

HANSARD

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COMMITTEE

ON

COMMUNITY SERVICES

Tuesday, March 6, 2012

Committee Room 1

Retail Council of Canada

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COMMUNITY SERVICES COMMITTEE

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In Attendance:

Ms. Kim Langille
Legislative Committee Clerk

WITNESS

Retail Council of Canada

Mr. Dave Wilkes,
Senior VP - Grocery Division

Mr. Jim Cormier,
Director - Atlantic Canada

HALIFAX, TUESDAY, MARCH 6, 2012

STANDING COMMITTEE ON COMMUNITY SERVICES

1:00 P.M.

CHAIRMAN
Mr. Jim Morton

MR. CHAIRMAN: Good afternoon, everyone. I'm going to call the meeting to order. We are a moment or two past 1:00 p.m. and I think we still may be missing one (Interruption). He's on his way, so we have a quorum. I would like to welcome our guests from the Retail Council of Canada. They will have a chance to introduce themselves in a moment but as we always do, I will ask the committee members to introduce themselves.

[The committee members introduced themselves.]

MR. CHAIRMAN: Thank you. We have as guests here today, Mr. Dave Wilkes and Mr. Jim Cormier, who are representing the Retail Council of Canada. Our usual practice, as I'm sure you understand, is for you to introduce yourselves. I know you have a presentation to make and that will be followed by an opportunity for our members of the committee to ask the questions they'd like to ask. Maybe I'll turn it over to you for this part of the presentation.

MR. JIM CORMIER: Thank you, Mr. Chairman, thank you for having us. We do appreciate the opportunity to attend. As mentioned, my name is Jim Cormier; I am the director for Atlantic Canada for the Retail Council of Canada. It's a fairly new position. I've been on the job now for only about seven months and spending a fair amount of time getting around to the four different governments in Atlantic Canada and speaking to good folks like yourselves about issues of concern and opportunities for retailers.

We represent over 50,000 members across Canada. With the Retail Council we represent general merchandise, we represent drug retailers, drug stores and of course, more pertinent to this presentation, we also represent the grocery retailers. We represent everything from small to large retailers; as I mentioned in some of the more informal presentations, everything from your large chain stores down to the mom-and-pop shops.

We have a lot of key Nova Scotia members that obviously are of real importance to the economy of Nova Scotia, which I'm sure you would know of within your various communities, which include some of the names here. Of course they don't need any real introduction: obviously Sobeys, which also has their other brands like Foodland; Loblaw, which down here is Real Atlantic Superstore; Price Chopper; and Co-op Atlantic with Valufoods, that sort of thing as well.

One quick note, too, you also note that one of the newer or reintroduced Loblaw brands is No Frills, which is making a comeback down here in Atlantic Canada.

So at this point, other than just simply turning it over to Dave, one of the things that I did want to mention before we go any further is, as I mentioned, these are community businesses. These are men and women of varying ages and experience levels who work in your communities and they do have a real economic impact. The retail sector is always either the number-one or number-two employer in every province in Atlantic Canada. They do have a huge economic impact by providing everything from part-time jobs to jobs where you can build a career. Of course, you see in provinces like Nova Scotia that there are Atlantic regional offices for some of our grocers, and there is a corporate headquarters here in Nova Scotia as well. So it's everything from your part-time jobs for students looking to gain work experience, all the way up through to management-style positions.

We do have stores and even distribution centres throughout Atlantic Canada. There is a very large distribution centre here in the Province of Nova Scotia for one of our stores and, of course, one of the things that we like to note right off the bat, too, is that beyond the actual stores, the grocery sector provides huge economic spinoffs to the transportation sector as well. The truckers in this province, a lot of them do quite well in trucking goods on behalf of the grocers. And the construction sector, they're building stores, maintaining stores, and the maintenance of equipment. So there are a lot of spinoff jobs that happen as well.

The last thing we'd like to mention is that our grocers and the people who work for them are heavily invested in the communities where they live and work. You'll often see that they do go out of their way to sponsor local community events. They sponsor sports teams. There's one high-profile member of one of our bigger grocers who is quite involved in the arts community here in Halifax. They're passionate about their jobs and they're passionate about the communities in which they live.

We like to throw that out there before we start with our presentation, to show that

these are local people making an economic difference within the Nova Scotia community. On that note, I'll turn it over to my boss Dave Wilkes, who is the VP out of our head office in Toronto and handles the Grocery Division.

MR. DAVE WILKES: Thanks, Jim, and thank you, Mr. Chairman, and committee members. As Jim indicated, my name is Dave Wilkes. I do work out of our Toronto office. I have responsibilities for RCC's Grocery Division and I've worked in the grocery industry for probably 12 years, between this job and my previous one, which was with a group called the Canadian Council of Grocery Distributors. It's a pleasure to be here, I appreciate the opportunity.

