



House of Commons
CANADA

Standing Committee on Finance

FINA • NUMBER 063 • 2nd SESSION • 40th PARLIAMENT

EVIDENCE

Thursday, November 5, 2009

—
Chair

Mr. James Rajotte

Mr. Lazar, you spoke about there being a problem with private investment being held up. I'm just wondering, is that because there's little or low chance of a return on investment, or is it because there's no capital out there?

Mr. Avrim Lazar: It's both. If you look right now, there's very little capital out there, but as markets are returning, there is going to be global competition that is fiercer than we've seen in a generation. Everyone is going to compete fiercely for the little bit of money that's going to be invested, and the quality of the business conditions is going to be a major determinant.

One of the reasons why the accelerated capital depreciation would work now is because speed of return is going to be a bigger consideration than it was before the recession because everybody's hurting.

Mr. Massimo Pacetti: Who are you competing against for that private capital? Are you competing against other sectors, or are you competing against international competition?

Mr. Avrim Lazar: It's both. Obviously we're competing with other parts of the forest industry internationally, but also, money is pretty free. It could go anywhere.

Mr. Massimo Pacetti: Thank you.

Mr. Zarins, just quickly, I've been a member for quite a while and I know your association has asked for a national standard on helmets. I know that in Quebec they're obligating people to have helmets on ski hills. I'm a hockey coach and they have obligated us to have helmets. What has been the problem with having a national standard?

Mr. Harry Zarins: I'll get specific with the alpine and snowboard helmets. CSA has developed a standard, and the standard has not yet been put on the market in terms of saying the standards we want Canadians to purchase are standards we're developing in Canada. Those are the ski and snowboard helmets, and that has not been—

Mr. Massimo Pacetti: Is that at the Canadian level or the provincial level? Is that the national level?

Mr. Harry Zarins: That's the national level.

Mr. Massimo Pacetti: Who has to put that forward? Health Canada?

Mr. Harry Zarins: Health Canada, yes.

Mr. Massimo Pacetti: Thank you.

Quickly, Mr. Halpin, you were saying that the Atlantic universities have about 7,000 international students?

Mr. Peter Halpin: Yes. It is 7,338, to be exact.

Mr. Massimo Pacetti: In terms of percentage with the rest of Canada, would yours be higher than in other areas or regions?

Mr. Peter Halpin: I think our numbers are about average. International student enrollments increased right across the country in this current academic year.

Mr. Massimo Pacetti: How many of those would actually want to stay or be eligible to stay?

Mr. Peter Halpin: What we understand from the Canadian Bureau for International Education...this is a little more anecdotal than the Citizenship and Immigration Canada numbers, but we

understand that about 30% will apply for permanent resident status either during their studies or upon graduation.

Mr. Massimo Pacetti: Thank you.

In conclusion, Ms. Fitzgerald, you talked about leverage funding. How successful is CIHR in being able to get leverage funding, and what are we talking about? Is it dollar for dollar? For every dollar of funding that CIHR puts into a project, you'll get how much? Does it depend?

Mrs. Christine Fitzgerald: It depends on the project, and I mentioned today we—

Mr. Massimo Pacetti: So what would the range be? Would it be dollar matching? How low would you go?

Mrs. Christine Fitzgerald: It could be matching. It could be \$1 for \$2. It depends. We've leveraged \$800 million to date. Of that money, about a third is from health charities, NGOs, and so on. A third is from governments, like provincial governments. The other third is from the private sector.

• (1030)

Mr. Massimo Pacetti: Great. Thank you.

The Chair: Thank you very much, Mr. Pacetti.

I want to thank all of you for being with us here this morning, for your presentations to the committee and your responses to our questions. We will certainly take all of your recommendations under consideration when we prepare our report.

We will ask the second panel to come forward. We will suspend for two minutes, bring the second panel forward, and begin as soon as possible. Thank you.

• _____ (Pause) _____

•

• (1035)

The Chair: We have another series of organizations here for our second panel, the last panel of our pre-budget consultations.

First we have Own the Podium 2010, which is obviously very timely with the Olympics. We have the Pallium Foundation of Canada, the Physical Activity Policy Collective, the National Graduate Caucus, the Association of Canadian Airport Duty Free Operators, the Canadian Vintners Association, and the Canadian Restaurant and Foodservices Association. Each of you has five minutes for an opening presentation, and we'll start with Own the Podium, please.

I should say this is our third medal winner at the committee, so a special welcome to Alex Baumann.

Dr. Roger Jackson (Chief Executive Officer, Own the Podium 2010): You've got four, Mr. Chairman, because I'm an Olympic champion as well.

The Chair: Oh, I'm sorry.

Dr. Roger Jackson: But I'm well-decayed, as compared to my compatriot, Alex.

• (1040)

The Chair: What sport?

Dr. Roger Jackson: Alex was a swimmer. I was a rower in three Olympic games.

The Chair: Great. Congratulations.

Dr. Roger Jackson: Thank you.

Thank you very much, ladies and gentlemen, for inviting us to appear, and we will be brief. We have submitted quite a thorough document to you, which will contain the detail of our presentation.

I am the chief executive officer of Own the Podium. Alex is the chief technical officer. We have been the leaders of the program over the last four or five years to prepare our athletes, both for the Olympic Winter Games in Vancouver and the summer games in Beijing and London.

The Own the Podium program, as I think you know, is a very special initiative of the Government of Canada, the Vancouver Organizing Committee, the Olympic Committee and Paralympic Committee, and all the winter sports to try to upgrade the quality of our team performance at the Vancouver Games in 2010. It was determined that if we did not do that, the games would not be a success. They wouldn't capture the interest and the pride of all Canadians, and therefore we should do something about it.

So a consortium was formed with those partners I mentioned. We have had funding for five years, up to March 2010. Our dilemma is that following March 2010, 40% of our funding disappears as a result of the organizing committee ceasing operations and all their corporate and provincial government contracts ceasing at that time. So we're here today to express our interest and ask for your support to provide \$22 million a year of base funding for the winter sport program so that we might continue the great success we've had to date. The success is very clear. Yesterday in the Toronto *Globe and Mail* the front page said Canadian athletes will win the total number of medals at the Olympic Games, as expressed by international media.

It's true. We have come from 4th, 5th, and 6th position six years ago to number one position in the world. We had 17 Olympic medals two games ago. We will have somewhere around 29 to 32 or 33 Olympic medals, more than Germany, more than Russia, more than the United States. Other than bragging about that, because that has been the result of our national sport federations responding to the initiatives, the important thing for Alex and me has been the fact that we have begun to revolutionize how we deliver sport in this country, in partnerships with corporations, with provinces, with the federal government, and with the general public, and we do want to keep that momentum going.

Our team will be enormously successful. We have made great progress, but if we don't have continuing funding, what happened when we held the games in Montreal, what happened when we held the games in Calgary, will happen again. Our funding will stop and all our momentum and achievements will disappear, or at least a great majority of them. We will not be able to fund the 16 winter sports we're currently funding. We'll probably have to cut our program to about half that number. We won't be able to continue the science and innovation and technology programs that have given Canadian athletes the best skis, the best bobsleighs, the best suits, the best sports psychology, the best sports medicine support that you

would find in any country in the world. We will not be able to access a number of the expensive facilities we have to access for the winter sports to keep our programs going.

