years?

Mr. Norman Nahas: You've put me in a bad mood today. I was doing so well until now.

Mr. Eric Duncan: I apologize.

Mr. Norman Nahas: You're hearing those numbers. I wouldn't say any of that, if you looked at a specific sector, would be unreasonable to say. In general, I'd say it's probably a quarter, a good 25% lift on that.

To your note about telling somebody who needs a home now that we'll have one for them in four years, the reality—and I'm not sure about how it is across the country—is that in Halifax the secret is out about how great this place is. Between the great universities and colleges, the port, the airport and all the other great things about it—

A voice: The donair.

Mr. Norman Nahas: —and the donairs, we have a lot of amazing things happening. People want to be here.

The reality is that if we tell people we'll have a home for them in four years, I don't think we'll have even that, because we still aren't making a third of what we need, even with these initiatives that are coming. Yes, they'll put more shovels in the ground and people will find a way to get it done, because that's what entrepreneurs and builders do, but I think it's still going to fail in comparison to what we realistically need.

• (1155)

Mr. Eric Duncan: There are 3.5 million new homes needed to meet demand by 2030. We have to triple the current number of housing starts. We've had the lowest number since 1972, and we've actually dropped from last year as opposed to tripling. I hate to be depressing, but I'd say the most realistic part is that it's going to get worse, not better, at the rate we're going in terms of the actual idea versus the reality of implementation.

Mr. Bureaux, perhaps I can ask a question, in my remaining time, about student capacity. I mean on a campus, for example, in terms of the admissions you have. You would obviously factor in the number of faculty you have and the classroom space you have. Do you use anything in terms of the housing available, both on campus and off campus, to determine...? I mean not just for international but for all students, whether they're Canadian or international. Is that ever a factor in what you do and use for admissions numbers year to year?

Where I'm going with that is towards the siloed approach, in that very often you can't tap into funds directly to help build more housing on or off campus, yet it's a major factor and we have people declining to go or not being able to go because of that factor.

Mr. Donald Bureaux: I'm sorry, Mr. Duncan. What's your question?

Mr. Eric Duncan: Whenever you're doing admissions numbers and deciding you're giving admission letters to x number of students on a campus, does the amount of housing available determine how many admissions you have and how many students you have on a campus?

Mr. Donald Bureaux: That is going to become part of our art and science of enrolment. We've seen for the past couple of years—the first time since I have been president—a large number of people finding an acute shortage of housing, but here's the interesting thing: It's not only in metro Halifax. It's in Yarmouth. It's in Springhill. It's in our smaller communities now, like Bridgewater.

We have students asking us if it's okay if they sleep in their truck in our parking lot. No, it's not, and it's not because they can't; it's just socially not the right thing for them to be doing, so let's find them a place to live.

That will become much more a part of the algorithm of finding the right math between enrolment and admissions.

The Chair: Thank you, MP Duncan.

MP Blois, you'll be our final questioner for today's session.

Mr. Kody Blois: Norm, I'll try to get you out on a happy note and put a smile on your face.

Mr. Duncan talked about cost increases. These are things we're seeing around the world in the supply chain and some of the impacts.

I'm going to read a few things off. You're the only one I know in this room who builds housing. I guess Daniel could help you on the electrician side. There's increasing height in established zones, increasing height in residential and corridor zones, increasing as-of-right development approvals, removing more minimum parking requirements and allowing four units per lot by-right city-wide.

There's been a lot of talk about the municipality. Mr. Perkins talked a lot about Halifax approvals and challenges. Those are some of the conditions that Minister Fraser is putting on the municipality in order to receive federal money for housing.

As a developer, does that move the yardstick in the right direction in dealing with the municipality? By the Government of Canada basically saying that if you want housing money from the Government of Canada, it expects you to do this, does that make your life at least a bit easier in going in the right direction?

Mr. Norman Nahas: Sure it does. I was glad to hear that pre-announcement yesterday, and I look forward to reading the full press release on it, hopefully, here today.