We did write the committee back in June of last year to ask for the opportunity to come and have a chat and discuss with you some of the work we're doing around broadly-defined food security, but in particular we'd like to talk a little bit today about some of the efforts that we're making and some of the conversations we're having on providing nutritious food to members of our community. At the same time, and where I'll start, is talk a little bit about our grocery business model.

We often make our business more complicated than it needs to be and, in the end, it really is a simple business. Jim, if I could just get you to flip to the next two slides because I think I went through the title slide. There's one key driver that drives any grocer - whether that's the CEO in the office or, as Jim indicated, the part-time person at the store level - and that's the consumer. The consumer really dictates almost every choice made by a grocer; from store hours to parking lots, to providing assistance and services in communities where the demographic may require that, to getting the groceries out to the car, as an example, to the products that are offered in the store, to the choices and the range of types of things available.

Whenever I'm in discussions with any of the members, we always get back to remember why we're doing this: we have the responsibility and we're in the business of serving the consumers who walk through our members' stores every day. I think, as you'll see in some of the discussions and some of the points we're making, that it's all centred around that: we're in the business of serving those consumers. I don't want to stress that too much, but we often lose sight of the fact that that's why we open the doors of the stores every single day.

With that in mind, it's a highly competitive business. All our members have the same driver, so it's not as complicated as the new innovation around BlackBerry versus an iPhone or whatnot. It's about understanding what type of product and what type of service that consumer wants for the food that they buy for their families every single week, or more frequently in some cases. Because that's the focus, everybody is competing on the same thing: they're competing on service, they're competing on selection, they're competing on price and they're competing on location. So with those common competitive factors, we get into a situation where we have very efficient businesses and we have businesses that are

very attune with their communities and their customers.

As we say - and we like to say frequently - it's a penny business. Margins are razor sharp, there's very little - to use a pun not intended - fat in the system. But where the investment is returned, from a business point of view, are the turns. So the volume is what drives the business rather than the individual margins.

As we look at some of the things that affect the cost structure of retail in general, I'm going to highlight two specifically with grocery. Mr. Chairman, we are also going to be appearing before the Senate Finance Committee with the Government of Canada, probably later this month or in early April, to talk about price differences between Canada and the U.S. As members of the committee might be aware, this was a committee that the federal Minister of Finance had struck, so we've been looking at these issues both broadly as well as regionally.

Some of the things that Jim and I have noted here really don't reflect as much about grocery, and I will focus on those in my comments. This is an issue that we've spent a lot of time at - understanding why there are differences, what are the drivers, what are the things that can be influenced by business, what are the things that can be influenced by government. Two key things that can be influenced by government, from a grocery perspective, are supply management and, as we like to call them, inconsistent regulations.

Now I know supply management is a typically Canadian topic, it's a conversation that has opinions that are as varied as the people who are involved in the discussion. However, the facts are that those commodities that benefit or are influenced, if you will, by supply-managed systems, the cost for those commodities are inherently higher within the Canadian market than they are in other places.

Now this isn't something that is necessarily unique to any one region but it does explain some of the differences, for example, between pricing and costs, Canada/U.S. Whether you believe in supply management or not - and once again, that comes from the particular side of the fence you're on - that system is not influenced by the same drivers that influence our members. Whereas we are a consumer-based business and we make sure that we're responding to the things that the consumer wants, supply-managed systems influence that. You're going to see things like chicken and milk products that are higher here because of the choices that we've decided, as Canadians, that we need to make with respect to having a balanced approach on this.

We can get into a discussion of whether we believe in supply management or not but I put that out there more as a point of differences between markets and how that influences the costs that our members are managing.

Similarly, and I think this is maybe an easier nut to crack, is inconsistent regulations. I'm going to highlight two: environmental stewardship, and health and

wellness. Grocers and all retailers accept the responsibility for managing solid waste, for optimizing packaging that's used in their stores, for doing the right thing for our environment from not only a packaging perspective, but making sure that we have fully loaded trucks and we're using the miles that we travel over the roads as efficiently as possible. There are two reasons: it makes good business sense, and it's the right thing to do from a societal and the responsibilities we have within the community.

However, certainly even if you look at the Atlantic Canada experience, the regulations on how these programs are managed - whether they're multi-material, whether they're electronics, whether they're tires, and obviously, in some cases, not all retailers will sell those but in many cases a lot do - are totally inconsistent. So you don't have the same reporting framework, you don't have the same reporting timelines, you don't have the same type of information that is being requested, so rather than submitting one report that achieves the same outcome, you often get four different reports; if you look even broader and beyond this committee's jurisdiction, you'll get 10 different reports across the country. All these things are adding cost to the retailer as they try to make sure that they fulfill their legal and regulatory obligations under these programs.

By way of anecdote to illustrate, one of our members probably two, maybe three years ago had four people within their organization that were responsible for compliance to environmental stewardship programs; today they have 10. So that cost has nowhere to go but to get passed through and that would be something that I would really encourage governments to look at. How can we harmonize? How can we remove inconsistency as we try to fulfill these regulations and do the right thing for the groups that are involved?