So we're here today to request your support. The Government of Canada has been the leading partner of this Own the Podium initiative. Obviously, we wish you to continue to assist us in this endeavour, and we will be very grateful for your support.

Thank you, Mr. Chairman.

The Chair: Thank you very much for your presentation.

We'll now go to Ms. Baxter, please.

Ms. Sharon Baxter (Executive Director of the Canadian Hospice Palliative Care Association, Pallium Foundation of Canada): Good morning. Thanks for allowing us to come and present to the finance committee today. We'd like to keep our presentation brief and draw your attention to the brief that we submitted. The written brief is submitted for further details.

The brief is a submission between the Pallium Foundation of Canada and the Canadian Society of Palliative Care Physicians, and it is supported by the Canadian Hospice Palliative Care Association, of which I'm the executive director.

I'm just going to speak for a minute or so and then turn it over to Dr. Pereira. We wanted to bring your attention to some startling facts.

Last year over 259,000 Canadians died. The Canadian Institute for Health Information for the first time tracked access to hospice palliative care programs in the four western provinces and estimated that, at best, only 35% of Canadians had access to these services.

There are some things we know.

We know that a 35% access to hospice palliative care will not support a healthy population, nor will it support the sustainability of existing health care delivery systems. We know that Canadians need to talk about end-of-life wishes, often referred to as advance care planning, but are not necessarily doing this. We know that the population of Canada is aging, and that by 2020 we'll have 33% more deaths in this country.

Family and friends are accepting greater responsibility in caring for the seriously ill and dying than ever before, under tremendous stress. This could easily become a burden that cripples Canadians' workforce productivity in the years to come.

Our existing delivery systems are stretched. They are not designed to support complex chronic care characterized by longer periods of decline and dying. We urgently need to support more practical solutions so that end-of-life care is integrated into acute care, long-term care, complex continuing care, residential hospice, and home and community networks.

The Quality End-of-Life Care Coalition of Canada, of which we're all members, believes it should be the right of every Canadian to die with dignity, free of pain, surrounded by a loved one, in a setting of their choice.

We really urgently need to better understand quality of life and economic factors when making decisions around settings of care and choices of care. We can do better in this country, and in doing so, we could support healthier communities, a more caring Canada, and a healthier, more competitive Canada.

José.

• (1045)

Dr. José Pereira (Founding Director, Pallium Foundation of Canada): Thank you very much. I'm Dr. José Pereira. I'm a palliative care physician and I'm head and professor of palliative care at the University of Ottawa and at the Bruyère Continuing Care facility here in Ottawa.

I would like to speak to the two recommendations in our submitted brief. The first one is that the Government of Canada extend its research investment in palliative and end-of-life care through at least a five-year palliative and end-of-life research innovations fund, in an amount of at least \$16 million.

Canada, through Canadian Institutes for Health Research, has just completed a five-year palliative research initiative. We learned a great deal, but we have much more to learn. Where, for example, are the gaps in services and how can we best address these gaps? Why are so many terminally ill people still dying in hospitals rather than at home or in hospices? Why can we reallocate health care resources to improve end-of-life care and reduce hospital costs in some parts of the country but not in others? How are we going to better provide end-of-life care as the population ages? How can we better alleviate the burden of suffering? How can we improve pain and symptom control? How can we take the excellent Canadian research done over the last eight years on dignity-conserving care to the bedside? What would be the impact on persons with disabilities, chronic illnesses, and the frail elderly?

The second recommendation asks for public engagement and engagement of health care professionals. Many doctors, nurses, and other professionals in practice today have not received adequate training in caring for dying persons. For eight years, starting in the west and now with local and national partners throughout Canada, the Pallium project has been building capacity at a primary health care level. Partners from universities, health care service, government, and not-for-profit agencies have extended their time and expertise to develop essential building blocks for quality end-of-life care.

However, we still have a long way to go. Local leaders throughout Canada have been telling us that their local communities can be compassionate communities, but they need more of the tools and resources to build their confidence and their local capacity.

Thank you.

The Chair: Thank you very much for your presentation.

We will now hear from the Physical Activity Policy Collective.

Ms. Andrea Grantham (Executive Director of Physical and Health Education Canada, Physical Activity Policy Collective): Thank you. It's great to be back on Parliament Hill.

I had the privilege a couple of years ago to speak to many of you on the issue of childhood obesity. We played a role in the Dr. Kellie

Leitch report, "Reaching for the Top". This report provides important recommendations for improving the health of Canadian children and youth.

For more than 16 years, I've worked with an organization called Physical and Health Education Canada, and I've been working hard at promoting and enabling every child in this country to benefit from quality physical and health education programs. In these times, it's hard to imagine anything more important.

I come here today as part of the physical activity policy collective, a group of organizations and leaders, such as the Canadian Fitness and Lifestyle Research Institute, the Canadian Parks and Recreation Association, and many others. These groups and the people who make them up are committed to ensuring that Canada is a country that values the health of its people, a country that offers all Canadians the opportunity to participate and lead healthy, active lives.

What I'll be speaking about today builds on the recent appearance by ParticipACTION, another organization involved with our group. You have our brief, so I won't read it to you. In simple terms, we're asking you to initiate a \$20 million investment to address Canada's physical and health inactivity epidemic.

Today, I'd like to highlight three important considerations to assist you and your officials in drafting your recommendations for the coming budget. Essentially, we're asking the committee to address the Government of Canada's financial role and contribution to promoting a physically active Canada.

The first consideration I'd like to bring to your attention is this: knowing what's the matter is not what's the matter. We have extensive research on the benefits of physical activity and the consequential harm from sedentary lifestyles. We hear this evidence regularly in the media, and the Active Healthy Kids Canada report card reminds us each year of the slow progress we're making in Canada.

The case for the importance of physical activity has been made, yet Canadian physical activity levels continue to decline. More than half of the Canadian population of adults is inactive. Fifty-seven per cent of Canadian children are not active enough for optimal health. In fact, 26% of Canadian children are either overweight or obese. We are one of the top five developed countries in obesity levels.

The second consideration I'd like to bring to your attention is investing in what we know has yet to happen. Considering this evidence that we've heard about, federal government investments in physical inactivity are critical. It just makes sense.

Studies show that increasing physical activity in Canada by just 10% would result in health care savings of about \$150 million. That's about \$6.15 per capita. Yet only a small fraction of that is invested in promoting physical activity in this country.

Current investment in physical activity initiatives sits at around 36¢ per capita, and this investment comes from a patchwork of funding that is declining every year. There was a time when Canada was a global leader. However, this is no longer the case. Currently, Canada is just resting on its reputation.

The good news is that a commitment has been made across all parties to spend the equivalent of 1% of federal health spending on physical activity in sport. This kind of all-party consensus, while rare, is entirely appropriate given what we know, but we have a long way to go before we can get there.

My final consideration is that returns on the investment fit our challenging times. Leading researchers like Dr. Andrew Pipe, who sends his regrets today, Dr. Mark Tremblay, and Dr. Art Quinney, among many others, tell us that the best way to counteract chronic diseases like diabetes, heart disease, stroke, and cancer is to increase physical activity levels among Canadians.