It takes some of these...I don't know if it's a Big Brother type of mentality. We saw a similar thing when the province set up a housing committee. I don't know if it was to oversee or to help the municipality with getting things approved to ultimately expedite housing start-ups and builds, and to do it with the proper people who can actually get it done.

Mr. Kody Blois: Absolutely. I think I would agree with some of my Conservative colleagues on the concerns around processing and time. That's exactly why we're being focused in saying that we are going to have targeted money and we expect these outcomes. It's to make sure that we're putting that pressure on.

I want to move to the folks from Nourish Nova Scotia.

Do you have a cost estimate, just very quickly, of what it might look like? I know we would have talked about this before. Do you have even just an estimate on a Nova Scotia lunch program? If you don't, maybe you can send that in to the committee later.

Ms. Lindsay Corbin: It is, unfortunately, a complicated question. However, I can certainly tell you there are examples of.... Like Lisa said, if you're looking just at food costs, it's \$1.50, but I know one that is \$2.00 for just food costs, so I'd be guessing \$5 per lunch, but we don't have conclusive data at this point.

● (1200)

Mr. Kody Blois: I know you guys had some rough estimates...even whatever this committee could have in Nova Scotia. Let's say it's \$40 million or \$50 million of new spending per year. That at least gives this committee something to chew on as we go back and perhaps look at recommendations that you've talked about in advancing this really important issue.

While I have the opportunity, I think about folks at places like the Station Food Hub, which is really focused on working with farmers to package and ensure that there's healthy local food delivered in an institutional setting. Whether or not that's hospitals, or whether or not that's food, we'd like to put that on the record, Mr. Chair, in terms of the work.

I have about 30 seconds on this one for you guys.

Do you see a role for government in matching and working with the private sector?

I think about people like Joe and Sue from the valley. They're great philanthropists and people who want to invest in the community. Joe is on me all the time, saying they want to help to find some private money that could help complement public money in this.

Are there any thoughts from Nourish Nova Scotia? I guess it's about just trying to drive resources on this question.

Ms. Lisa Roberts: I actually had a conversation with Joe early in my days at Nourish, and there's certainly a lot of passion.

Frankly, what we see is that schools are in communities. Schools are not separate from communities, so often the solutions to putting good quality, preferably local, healthy food in front of students each day involve many different partners, and that's part of the role we play here. We're serving the community around the school to see who the partners can be. Many of those are non-profits, but some of them are private. They tend to be local, rather than the larger corporate—

Mr. Kody Blois: That's great. Thanks. I have only 35 seconds left, and I want to get in a final one for Don.

There's been talk about having NSCC work with the province on vacant provincial Crown land to build housing for students. I think there's certainly a role for the Government of Canada. I've talked to the President of the Treasury Board. I think our disposal process on federal vacant lands is too long. In some cases it's five or six years.

Just quickly, with the 13 campuses you have here in Nova Scotia—I think about Kentville and Middleton, for example—if there was capacity around vacant federal lands, is that something you think NSCC would be willing to partner in to drive those initiatives on, perhaps, student-led housing for your community colleges?

Mr. Donald Bureaux: Yes.

Mr. Kody Blois: That's great. I knew that was going to be the answer.

I want to thank you, Mr. Chair.

The Chair: That's a good way to end, on that answer. Thank you, MP Blois.

Listen, we are here at the home of Pier 21 in Halifax, where many have come from right around the world. We've heard from those who have settled here and built businesses through innovation and hard work; our colleges, with all their support; nutrition programs to help our kids have a healthy start to their learning; and of course this includes all the new settlers we have coming in, and how we can support them.

On that, on behalf of the members of the committee, the clerk, the analysts, the interpreters and everybody who has helped us on this cross-country tour in our pre-budget consultations, we want to thank our witnesses. You guys have been amazing and tremendous. Thank you for your testimony. It will help shape and inform the report we are presenting in advance of budget 2024. Thank you very much.

That will conclude our meeting. We're adjourned.

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