By way of anecdote, as well, to illustrate it - because we're fairly passionate about this - by last count there were over 50 different environmental stewardship programs across this country that members had to comply with and I suspect there are at least 46 different ways that they're all administered, so it's a bit of a nightmare.

Our business model is driven by the consumer and it's one that's based on turns, not margins. There are some structural things within the systems that are leading to higher costs on a national or global basis. Jim, perhaps I could turn it to you to give us some examples of what makes doing business in this part of the country unique.

MR. CORMIER: Sure. Obviously, as most of us, I believe, around the table here have spent a fair amount of time in Atlantic Canada - some of us born and raised here - we do realize that there are a lot of things that make Atlantic Canada unique. We have unique costs. Our geography is obviously one of those that contribute to the costs. We have unique local conditions that all end up generating increased or different costs; transportation is one. Dave alluded to this somewhat already.

This is not stuff that is earth-shattering news. You can see it whenever you pass a gas station. Gas and diesel are both, I believe, at \$1.36 a litre right now. There are federal

and provincial gas taxes, which of course every province has, but that said, then there's the HST on top of that. We also have a small population spread out over a difficult geography. Getting around through the roads here in Nova Scotia is not easy and that's a comment right across governments for the last number of governments. It has always been a challenge. The fact is that creates costs that are a bit more unique to Atlantic Canada.

Regulatory factors - Dave focused on that a bit already. Obviously we're making some progress here and this is one area that we do commend the Province of Nova Scotia. We are making some good steps in working with retailers on things like electronic stewardship. The point that I'm making is on that it's a harmonized approach. The ACES model where we've teamed up with Prince Edward Island - we're making headway with Newfoundland and Labrador, and New Brunswick - that's a great model. Dave alluded to the number of different regulations from one province to the next. That's an absolute nightmare for businesses trying to operate in more than one province. Nova Scotia has been a leader - I believe - in that regard when it comes to things like electronics. We'd like to see that improved upon.

When it comes to environmental stewardship of any type, we always look at it and say, look, whether we agree or disagree with the environmental push from a government, if it's harmonized, at least it's going to be a little bit easier for us administratively as opposed to Nova Scotia going off and doing something that's completely unique from what most other provinces are doing. It helps.

There are other things with regard to regulatory factors. Obviously there are provincial tariffs when it comes to dealing with things like Atlantic beef, there's a lack of commonality in beef inspections, allowing movement of beef across Atlantic borders. The federally-inspected plant in P.E.I. has capacity issues, cost issues and it has been a bit of a nightmare for our grocers to deal with. These are all things that increase the cost. If you're trying to buy local and you're trying to buy local beef, sometimes there are issues like that where if you're considering local to be Atlantic Canada in this case - if you have difficulty when it comes to price and the movement of beef between one Atlantic Province and another - that's problematic.

Of course, we talked about supply management when it comes to dairy, poultry, eggs; they're all supply-managed products. Again, I'm not making a comment so much about the political factors behind why it is what it is; we're just simply saying it creates extra costs. If you've ever bought milk in the U.S. versus here, you can see the difference.

At the end of the day we do realize that there is a real demand for buy-local products and our members do support that through working with hundreds of different distributors and thousands of different products in total - when you factor in all of our members - when it comes to buy local. The fact is though they will only bring it in if there's a consumer demand for it; it comes back to what the consumer wants. Thus price, quality, continuity of supply, it always comes into play when it comes to a decision on whether or

not we will bring in a local product. So these are all different regulatory factors that we deal with.

Labour is the second-highest cost for grocers after produce, so obviously labour is always an issue. Minimum wage increases obviously have an impact on grocers' costs. For instance, the last increase in this province occurred just as we - I guess you could debate whether we were in a recession or just coming out of a recession, but the point being we always look at things like that where we'd like to see a bit more of a plan behind how minimum wage is set in all of the provinces. It's not strictly a Nova Scotia issue; it's something we deal with nationally.

Energy prices are always a challenge. Statistics Canada showed that inflation on energy costs went up about 9.9 per cent last year. We do compliment the province though through Efficiency Nova Scotia that there are government incentives that do help some of our retail members access different programs to improve their energy costs. That said, it's always a concern and we leave it at that.

At this point I'll turn it back over to Dave.

MR. WILKES: Jim noted that labour was the second-highest cost and I think you said produce - it's all products that are the highest cost, just to correct the record there, just a slip of the tongue.

So where does this all leave us? What do Nova Scotians and Maritimers face at the till when you add all of these input costs that we have and the competitive nature of industry? We reached out to Nielsen as part of our preparations for this discussion with you here today. Nielsen, as many of you know and recognize, is probably the most comprehensive and provides the most precision on tracking grocery prices across the country. They measure or track 100,000 items on a weekly basis; they receive this information from major retailers where they have partnership agreements and this is the point-of-sale information that they gather and provide to the industry.