In a society where sedentary activities have long been predominant at work, home, and play, there has never been a greater need to address this issue. Canadians understand this. A recent study about to be published in the coming weeks reports that 93% of Canadians believe that the government should be doing more to support physical activity and sport programs.

In closing, I ask you, how much more evidence do we need? It is time to begin that investment and get back on track to the 1% commitment. This requires a commitment by the federal government of \$20 million to get us on track, leading to \$100 million at maturity.

Without this investment, we will not have public education initiatives, initiatives for our aging population, dedicated programs to support low-income families, or after-school initiatives that support increased physical activity while offering alternatives to youth violence. This investment will result in active community programs and services, more productive workplaces, and much more.

I appreciate the opportunity to speak with you today. I ask that you include this important provision in your report.

Thank you.

•(1050)

The Chair: Thank you for your presentation.

We'll now hear from the National Graduate Caucus.

Mr. Graham Cox (Researcher, Research Branch, National Graduate Caucus): Good morning, and thank you for the opportunity to speak to you today about graduate student priorities for Budget 2010.

The National Graduate Caucus is Canada's largest graduate students organization, representing more than 70,000 graduate students from more than 30 campuses across the country. We see the investment in graduate students and their research as an essential investment in the future needs of the Canadian economy. Graduate

students are the drivers of long-term innovation through their research, and they also go on to become the high-skilled, highly qualified workforce required in the knowledge economy.

There have been modest improvements in graduate student funding in recent federal budgets. However, these increases have still not made up for the cuts to the granting councils that occurred in the 1990s. Also, the latest increases in funding to the Canada graduate scholarships program were geared towards specific areas of private industry, a policy that limits long-term innovation. The short-term increase in the number of scholarships distributed under the Social Sciences and Humanities Research Council was also directed only towards business-related degrees. Canada's research community responded negatively, as the move undermined the independence of the council and internationally recognized peer review standards within academia.

This short-sighted research policy only undermines Canada's world-class research community and damages Canada's international reputation. According to the recent studies carried out by the Organisation for Economic Co-operation and Development, Canada is falling far behind other industrialized countries in the area of private sector research and development in innovation. The use of public tax resources to subsidize private-sector-driven commercialization projects in universities negatively affects incentives for the private sector to invest in in-house research and development.

The policy also reduces the job opportunities for graduate students after they graduate. Public sector funding for university research is essential to reverse this trend. Today, graduate students are also facing increased challenges. Graduate studies have expanded 37% in the last decade as the demand for workers with advanced degrees has grown, with a shift to a more knowledge-based economy. Despite the growth, there has not been an adequate increase in the funding for graduate studies.

This reduces not only the affordability of graduate school but also the quality of research. Graduate students incur increased debt loads during their programs and face a faster rise in tuition fees than undergraduate students. A Statistics Canada report released earlier this year showed that PhD graduates can only look forward to an increase in their pay of an average of \$4,000 over that of masters students, even though they have studied, have done research, and have paid tuition fees for an extra five years of university.

Basic curiosity-driven research that graduate students carry out is the foundation for the future economy and it establishes the long-term innovation possibilities for enterprises. The United States, European countries, and growing economies such as China and India have invested much more heavily in university research in response to the global recession. Canada has been ranked by an international panel to have one of the most efficient and effective discovery grants programs in the world in producing innovation and top-tier research. However, investment by the federal government in the councils that fund university research was cut by up to \$148 million over three years in the previous budget. Our recommendation, then, is to restore the \$148 million to the granting councils and to increase in both proportion and amount that funding to go to basic research by graduate students. We recommend that this money be asymmetrically allocated through the Social Sciences and Humanities Research Council to make up for a historical underfunding of these programs.

Our second recommendation has to do with the increase in the number of graduate students who receive direct funding for their studies. Since 2006, the federal government has provided little in the way of upfront grants to graduate students. The 2008 budget increase in the number of graduate scholarships did not reflect enrolment in graduate studies. Only 15% of new scholarships went to graduate students studying social sciences, humanities, and arts, which is where approximately 50% of graduate students study. The 2009 budget continued this trend, with only a \$17 million increase of the \$88 million invested going to SSHRC and all of that \$17 million going to business-related degrees. This excluded well over 90% of graduate students in the social sciences, humanities, and arts. The recommendation is to double the number of Canada graduate scholarships and proportionally distribute those grants according to enrolment.

I'll end my presentation here. I look forward to providing more in-depth information during the question period. Thank you for the opportunity of speaking with you.

•(1055)

The Chair: Thank you very much, Mr. Cox.

We'll go to the Association of Canadian Airport Duty Free Operators.

Mr. Richard Rendeck (Chief Executive Officer of Nuance Group North America, Association of Canadian Airport Duty Free Operators): Thank you, Mr. Chair and committee members, for the opportunity this morning.

I am Richard Rendeck, CEO of the Nuance Group. I'm here with Myron Keehn today, the director of concessions and development at Edmonton International Airport. We're here today representing a coalition of international airports in our country and duty free operators with respect to advocating an arrivals duty free program consistent with over 50 countries throughout the world.

This is clearly a spreading phenomenon throughout the planet, so now we find ourselves at a competitive disadvantage for our Canadian employees due to cannibalization of our business offshore. I think the government has understood this. We've been here for two years now. Last year, the government put a recommendation in its report for consultation for the budget, so they clearly gave a favourable recommendation for arrivals duty free. We've had those

consultations now as well, and we're here today to say thank you for that. We wanted to update the committee on the issue and request that you recommend to the government to include a full implementation in 2010. We've got the ball into the red zone; we're just trying to punch it in.

Really, our point here is that consideration of this program comes at a particularly urgent time, given the economic crisis, the fact that we're a smaller world now, and also the fact that we can't seem to get an international agreement on liquid and gel restrictions, etc. Our business has changed completely, and not for the better, so we're looking for solutions here. With the environment being what it is, I think we present this also as a no-cost stimulus measure for the government. We're not requesting any funding. We're not requesting any assistance. We simply seek a small change in two paragraphs in existing tax law to allow us to recapture some of our business lost to other countries. I think consumers of this country might like it too, but I think you've already determined that.

I'll now hand it over to Myron for a different view.

•(1100)

Mr. Myron Keehn (Director of Concessions, Land and Parking Development, Edmonton International Airport, Association of Canadian Airport Duty Free Operators): The arrivals duty free concept is strongly supported among stakeholders and other groups. The coalition is made up of the airports in Vancouver, Edmonton, Toronto, Ottawa, Winnipeg, Montreal, and Halifax, on the duty free side, with the three duty free operators in Canada, which are Nuance, Aldeasa, and Aer Rianta. The coalition is focused on educating the provinces, as well as working with the already strong support base we have from retailers, chambers of commerce, and regional and civic tourism authorities.

A good quote one of our supporters gave us is that they believe an arrivals duty free program would keep Canada competitive with other foreign jurisdictions in a time of rapid change in the travel retail market.

Mr. Richard Rendeck: Let's get some of the numbers—what they mean.