When we asked what the situation was here in the Maritimes, the report came back that pricing is very competitive. The costs are not that different from where we sit today as to anywhere else across the country when you look at national averages. When you dig a little deeper on the categories that I mentioned there - meat and seafood, UPC produce, which is produce that has a bar code on it, and bakery items - indeed prices in the Maritimes were less expensive on average than they were in the rest of Canada.

Let me just quote some numbers. For the meat and seafood category, average Maritime prices per item - this is just a blending of the various items within that category - \$3.79 was the average price in the Maritimes; nationally, \$3.96. On UPC produce - the same numbers - \$2.94 within the Maritimes; \$3.02 on a national average. Bakery: \$2.71 in the Maritimes; \$2.84 nationally. This is information that was current as of mid-January, so

it is very recent, very accurate, very comprehensive information. I think it provides credibility to where we're saying that the industry is competitive, they hold each other in check and there's really no opportunity for anybody to get particularly offside; those numbers provide the background for that.

So we've been talking a lot, but I just want to take a couple of minutes around food accessibility, if I may, and we'll flip that slide right to the next one, Jim, to move along. Food accessibility, and particularly the provision of nutritious food, is something we take very seriously as grocers. This has been a conversation that we've been engaged in really for quite some time, at least since the creation of the Grocery Division by the Retail Council.

We met as recently as last week with the Deputy Minister of the Department of Health and Wellness here and the Chief Public Health Officer, Dr. Robert Strang, just to talk about what are the things we can and should do to make sure that the people who walk into our stores and families throughout our communities have the right information to put a nutritious meal on the table each and every day. It really came down to the same common theme and I even noted in the group that was here with you in June last year, they had the same outcome.

If I could get the next slide there, it's all about education. That education really has to be consistent and across all groups that have the opportunity to provide the messages: what are the right choices, what are the right meal-planning options?

If we go to the next group, it's not only schools and government, but as industry we're going to step up and take responsibility and accept some of the challenge that is related to providing Canadians and Nova Scotians with the right information to make the right choices, to ensure they lead a healthy lifestyle. We all recognize that a healthy lifestyle is not just about the foods that you eat but the amount of exercise and the way that you manage yourself in a holistic fashion, but we cannot deny that what you eat is part of it.

We're going to provide information and we're just in discussions with our members right now, so these are all recommendations as I can't give you launch dates at this point in time, but we have commitment from the members to do this. Whether we do it in the flyers, whether we provide information on the members' Web sites, whether we have dieticians in stores on a regular basis - some members are already doing that - provide information around meal planning - what are the proper choices for you? - provide information if you have a particular need, from a dietary perspective, and emphasize the good work that has been done on Canada's Food Guide. If you follow the guide that's there and you understand what is being told to you, that's going to go a long way to improving the knowledge people have. Simple things like serving sizes, how much of a particular item do you need? What is your caloric intake and output? These are all things that from an industry point of view, we believe that not only does it make good sense, not only is it the right thing to do, but we have a responsibility to do this.

On an international basis, a group called the Consumer Goods Forum has adopted a philosophy that we're building off of, which is really understanding where product changes should be made in order to respond to new and emerging consumer demand for things like lower sodium products - there is a variety of things appearing on grocery shelves around that - but also how we can increase people's knowledge and increase the understanding of what the right choices are that you need to make for your individual lifestyle. So my last slide before we stop with our introductory remarks is really around that.

Food accessibility is a multi-faceted issue. It's one that we - government, schools, the medical community and our industry - all need to step forward to tackle. As I said, we are looking forward to playing our part and, indeed, when we were meeting with the deputy last week, talking about the common themes that we need to talk about, perhaps this year we'll all talk about whatever it is - serving sizes, and I'm providing that only by way of example - but really making sure that we recognize there needs to be change and being part of that change.

Mr. Chairman, we look forward to the conversation that follows and we trust we provided some interesting background for the committee members.

MR. CHAIRMAN: Thank you very much to both of you for that overview. I know we'll have some questions, but when I began I was negligent in not reminding the people that there is a fire escape route in this building. I always say that we should hope it's not needed, but should we be asked to evacuate the building for some emergency, probably most of you came up by either the stairwell or the elevator. You should move to the hallway and take the stairway down to the main floor and exit the building. We would be expected on an occasion like that to proceed to Parade Square. I hope you don't need that information, but that's why it's given because sometimes emergencies occur.

I do have a bit of a speakers list and we will start with Ms. Regan, followed by Mr. Ramey.

MS. KELLY REGAN: Actually I'd like to talk to you a bit about labour costs. Thank you very much for coming in today. It's interesting when we were chatting earlier, I didn't mention that I spent my high school years and part of university working for Zayre's markets in Kitchener, Waterloo, so I have some experience in this area.

You mentioned it's a pretty labour-intensive industry. I've been talking to retailers here and they're telling me things like, my labour costs have gone up 35 per cent over the last few years. Is that the kind of thing that you're talking about in terms of labour costs? Have you seen those kinds of increases?

MR. WILKES: Our members haven't talked to us about a 35 per cent increase.

MS. REGAN: Sorry - I should just say that was in labour costs and benefits, so

those two things coupled and they saw a 35 per cent increase.

MR. WILKES: Without doubt. Once again, to be honest we haven't had members quote those types of numbers. Certainly benefits are part of the equation. As our population ages, back to the issue around health and wellness, benefit costs may increase. I'm just making a supposition there because we may need more use of those benefit programs, but as Jim had indicated, the sensitivity and the ability to manage any increase in labour costs - whether it's 35 per cent or whatever the other percentage is, there is really no room in the system to do anything but absorb those.

In the case where minimum wage increases - once again, the example that Jim used - sometimes that might drive decisions that aren't the expected outcome. So if you have a certain amount of pool, you have a certain amount of investment that you can make in labour, maybe you should shift that around, maybe it means less hours at a different rate for people.

I think the message that we hear constantly from our members is it's a cost, it's a cost that has to be reflected somewhere throughout and system, like any input cost and we have to be cognizant of all the outcomes that might result in increasing labour as opposed to just one individual component of it.

MS. REGAN: Have your members ever approached government about finding other ways to have folks who are living on lower incomes keep more money in their pockets? For example, raising the level at which we begin to tax them, have you . . .

MR. CORMIER: Yes.

MS. REGAN: Okay, that's good to know.

MR. CORMIER: And that's across the board not just from our grocery members, but general merchandise retailers. It's obviously a competitive business and again, we've been on that with our pre-budget submissions for years that have preceded me, in always saying when it comes to minimum wage increases we think it would be more beneficial to do things like raise the low-income tax cut-off. Things like that that would be more beneficial.

MS. REGAN: I'm wondering if the provincial government has ever approached you and talked to you about real food costs, food accessibility, any of those issues? Do they come to you and talk to you about that?

MR. WILKES: On food accessibility, on the cost of food, as I mentioned we have ongoing discussions with Deputy McNamara, as an example, and others. Our conversations are focused more around the things that we had talked about in our presentation. Around food accessibility and the costs, I think there is a recognition that one

of the ways you could potentially change that is around the food allowances and taking a look at - do we have the right structure in this province and others around food allowances that are provided to lower income or those who are on assistance?

Those are the types of conversations that we've had, but they tend to focus more on affecting people's knowledge, so with the income that they have - whatever that might be from the complete range - making sure that they understand what are - I was going to use the word consequence but that's the wrong word. What are the types of choices that they should be making with that income and the amount of money they're investing in their weekly food basket?

MR. CHAIRMAN: Mr. Ramey.

MR. GARY RAMEY: My question relates more to your discussions with Mr. McNamara and Dr. Strang. In your opinion, were those discussions productive?

MR. WILKES: Yes.

MR. RAMEY: Can you tell me more about what happened?

MR. WILKES: I don't want to be inappropriate to the deputy or Dr. Strang. It was a meeting that we had with our members. We had the provinces in consultation on a childhood obesity strategy, we had provided a submission on that strategy and the ongoing consultations that the ministry is engaged in, but we really did talk about the things that we had mentioned here: How do we get the right information in the consumers' hands? What are the types of things we need to do around education? How do we ensure that if we are coming up with guidelines on sodium or something like that, that we come up with guidelines that are science-based and have a national approach to them, as opposed to guidelines that may be specific to any one province across the country?

It was more a part of the conversation that we had with the deputy and he has been someone that we have a lot of respect for and someone that we have a lot of appreciation for. We all have a role to play; we all have a role to play in providing the right information to people. Whatever change we need to be making, we need to be making it based on science and on an approach that is consistent across the country. Those are the types of conversations, but it was, as I said, a meeting of our members.

MR. RAMEY: Did you want to add something?

MR. CORMIER: No, other than to reiterate what Dave said. I think everybody came away from it feeling that it was a very productive meeting and we wanted to continue with it in many respects. Again, Dave has had years of experience in this industry. Mine is quite limited so far, but one of the things I took away from it was that some of the perceived butting of heads that might happen sometimes between government and industry - and you

could put this with any industry - what I find when you burrow down to it, sometimes it's just through a lack of communication. There might be efforts, but it's just not quite getting there. That meeting was very productive because we found that we do have a lot of commonalities and a lot of areas where we think, okay, we can move a bit here and government is saying, well, we can move a bit here, but it's still very initial discussions. Again, it came back to, in many respects, just trying to find solutions that are science-based and harmonized.

MR. RAMEY: I can't tell you how happy I am to hear that because I'm the ministerial assistant to the Minister of Health and Wellness and I know for a fact that education is a really big part of getting people to eat healthier and keeping them out of the hospital, which is what we'd like to do - keep them away from chronic disease, particularly diabetes.