When I say it's no cost, it's actually probably revenue-positive to the nation. We figure we're talking around 400 new jobs across Canada to repatriate and grow our sales; \$13 million in wages—these are immediate impacts—and \$4 million in federal taxes annually; enhancing our international competitiveness, because certainly in our arena it's coming down; supporting Canada's gateway policy; probably increased customer satisfaction; some environmental benefits on loads that go onto aircraft that leave a trail. I could go on and on, but I think clearly there's a number of benefits to be had by a policy that costs nothing.

Mr. Myron Keehn: ADF would not reduce the current federal or provincial tax revenue base, or create additional costs, as Dick has mentioned, so it's a no-cost stimulus policy. It doesn't require government funding, and we complement the goal of this committee to find policies that will stimulate our economy.

Airports have already invested gated opportunities to locate new stores within the international arrival areas and will assume all infrastructure costs. Federal and provincial governments stand to benefit through additional tax revenue that arrivals duty free would bring. It doesn't compete with domestic retailers. In fact, a number of organizations representing domestic economic interests, including the Retail Council of Canada, support the concept of ADF. Introducing ADF would result in positive local economic benefits in these challenging times by spurring economic growth through sales that would otherwise occur abroad.

Implementation of ADF at Canadian airports would not cost the Government of Canada or effect a province a net tax loss on current revenues. A global review shows that ADF does not reduce purchases at domestic retail locations. Rather, ADF entices passengers to purchase goods upon arrival in Canada, as opposed to purchasing abroad. The experience led Australia to expand their arrival duty free program in 2008, and other countries are actively pursuing the same thing. Airports have facilities that are ADF-ready, or could be momentarily.

Mr. Richard Rendeck: Let me briefly wrap up.

In conclusion, I think our ask here is that we are in the red zone; we want to punch it over. That's our conclusion.

Cynics would say that government can't effect change. I disagree with that completely. I note the H1N1 readiness. Also, the last time I was here, this room was completely different, so clearly change can happen. Our goal is that the government has recognized our efforts all the way along, so we simply want to punch it through.

Thank you.

The Chair: Thank you for your presentation.

We'll now go to the Canadian Vintners Association.

Mr. Dan Paszkowski (President and Chief Operating Officer, Canadian Vintners Association): Thank you, Mr. Chair.

My name is Dan Paszkowski. I am the president of the Canadian Vintners Association. We represent the Canadian wine industry across Canada. We're responsible for more than 90% of wine production. Our members are engaged not only in the grape-growing and wine-producing elements of the business; we are involved in

grape harvesting, bottling, retail sales, and a significant amount of tourism.

I will restrict my remarks today to three areas, which I'll briefly discuss.

Agricultural plant replacement provisions is the first issue. We have addressed it for a number of years in our pre-budget submissions. The Income Tax Act's replacement planting provisions under subsection 44(1) do not provide Canadian farmers with the economic flexibility required to improve their businesses by shifting crops to better value-added opportunities.

The Income Tax Act presently permits the deduction of replacement plant expenditures if the replacement is within the same species group. For example, if I go from one Chardonnay to a Merlot, I'm allowed to write off my replacement expenditures against my taxable income. However, the current interpretation does not allow for the deductibility of such expenditures if we shift from one species to another. So if I go from tobacco to grapes or from apple orchards to grapes, I'm not allowed to write off our expenditures for moving into a new value-added opportunity.

We believe that amending the Income Tax Act or the interpretation of the act makes good sense and reflects the business realities of today's agricultural business. Farming businesses, like other businesses, base their decisions on solid research and sound business practices, and we should be provided the same flexibility as provided to the manufacturing industry, which is permitted to deduct expenditures when shifting production from one widget to another.

Our second element is winery infrastructure investment and taxation. Wine is the highest value-added agricultural product in the world, and our industry is an important generator of value-added revenue across wine-producing regions. We produce high-quality grapes and wine, but we're also a catalyst for complementary economic activity, such as shopping and dining, museum and art galleries, theatres, festivals, etc.

Furthermore, it's important to note, in contrast with the situation respecting most value-added products, that wine sales are restricted to the winery retail and provincial liquor board sales, as well as direct sales to restaurants. Direct consumer winery sales across provincial boundaries are not permitted in Canada by virtue of the 1928 federal Importation of Intoxicating Liquors Act; therefore, we have very limited sales opportunities for our product in this country.

Given this, it's critical that wine businesses be able to attract new and repeat customers and tourists. This requires not only top-quality wines, but first-class winery infrastructure. To meet these needs, we recommend that a two-year vintners investment tax credit be implemented to support winery infrastructure improvements, whether these be building, retail and tourism, production equipment, or environmental improvements. We are proposing a 30% non-refundable tax credit for eligible expenditures of not more than \$1 million, resulting in a maximum annual credit of \$300,000 for participating Canadian estate wineries. The tax credit, as we recommend, would apply to the fiscal years 2010-11 and 2011-12, making a two-year restricted program.

Further, in last year's budget the federal government recognized the importance of increasing the small business income threshold from \$400,000 to \$500,000. We support this measure, but given the large capital investments required by today's wineries, from land acreage to capital investment to tourism and retail stores, the small business deduction qualifying asset test often eliminates the intended benefits through a straight-line reduction for those businesses with capital assets between \$10 million and \$15 million. As winery and small business investments continue to grow, access to the lower rate on the first \$500,000 of qualifying income is restricted, given the qualifying asset test, which has not been adjusted to compensate for inflation since its introduction in 1994.

Turning to wine excise taxes, in 2006 the federal government eliminated the excise tax on 100% Canadian wines; however, it also increased the excise tax by 21% on all wines. Some 85% of Canadian wine production is of blended wine product. What we're seeking is that the excise tax exemption be extended to the Canadian content in those blended wines, given that the excise tax increase has resulted in roughly an \$11-million-per-year increase for our industry, in a difficult climate wherein we're trying to compete with low-cost value wines from around the world.

• (1105)

Thank you very much.

The Chair: Thank you for your presentation.

We will finish with the Canadian Restaurant and Foodservices Association.

Ms. Joyce Reynolds (Executive Vice-President, Government Affairs, Canadian Restaurant and Foodservices Association): Thank you, Mr. Chairman, and good morning, committee members.

I'm very grateful for the opportunity to appear today. I apologize that I wasn't able to make it last week, and I appreciate your fitting us in. Our president, Garth Whyte, sends his regrets, but Ron Reaman has ably stepped in for him. I'm pleased to be here on behalf of our \$60 billion food service industry.

Canada's food service industry accounts for 4% of the national economy, but our real strength lies in the contributions we make to communities of all sizes across this country. Our 84,000 restaurants, cafeterias, coffee shops, and bars are gathering spots for people from all walks of life, and we are proud to serve as a social club for seniors, the boardroom for small business, and a meeting place for community groups. You'll find us wherever Canadians gather to

celebrate, do business, spend time with family and friends, and yes, to talk politics.

We are uniquely positioned to contribute to economic recovery and growth. Every \$1 million in restaurant sales creates 27 jobs, making our industry one of the top five job creators in Canada. Every dollar spent at a restaurant generates an additional \$1.85 in spending in the rest of the economy, well above the average for all industries in Canada. And the diverse nature of our industry means the benefits are felt in every community, not only in major centres.