In the section of the province where I come from, people have a huge propensity to eat salt. It goes back to the days, I believe, before refrigeration when we salted everything. We had salt cod, salt herring, salt pork and that's an acquired taste, particularly among the older population and consistently sort of still all like that taste. We're trying to educate them that that's a ticket to high blood pressure and a number of other issues as well so I think you're definitely on the right track.

May I ask a second question?

MR. CHAIRMAN: Yes, you may.

MR. RAMEY: This one is on a completely different topic and that's your regulatory issues that you were talking about. One of the things I was wondering about - because I've run into this with some of my local truckers who haul from Nova Scotia to Dallas, Texas and Vancouver and all over the place. They haul everything from Christmas trees to heavy equipment and so on, and probably maybe sometimes on a contract basis on a backhaul of groceries for all know. Their criticism was about weights.

In Nova Scotia you can haul more weight than you can in New Brunswick. Then you go to some other jurisdiction and that's not the same as New Brunswick or Nova Scotia, it's something different again. They have to sometimes figure out ways, on a back haul from Toronto or something, to get rid of a bunch of stuff somewhere in New Brunswick - sorry, if they're loading for Nova Scotia, they have to load less so they can get through New Brunswick without running into problems. It would seem to me that if we could somehow standardize even something like that, it would be a huge help to the trucking part of your industry. Am I right on this or wrong on this?

MR. CORMIER: We agree; you're completely right. That's something that we've been working on, obviously, for my area of responsibility here within Atlantic Canada; it is a concern. Again, it's cumulative. Is that an enormous headache that stops the flow of

goods? No, but it's one of - you know you keep accumulating regulatory issues and all of a sudden it becomes, in total, a bigger problem. Yes, and it is something that we are working on but, by all means, governments also chat with each other and that's one thing in one of the earlier meetings that I had in the Premier's Office when I first started the job. It was actually the Premier's Office that mentioned that to me early on, that that was a concern for them. Obviously it's a concern for them and I had mentioned to them that we will work on our side of it and, by all means, if you get an opportunity at the Atlantic Premiers meetings, it's a great issue that we'd love to see on an agenda.

MR. RAMEY: Thank you very much.

MR. CHAIRMAN: I think we'll go to Mr. Orrell and then Mr. Whynott.

MR. EDDIE ORRELL: Thank you, Mr. Chairman, and thank you, gentlemen, for your presentation. You talk about factors that can decrease your competitiveness amongst other areas of the country, your transportation and regulatory factors. How do they put us at a disadvantage as far as within our local area, like province to province, does that affect us here in the province or is it just in dealing with the rest of the country?

MR. CORMIER: It can. Again, one of the things that we do hear a lot about from our grocers - and again, there are larger organizations, they're not small, local stores, they're chain stores - when some of these costs come up, they do their best to eat the cost, just because it is a highly competitive, penny business. That said, again it comes down to the cumulative effect of it all, that eventually those costs do get passed on. So things like the fact that we have high gas prices, the fact that energy costs in general have gone up, the fact that minimum wage has gone up, the fact that we have high commercial assessments here in the province, particularly here in Halifax, there's a lot of those things that they do factor in. Any one of them on their own, are they a death knell? No, but again, it's cumulative.

MR. ORRELL: The other thing I hear, we talk about buy local. What do we consider a local product? I hear from different farmers in different areas that it's anything that could be trucked into the area within 48 hours.

MR. WILKES: There are varying definitions of buy local, there's no denying that. I'm going to answer that two different ways. You often have different governments defining the buy-local initiatives but where you often end up is how the consumer defines it. Once again, I keep reminding myself that sometimes the buy local, depending on the product, depending on the ability for a particular region or area to grow it - it could be defined as widely as Canadian. Sometimes it can be in that local community, if it's a particular item that it's known for; you know maple syrup might be an example, off the top of my head.

There are different definitions of buy local but the one that really drives what our

members are responding to is the consumer defining this as buy local.

MR. ORRELL: So does the industry have a definition for that?

MR. WILKES: No, we do not have one.

MR. ORRELL: I talked to some of the local farmers in my area - we'll say a strawberry farmer - who loads his truck up for distribution to Sobeys or Loblaw or whoever, takes his truck to their distribution centre in - I know Sobeys is Debert. They can reject his product there and then he has to either pay to get it transported back or try and find another market for it. Is there any way that we can protect our farmers in that way or that they have a little more say? They think their product is good, but when it's four hours away from their farm and the so-called distributor rejects that, he has no . . .

MR. WILKES: There are standards and expectations that our members have of their suppliers, whether it's the local farmer that you referenced or others. Those standards will be around things like food safety; they'll be around things like consistency of supply; they'll be around things like the quality of the product. Those standards are really set by - if it makes its way to the shelf and it's not meeting the expectations that it should be in the store, the product is just going to sit there as well. I think that is a challenge of the food business. It's a challenge of a business where some of the products are perishable in nature and ensuring that they have the right transportation and storage. That is something that has to be properly managed between the trading partners.