With more than one million employees, food service operators employ more people in Canada than agriculture, forestry, automotive manufacturing, mining, and oil and gas extraction combined, and they do so without government handouts, bailouts, or subsidies.

In the short time available to us this morning, I want to talk to you about three critical issues facing food service operators in this country: first, a new 7% sales tax on all restaurant meals as a result of GST/PST harmonization in British Columbia; second, the prospect of ballooning payroll tax costs; and third, rising credit and debit card fees resulting from unfair business practices by credit card companies and their processors.

First of all on the GST, it's not a neutral tax, because it treats food differently depending on where it's purchased. The grocery industry has capitalized on this tax advantage by introducing thousands of new products that compete directly with restaurants. The Province of British Columbia has always taxed food fairly, but sales tax harmonization requires a new 7% tax on restaurant meals, which will result in an annual loss of nearly \$50,000 for the average restaurant in B.C.

While it was the provincial government's decision to harmonize, it's federal government rules around harmonization that will cause hardship to the industry. The federal government has limited provincial tax exemptions to 5% of the GST base, and food service alone accounts for 13.3% of the base. The federal government has dictated the timelines for implementation, and the federal government has also provided the provincial government with a \$1.6 billion incentive to harmonize. As a result, the industry needs the federal government to commit to federal-provincial solutions to limit the harm of harmonization to food service operators.

Overwhelmingly, the industry is asking for a full meal tax exemption. At a minimum, both governments must agree to phase in the tax over a three-year period. The precedent has already been set for a graduated implementation with a phase-in of the input tax credits for restaurant meals. A phase-in of the tax will help to avoid the severe sticker shock that will chase customers to tax-free alternatives in grocery stores. We can't repeat what happened in 1991 and change customer habits forever.

A food service business's key inputs are food and labour, and the costs of both have been rising dramatically. Neither is subject to input tax credits. Harmonization, through input tax credits, provides tax relief to capital-intensive companies. Payroll tax reductions would provide relief to labour-intensive food service businesses.

While we appreciate that EI premiums have been frozen in 2009 and 2010, we are concerned about 2011 and beyond, particularly since the government, in its projections, appears to be relying on revenues from increased EI premiums to reduce the country's deficit. Payroll taxes are the worst form of tax, because they are profit-insensitive, regressive, job-killing, and a drain on the economy.

For years we have pressed for a separate EI account, so that EI premiums could not be diverted to general revenue for purposes unrelated to EI. Now that we have a separate account and rising EI costs, we need to ensure that some of the \$57 billion of overcontributions will be diverted back to this fund so that premiums do not have to be increased.

In fact, we are recommending a targeted reduction in EI premiums through a yearly basic exemption, or YBE.

• (1110)

The Chair: Ms. Reynolds, briefly conclude, please.

Ms. Joyce Reynolds: Okay. There's lots more about the YBE in our brief.

I also want to touch briefly on credit card and debit card fees. Again, we appeared before this committee earlier this year. We provided a detailed submission at that time. Our concerns relate to the rollout of the new debit products by Visa and MasterCard, and some of our fears that we discussed at that time are now being confirmed. We are looking forward to the new code of practice. We hope our concerns are going to be addressed in that, and we will provide our comments when we receive it.

The Chair: Thank you. Thank you for your presentation.

We'll start with members' questions, with Mr. McCallum, please.

Hon. John McCallum: Thank you, Mr. Chair, and thank you all for being with us today.

First of all, in terms of access to duty-free shopping upon arrival as well as upon departure, I think this idea has been around for at least two or three years, and to me it's a no-brainer. It doesn't cost the government anything, so the only question really is why the government didn't get this job done a year or two ago. Hopefully, they will this time, so I don't need to ask you a question because it's obviously a good thing.

I would like to ask Ms. Reynolds a question.

You referred to ballooning payroll taxes and you say payroll taxes are the worst kind of taxes. Now, the government is proposing a maximum increase in EI premiums allowed, beginning in 2011, and Dale Orr, who's a respected economist, has calculated that this would cost a small business employing 10 people an additional approximately \$9,000 as a consequence of this payroll increase.

I think a lot of your members would employ something like 10 people. Can you describe how this would impact your industry and whether you think there would be a significant impact on jobs?

• (1115)

Ms. Joyce Reynolds: Absolutely. We have many restaurants across this country that are barely hanging on right now, and for them, payroll taxes represent a large percentage of their tax load. They just can't tolerate increases in payroll taxes, and they will object vehemently to any increases to payroll taxes, after having over-contributed \$57 billion to a rainy day fund. That rainy day is here and we need that money back.

Hon. John McCallum: So are you suggesting that if EI premiums have to go up more moderately...? Or what are you suggesting?

Ms. Joyce Reynolds: What we are suggesting is implementing a yearly basic exemption in the EI program so that they don't go up as dramatically for low-income employees and labour-intensive businesses.

Hon. John McCallum: Okay. Thank you.

Perhaps I may now turn to Mr. Cox, on the graduate students. I certainly agree with you that the \$148 million of cuts should be returned. I certainly agree with you that for the government to single out business-related degrees for support is an unwarranted intrusion of government into the academic priority-setting. But my question for you is this. When you ask for additional funding for graduate students, which I agree with, but you say it should go, in some sense, disproportionately to social sciences and humanities, can you explain why that should be? In what sense has that group been underfunded in the past, and according to what criteria would they get a disproportionate share of additional funding?

Mr. Graham Cox: Sure. The Social Sciences and Humanities Research Council covers about 50% of graduate students enrolled in universities, and we're asking for that increase to the Canada graduate scholarship, which is not money for infrastructure. It's not money for laboratories. It's not money for advanced research costs. It's for graduate students. We see that there's quite a lot of money going through the Canadian Institutes for Health Research and the Natural Sciences and Engineering Research Council, but SSHRC is underfunded.

It was started later than those two programs, and we see many social sciences and humanities graduate students not having enough money to pursue those types of degrees. Those types of degrees include a vast variety of things that we need in Canada with regard to analysis of social trends and economics, and so on.

Hon. John McCallum: If there were, let's say, \$100 extra in graduate funding, under today's rules how much would social sciences get, and how much would it be under your proposal, approximately?

Mr. Graham Cox: According to the latest budget, about a third of the money or less goes to social sciences and humanities. We would like to see at least 50% of the money go to the social sciences and humanities graduate students.

Hon. John McCallum: Dr. Pereira, I'd like to ask you a question about physician-assisted suicide, which is in your brief. I'm sure you know there is a bill on this subject before Parliament. I think I know the answer, but I'd like to ask for your organization's view on this topic. The bill before Parliament may have inadequate safeguards.

Is there any kind of law on the subject that you would support? Let's suppose it had the best possible safeguards. Would your organization be open to that, or would your position be that there is no such thing as an adequate safeguard? Is it something you would oppose under all circumstances?

• (1120)

Dr. José Pereira: Thank you very much for that question.

First of all, one of the most important stands we're taking is that there are still too many gaps in adequate palliative care services in the country.

I had a very interesting experience. I'm probably the only palliative care physician in Canada who has worked in a jurisdiction that allows assisted suicide. I worked for three years in Switzerland. I learned during that experience that it's probably impossible to put foolproof safeguards in these types of law.

But before we even get there, in making the decision we need to understand what we're talking about. We need to address the fear society has about talking about dying. We need to address the misinformation that people have—for example, many people believe that withdrawing futile treatments is euthanasia. It's not. That's good palliative care. It's good end-of-life care.

Health professionals still think that using morphine and opiates—I heard this from someone I was speaking to just last night—are dangerous at the end of life and they shorten life. That's absolutely incorrect.

Hon. John McCallum: Thank you.

Thank you, Mr. Chairman.

The Chair: *Monsieur Laforest, s'il vous plaît.*

[Translation]

Mr. Jean-Yves Laforest: Thank you, Mr. Chair.

Good morning and welcome to the Standing Committee on Finance.

My first question, or at least my first comment, is for Ms. Reynolds.

In your presentation, you talked about—and I think this is very relevant—your fear that the federal government will use the employment insurance fund for something other than employment insurance. You pointed out that it plans to increase premiums in 2011 and, at the same time, does not plan to raise taxes, all the while, paying down the deficit.

For some 15 years, the government has been using the \$57 billion surplus in the EI fund to pay down the deficit. It is not an independent fund, and the money is generated by the employment insurance program.

There is real cause for concern over the future, both for businesses and for the workers paying into the system through their premiums.

One government after another, Liberal and Conservative alike, has failed to take responsibility for this situation.

You are right in stating very clearly that we need to avoid adopting such a measure and using that money to bring down the deficit. There are other ways to do it, and we should not, at least not now, plan to raise EI premiums. I think you are absolutely right to raise this issue.

I assume that when you say \$57 million, you are talking about a comprehensive analysis of the past few years, and that your members called on you to put together such a report.

[English]

Ms. Joyce Reynolds: We have long been on record as objecting to funds being diverted from the EI fund to general revenue. People heard from me repeatedly throughout the 1990s and the early 2000s about this. We know it's a notional account and it didn't happen on this government's watch, but the fact is that our members don't care. All they know is they over-contributed. Now unemployment has gone up and costs have gone up, and we cannot afford a 15¢-per-year increase in premiums. It will kill jobs. It will hurt our members.

So we're saying don't plan to use EI premiums to reduce the overall deficit. It's time to start reversing the process and diverting money from consolidated revenue into that EI fund so you can avoid increasing the worst form of taxation.

• (1125)

[Translation]

Mr. Jean-Yves Laforest: Exactly, and that would pave the way for an exhaustive review of the employment insurance system, as we have been calling for. That way, in times of crisis, workers who lose their jobs could really get the support they need. But, unfortunately, that is not what the current government is choosing to do.

My next question is for Mr. Jackson and Mr. Baumann.

You believe that the performance of the athletes is directly linked to the fact that the Canadian government is investing millions of dollars in the Olympic program. Generally speaking, are the private sector and the public also called upon to help fund Olympic programs, and, if so, how?

[English]

Dr. Roger Jackson: Thank you very much for your question.

Almost 50% of the funding for Own the Podium comes from corporate sponsorship, public donations, or participating provincial contributions to this program. It's an extremely interesting program, because never before in my experience have we been able to have a project with a national focus that has attracted provincial governments, the federal government, corporations, and the general public.

One example I can give you immediately is the red mitten campaign, where you can buy a pair of mittens with the Olympic symbol on it.

[Translation]

Mr. Jean-Yves Laforest: We saw that yesterday.

[English]

Dr. Roger Jackson: That program was initiated by us, and it's expected to generate probably \$4 million to \$4.5 million between now and Christmas as everybody buys mittens for their children. So it's one example.

We have also launched a national donation campaign for the general public to contribute \$20.10. There are huge banners in the *Globe and Mail*, and it's promoted strongly by CTV. That is another initiative we have taken to encourage the general public to feel they're a part of the games.

So while we are requesting \$22 million from the federal government, I can assure you we have a number of other plans to try to work with the Canadian Olympic Committee, the Paralympic Committee, and the general public on the initiatives I've just described to add resources to what we require.

Thank you.

[Translation]

Mr. Jean-Yves Laforest: Thank you very much.

My question is for Mr. Rendeck.

What you are asking for, on behalf of the Association of Canadian Airport Duty Free Operators, is very simple: you want citizens returning to Canada or Quebec to be able to shop at duty free stores.

In terms of alcohol, for instance, would that not create problems? In the case of the SAQ in Quebec, would it not lead to problems because of the monopoly?

[English]

The Chair: Please give a very brief response.

Mr. Richard Rendeck: In terms of difficulty, there should be a net benefit to SAQ, because these purchases are incremental to the sales already made by SAQ to restaurants and duty-free operators. As a duty-free operator I can only purchase my liquor from the state

monopoly. The reality is that the volume of sales should increase for SAQ or LCBO because these are net new sales; these are not cannibalizing domestic sales. We're competing internationally, not within our own market.

The Chair: Thank you.

We'll go to Ms. Block, please.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Thank you very much, Mr. Chair, and thank you to each of you for presenting here this morning.

My first two questions will be for Dr. Pereira.

In your submission, you referred to the universality of dying and that there ought to be a sufficient shared interest in quality process outcomes. I'm wondering if you could tell me what is happening at the provincial level in regard to this issue.

● (1130)

Dr. José Pereira: At the provincial level it's a hodgepodge. There are centres of excellence and there are regions with excellent coverage. In Alberta, for example, they have been able to reallocate acute care dollars. They haven't taken any more new dollars; they have just reallocated acute care dollars to invest into proper home care palliative programs and hospices. It's turned out, at the very least, to be neutral to the health system. People are not dying in acute hospitals, but have access to hospices and good home care.

In other provinces, that's not the case. In many provinces, hospices, for example, are struggling to make ends meet. There's a threat that many of them will close down. That ricochets down the system, because those patients sitting in acute care units who cannot go home for whatever reason and are ending up in hospital, but need good palliative care and end-of-life care, stay in those acute beds at great cost to the system. Then people who come into the emergency rooms needing acute care for pneumonia and blood clots cannot get into those beds.

If we reinvest and reallocate in a standardized way across the country, we can see great changes in the system.

Mrs. Kelly Block: Thank you.

For my second question, I'll just refer to something my colleague said in terms of dying with dignity and physician-assisted suicide. We often hear of dying with dignity when we hear that.

Could you define dignity, or expand on dignity for me?

Dr. José Pereira: That's a core question and it goes to this great debate that we as a society are engaged in. It's interesting, because it's terminology that gets thrown around a lot without us really understanding it and with many of us imposing what we think on someone else in terms of quality of life or dignity.

Interestingly, over the last eight years the palliative care community, with some of the money that came through from CHIR, has gone to terminal patients asking them, what does dignity mean for you? I have a colleague in Winnipeg who's done most of this work. I once asked him to summarize in one sentence what that means. He said to me, dignity is how I see myself in your eyes.

I am reminded of when I worked in Switzerland, in the Centre Hospitalier Universitaire Vaudois, which is the university hospital that was the first hospital to allow assisted suicide within its walls in Switzerland. The reason why that occurred in that hospital was because a gentleman was admitted with an advanced disease. Cancer had gone to the various parts of the body. He was too weak to go back home. He had no family at home. He lived on the fifth floor of an apartment without elevators.