MR. ORRELL: I've heard them say - and one farmer in particular told me - he sent it to Sobeys, who rejected it, they went across the street to the next major chain and they took it as a number one quality product. Trying to get the pricing changed is basically what he told me.

MR. WILKES: I completely understand.

MR. ORRELL: That's just a frustration on their part.

MR. WILKES: You just added in a component that I didn't reference in my first answer - the cost. Those components are all factors and I'm quite certain when the contract was first agreed to, there would have been standards set that we expected it to be this size, this colour - I'm not a strawberry farmer, I'm totally out of my depth. (Interruptions) But in addition too, it would be around - was it properly stored? Was it kept at a proper temperature? All those other factors, and the cost for the product too, I think that making sure you have clarity around that at the beginning of the contract and that the terms of that trading partner relationship is respected.

MR. CORMIER: In my seven months of expertise on the job - and again, for those that are with Hansard, that was a joke by the way (Laughter) - I've toured each of the three

main grocers here in Nova Scotia and one of the things I did find is that when that issue does come up, they readily admit that, that there are times when they do have to reject a local product. If customers didn't want it - meaning buy local - they wouldn't put it in there. They are private businesses but they're saying customers want it. So if there's good communication between the store - in this case the store manager or up the line through the regional offices - if there's good communication there between them and the local producer, then oftentimes a lot of those problems can be dealt with before the four-hour trip happens.

At the end of the day, like they said, they are national grocers in many respects so if you end up with a food issue in Parrsboro, Nova Scotia, it's not just a local news story; it's a national news story. They have to be very careful so they have their standards that they have to meet, but like they said, they often welcome the opportunity to bring in more local product, but it has to meet those standards. Communication is key.

MR. CHAIRMAN: Thank you. Mr. Whynott.

MR. MAT WHYNOTT: I apologize for the head cold that I have. When I go out - and in particular I volunteer at the local breakfast program at one of the schools in my area once a month - one of the things that I noticed was that kids are getting more and more allergies when it comes to gluten-free products, milk, bread, peanuts, all those sorts of things. It's becoming much more prevalent in today's society. Does this play a role in what people buy? Have you seen the change? Jim, you may not be able to answer this because, like you said, you've been around the job for seven months. If you look at Canada as a country, are you seeing changes in how people are buying?

MR. WILKES: There are a couple of changes. The availability of gluten-free products - to continue with your example - as the demand increases, that demand will be served. As importantly, making sure the right information is provided to the consumers, if they have particular allergies and whatnot and you've seen some of the changes that the manufacturing community has made around labelling as a result of regulations from Health Canada. The answer is yes both in the information as well as the products that are available, but at the same time it's a smaller market so you're not going to get the entire range of products that you would get in non-gluten-free products as an example.

MR. WHYNOTT: One of the things I find interesting is if you go around Nova Scotia, in particular, as far as my experience is, when you go to any of the Superstores, or Sobeys, or Co-ops I've noticed that it's not just in the larger markets like Halifax where there might be the alternative food for things like gluten-free; for example, at the Sackville Superstore I think there are five aisles of these types of products now. What effect do you think this has on the grocery business as a whole? With those types of products, does this mean lower prices or lower sales in traditional? I know it's only a small market, it's like 5 per cent or something.

MR. WILKES: I don't have evidence as to how it's impacting the overall growth trends in the industry. I think what you have observed in your local Sackville store is what we started with - and I get bored with myself at times when I keep repeating it - as the consumer demands gluten-free products, as the consumer has more knowledge about how to manage their diabetes - for example, as we age as a population and may have eaten too much salt and are looking for different types of products to help us manage that - what this industry is very, very good at is responding to consumer demand and being in touch with the consumers and what they need in order to achieve their lifestyle goals.

So I can't answer your question, but I suspect that - because there isn't much population growth in this country so the sales aren't great, that's what drives sales.

MR. CORMIER: But it is interesting to see where it's going and again, with the store tours that I've recently done, one of the things all three mentioned, without any prompting from me, was to show me the gluten-free areas of their stores now. It was interesting to see how they're going about trying to figure it out in their heads, what's better for the consumer? This is a growing area, they believe, but how big do we want to make it? Some of them decided, do you know what, let's put all of our gluten-free products in one area. If you have those gluten issues you can go to one section of the store and get everything that you need versus others that have decided, no, no, I'll put the gluten-free product X over with the regular product X and I'll just put it in all the different parts of the store.

Again, they're figuring it out as they go along and the consumers are usually quite willing and able to tell the store manager what they like and don't like. In fact, while I was doing those tours we were interrupted on numerous occasions with people who had questions and they wanted answers right away, so it's that type of business. It is, as Dave said, a penny business so you better respond to what the consumer wants.