After two months sitting in acute hospital, out of desperation, he said, "This is not quality of life. I want you to end my life." Instead of responding by asking the questions as a society, what are our social networks, how can we value you as a person, and how can we provide you that dignity you say you don't have at the moment, the response was to look at assisted suicide as an option to introduce in the hospital.

I think we need to have this discussion. It's an incredibly important debate. One of the recommendations we are asking for—the \$20 million a year for at least five years—is so we can engage the public in these discussions and inform the public and health professionals as well.

Mrs. Kelly Block: Thank you.

I have one more question. This would be for the Canadian Vintners Association. You have brought forward interesting suggestions on four items, all of which have merit. If you were to put a priority ranking on them, what would your order of importance be?

Mr. Dan Paszkowski: I think if we were to put a priority ranking on them, number one would probably be the vintners' investment tax credit. Given that we have limited sales opportunities in Canada, we really have to make sure that our wine facilities not only have the best infrastructure to produce the best-quality wine, but also the infrastructure to attract tourists to be able to sell wine from the wine gate.

The second would be the excise tax exemption on the Canadian content in blended wines. The government went halfway by exempting the excise tax on 100% VQA wines; however, they're the same grapes that are going into the product, and they're limiting our profitability as we get consumed by foreign wines.

The third would be the small business tax deduction thresholds, which haven't been indexed to inflation.

The fourth is an equity issue, and that's on the replacement plantings.

• (1135)

Mrs. Kelly Block: I have one more question, just following up on what you said about the excise tax on blended wines. Currently what is the excise tax on blended wines?

Mr. Dan Paszkowski: The excise tax is 62¢ per litre.

Mrs. Kelly Block: How does that compare with other products such as beer and spirits produced here in Canada?

Mr. Dan Paszkowski: They're different products and there are different categories for different per cent alcohols. For beer, anything over 2.5% would be 31¢ per litre, and for spirits, it would be 29.5¢ per litre for low alcohol spirits. Anything over 7% would be based

on ethyl alcohol content, so it would be roughly \$11.70 per litre of ethyl alcohol.

Mrs. Kelly Block: Thank you.

The Vice-Chair (Mr. Massimo Pacetti): Thank you, Ms. Block.

Mr. Atamanenko for seven minutes.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Thank you very much for your very enlightening presentations.

Dan, it's good to see you here again. It's also an honour to be sitting beside Roger Jackson, who was at UBC the same time I was there. He was one of these disciplined athletes, rowing every morning for two hours. I was part of Frank Gnuip's rowdy football bunch.

Alex, you may remember I was struggling to get across the pool at the chateau, and you were up there giving me encouragement. So thanks for being here.

I'll try to be quick. Ms. Reynolds, a lot of us are trying to mount a campaign against HST, across the political spectrum in B.C. We're working at it, and I think we've been in communication. If it doesn't work, would it satisfy your association if HST were exempt from meals so that you wouldn't have this competition with these ready-to-eat foods?

Ms. Joyce Reynolds: That would be the best-case scenario for our sector.

Mr. Alex Atamanenko: The second question is, we hear a lot about credit cards, but we don't hear a lot about the campaign whereby the banks are getting into the Visas and the Visas are getting into the debit cards. The small businesses that I talked to worry that this will be catastrophic. Are you getting any positive response in your campaign in that regard?

Ms. Joyce Reynolds: Right now Visa and MasterCard are in the process of rolling out new debit products, and they're doing so in a way that is very concerning to our members. There are things like a percentage fee on debit cards. They're doing some priority routing to their debit card over Interac, which is not something that the restaurants have been informed about or have authorized. They won't allow you to continue to accept their credit card product if you don't accept their debit card product. So there are all kinds of practices that our members don't know how to respond to. They don't know how to react, and they are really looking to their associations and to their government to navigate this whole new world of Visa and MasterCard moving into debit products.

Mr. Alex Atamanenko: Thank you.

Turning to physical activity, Ms. Grantham, I understand the situation. I understand that obesity, diabetes, and clogged arteries are being found in kids and I understand the savings through health. If we had this money, how would we do it specifically? We found in the past that when moneys have been given to provinces, especially in my province of B.C., it's often not targeted towards education, for example. It goes somewhere else. We know that budgets today are being cut in British Columbia, and a lot of that will involve cutting down on physical education.

Is there some specific way that this money can get into the school system? Do you have any suggestions? In other words, how specifically can we get these kids moving again?

Ms. Andrea Grantham: We have a national plan, a pan-Canadian strategy, that has laid out many areas where we could take a more comprehensive approach to addressing physical activity in Canada for all levels of the population.

In terms of physical education in schools—a personal passion of mine—absolutely there needs to be more leadership towards making it a mandated requirement in every province, ensuring that resources are in place for qualified physical educators to be delivering the subject to students, and that adequate time is put in the curriculum to ensure that the kids are receiving the quality programs in their resources, tools, and equipment. That's certainly one component of this national strategy that would allow us, with better investment, to take a much more comprehensive, planned, and targeted approach to work together federally and with our provinces.

• (1140)

Mr. Alex Atamanenko: Thank you.

Dr. Jackson, I come from the Kootenays, and we have some really top-notch biathletes there, and some of them are spending a lot of money out of pocket. Is this money just for those people once they're on the Olympic team, or does that go to other national programs gearing up to the Olympics? Obviously, if we want to have good athletes, we need to support them, but at what level would this money kick in?

Dr. Roger Jackson: In the first five years, all of the money has been spent on targeted athletes, which includes junior national teams as well as national team athletes. As we go forward, we recognize, exactly as you said, that the depth and quality of our programs are weak. Only in hockey and curling can we say that we have national depth in our program. Other than that, almost every sport is struggling. So as we go forward, we want to support more junior and developmental athletes, and we're looking not at a five-year target but at each year as leading to the next two Olympic games.

We're going to be working in partnership with the provinces. We've begun discussions with the Province of British Columbia. In fact, I have a meeting next Friday with the deputy minister to talk exactly about how we're going to coordinate the national program with his provincial program.

Mr. Alex Atamanenko: Thank you.

Mr. Cox, I have a couple of questions. One, I met with the Canadian Federation of Students, and I learned that the average debt of those finishing degrees is around \$37,000. What's the average debt of graduate students? Do you know?

Mr. Graham Cox: I don't know that off the top of my head, but it's certainly higher than that.

Mr. Alex Atamanenko: For example, they want needs-based grants. So should there be targeted needs-based grants for graduate students specifically?

Mr. Graham Cox: One of our recommendations was for graduate students to be allowed to apply for the national system of needs-based grants that the current government implemented this year. Currently graduate students are not allowed to.

Mr. Alex Atamanenko: Thank you very much.

The Chair: Thank you, Mr. Atamanenko.

We'll go to Mr. McKay, please.

Hon. John McKay: There's something supremely ironic about locating palliative care in between Own the Podium and the Physical Activity Policy Collective.

Voices: Oh, oh!

Hon. John McKay: I must admit, after hockey on Sunday nights, I do need palliative care.

In the concept of choosing life, maybe I'll direct the first question to Mr. Baumann and Dr. Jackson.

As the excessively proud father of an elite athlete, I spend way more time in swimming pools than I want to. My observation is that the physical plant regarding swimming pools and athletic facilities generally is substantially deteriorating. Your request is basically to keep the money available for our elite athletes. It's pretty hard to keep our elite athletes going, whether elite or not, if in fact the physical plant is deteriorating. I'd be interested in your observations, because you spend way more time in pools than I do.

Mr. Alex Baumann (Chief Technical Officer, Own the Podium 2010): Thank you for that question.

You're exactly right. I think from an Own the Podium perspective, the two key priorities to have success at the high performance level are, one, having the proper coaching and technical leadership, and two, making sure our athletes have access to quality facilities. So within that \$22 million, within our budget as well, we have put aside some funding to make sure that our top athletes actually have access to facilities.

In addition to this, we all realize, particularly in Ontario and in the greater Toronto area, that there is a dearth of facilities. If we're successful tomorrow in hosting the Pan American Games in 2015, the legacy aspect of those games will go a long way in putting infrastructure in place for some of our top athletes.

It is an issue that we have to address. We have to work with the federal government, obviously, and the provincial governments as well, to ensure that we have adequate facilities for our top athletes, because you're right, without those facilities, they cannot succeed and would otherwise have to train in other countries.

• (1145)

Hon. John McKay: I'm rather hoping we are successful because the pool for that venue will be located at Morningside and Military Trail. I have a rather keen interest.

I appreciate the presentation by Sharon Baxter and Dr. Pereira, and Ms. Block's and Mr. McCallum's questions sort of anticipated mine. I was rather interested in the spectrum, if you will, that you present, the spectrum being that you simply don't have to go directly to assisted suicide, that there's a long way in that spectrum of life. I appreciate, in particular, your presentation.

I speak to the issue of the accelerated demographic in this country. I think Canada is depressingly unique in that respect.

Ms. Sharon Baxter: Let me tackle that one.

On the first part of your statement, we don't like to consider euthanasia and assisted suicide as any part of palliative care, and they really aren't. Hospice palliative care is a set of services delivered to help ease people at the end of their lives. It constitutes a lot of things besides that.

The demographic issue is a huge one for Canada. We are an aging population. We're not expecting to be hit by any huge epidemic. It's just that we're going to be hitting the magic 65 and older.

One of the things we need to consider is that many years ago we died of our chronic diseases in a year or two years. People over 65 in this country will be living with, on average, two chronic diseases and will be living in declining health for up to 12 years as opposed to two. So what does that mean?

There's some irony in that I'm sitting between two sports people.

How are we going to handle the number of Canadians who are living longer—which is obviously a really good thing—but in declining health for a longer period of time? What are the stresses? I think we have to tackle this not just as a health issue but as a socio-economic issue also, because it's the only way we're going to be able to handle it.

We start talking about things like caring communities and how we engage others in caring for people. Maybe older seniors will be using younger seniors. There are some innovative programs we need to start thinking about, but we need to think about this now, because we're all hitting it. And having been caring for a family member, I know it just causes great burdens.

The Chair: Okay.

Dr. Pereira, you wanted to comment. Be very brief, sir, if you can.

Dr. José Pereira: I think it's great that we're sitting next to the sports people, because palliative care is not just about the last few days or weeks of life. Palliative care begins much earlier in the illness trajectory. We have to start changing our concept of what palliative care is.

One of the programs we're starting up in Ottawa is a palliative care rehabilitation program. People are exercising to help them live as best as they can for as long as possible at home.

I was wondering if we could append our briefing to the minutes, because I understand that it wasn't done.

Thank you.

The Chair: Everybody has your brief.

Thank you, Mr. McKay.

We'll have Monsieur Roy, *s'il vous plaît*.

[Translation]

Mr. Jean-Yves Roy: Thank you, Mr. Chair.

Ms. Baxter, palliative care is an issue I am especially interested in. You say that we need to do more to educate people and make them aware of the fact that palliative care will become increasingly important in our society.

Quebec has a sort of hospice system, in my area, in particular. And these hospices are entirely run by non-profit organizations and are often administered by a board of directors made up of volunteers. There is a lot of involvement required from people. And 99% of the funding for these hospices comes from grassroots fundraising.

Another such hospice is currently being built in Quebec. I know of three or four in my area alone, and a few others in the rest of the province. And I know that they really do not get much support. I believe that they should. Essentially, what Quebec's program does is give the public control over its own services. Obviously, we cannot run on volunteers alone. We need nurses, doctors and other healthcare staff. But a large share of the work is being done by volunteers.

Is there a similar program elsewhere?

• (1150)

[English]

Ms. Sharon Baxter: You're totally right. The residential hospices in this country are predominantly in Ontario and Quebec, with some in B.C. They aren't universal in the country. We know that they're a good program to offer. They are well supported in some areas, but they are struggling with the model of being a charity. I know that in Ontario the provincial government put up some money for increasing the number of residential hospices in Ontario.

The problem is that they gave them money to create the building and the space but not the operating funds. In Quebec, there are different models, but they are asking the Quebec government for more operational funds so that they can strike a balance between what they need to raise as a charity and what they get from the government. They are contributing to the health care system. It's an ongoing issue. I think we need to look at all the services we need at the end of life—acute care hospitals, residential hospices, home care programs, and others. They are all funded in a different way.

The integration between long-term care and acute care is not there in many places. People sit in hospitals when they could be in a residential hospice or at home with supports. It costs our system a huge amount of money to keep people in acute care, because we haven't thought downstream. With respect to residential hospices and long-term care facilities, we have to start thinking in more than a two- or three-year gap. We have to look at what the needs of our population are going to be over the next ten years.

Residential hospices are great. There are less than 200 hospice programs in the country. There are less than 50 residential hospices in this country. Quebec and Ontario have the bulk of them. If the population can support a residential hospice, it is a great way to go. But we're not there yet.

[Translation]

Mr. Jean-Yves Roy: I am fortunate then because there are at least three in my area. I am fortunate because there are fewer than 50 altogether, but at least three of them in my area.

MAIL  POSTE

Canada Post Corporation / Société canadienne des postes

Postage paid

Port payé

Lettermail

Poste-lettre

**1782711
Ottawa**

If undelivered, return COVER ONLY to:
Publishing and Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5

*En cas de non-livraison,
retourner cette COUVERTURE SEULEMENT à :*
Les Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Additional copies may be obtained from: Publishing and
Depository Services
Public Works and Government Services Canada
Ottawa, Ontario K1A 0S5
Telephone: 613-941-5995 or 1-800-635-7943
Fax: 613-954-5779 or 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Also available on the Parliament of Canada Web Site at the
following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

On peut obtenir des copies supplémentaires en écrivant à : Les
Éditions et Services de dépôt
Travaux publics et Services gouvernementaux Canada
Ottawa (Ontario) K1A 0S5
Téléphone : 613-941-5995 ou 1-800-635-7943
Télécopieur : 613-954-5779 ou 1-800-565-7757
publications@tpsgc-pwgsc.gc.ca
http://publications.gc.ca

Aussi disponible sur le site Web du Parlement du Canada à
l'adresse suivante : <http://www.parl.gc.ca>