MR. WHYNOTT: It's good to see that a lot of the chains are doing that sort of modelling, because I know when I talk to parents who have small kids who are starting to realize there are these issues for their kids, it is available to them. Even if you think back five years ago these issues were certainly not as prevalent as they are today, so it's good to see.

On a different note, I know as far as my generation goes - so we're talking 25 to 35 (Interruptions) One of the things we're fighting is we are connected to these things more and more, smartphones and all the rest of it. My question is - and I think we're starting to see this - in regard to apps and that sort of thing when it comes to, for instance, MyFitnessPal app, which is something you can download on your iPhone or your BlackBerry. Are you starting to see that kind of change with those retailers, where you'll be able to link up with the local weekly flyer and find out if . . .

MR. WILKES: It's already there.

MR. WHYNOTT: Right. Was this just within the last year or is this . . .

MR. WILKES: It has been recent, I can't - let me jump to the defence to those of us in this room that are not 25- to 35-year-olds; we also have smartphones.

MR. WHYNOTT: May not know how to use it, but . . . (Laughter)

MR. WILKES: Mr. Chairman, I feel like I'm being abused now. (Laughter)

MR. WHYNOTT: I'm just teasing you.

MR. WILKES: I'm kidding, thank you for the opportunity to have some fun.

Absolutely, the way we communicate as a society is changing. That change in communication has happened; certainly within the last 10 years there has been a remarkable change. So as businesses, our members respond to that change. I mean can you see the day when there may be no flyers? I'm not sure. Certainly there's a community within our customer base that still has the ritual on Thursday evenings, or whenever your local flyer comes through, of sitting there and looking for the things that they want to buy and getting their ideas around that.

Flyers are also now available digitally. There are many applications that we've seen demonstrated where you will be recognized as you walk into the store, you'll be recognized with quick response codes as you walk down an aisle. So if you're standing in front of whatever section, there might be a recommendation for, as you're buying your pasta, did you think of adding some mushrooms to it - an example of that is just coming out of my head - and by the way, here's a coupon for that second purchase.

So the very serious answer - and pardon me for the flippancy earlier - the very serious answer to the question is yes: yes around the ability to communicate. I see the day when you can potentially scan the UPC code and get the nutrient information off that, so that if you've developed a profile that you want to ensure - back to the salt example - that you avoid things that have X per cent of your daily value intake around sodium, that would come up on your smartphone; and certainly building grocery lists. The examples could go on and on.

Many of our members already do have apps around recipes, and their Web sites are interactive. So the short answer to your question is yes. It's only limited now not by the technology, but limited by the members' and the businesses' imagination and the consumers' willingness to accept it.

MR. WHYNOTT: Absolutely. I mean it's good to see innovation on their part, to create this sort of technology.

MR. WILKES: The customer is going there so we have to.

MR. WHYNOTT: No, absolutely, and it's good to see. Just for the record, I understand there are people in this room who do use the BlackBerry and the iPhone and I appreciate that, but I do give daily tips to everyone who needs one, if you need one, on how to use it. (Interruption) No apology. Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you very much, Mr. Whynott. Over to someone else who I'm sure uses a BlackBerry or similar technology. Mr. Churchill.

MR. ZACH CHURCHILL: Sometimes. I don't know how to use any of it, though, to be honest, I just play with it. I did note earlier that a member here, despite the fact that he is older has a lot more hair than I do, so age isn't everything.

I have a few questions that came to mind during the presentation. Thanks so much for coming in, it was an interesting presentation and insightful. I come from a community that I'm sure a lot of rural areas are like, where they've had a lot of smaller grocery retailers come and leave the community. When I was younger, I remember having a lot of different small grocery chains in various smaller communities within our area. Over time those have gone away but some of them have actually hung on and I believe they're important, especially for the lower income folks in some of our communities; those smaller chains that are in their community are accessible to them.

I realize that, as you mentioned, the cost of labour is one of the largest costs that you have, as a retailer. An issue that was brought up by some of your larger members and the association during the last session of the Legislature was first contract arbitration. I realize that the larger retailers in the province had an issue with that. Is this also a concern that our smaller retailers have indicated as well? Did they indicate that this could perhaps impact potential entrepreneurs' ability to start one of these small community retailers in areas across the province?

MR. CORMIER: First contract arbitration in particular? Yes, to varying degrees. Was it on the radar screen of all of our members? No. In this case I'm not speaking about our grocers, because the grocers that we represent are primarily the large chain retailers, but we do represent a lot of small general merchandise retailers in this province. Not to put words into their mouths, but for the most part the ones that I spoke to, if they had a business under 10 people, they probably weren't that worried about it. That said, once they were getting upwards of 15 or 20-plus employees, they were at least calling to ask - what does this mean? Is this going to result in a union being formed in my place of business?

Again, that's an issue that we took a very strong opinion on before Christmas and some of our retailers came out on their own, as well as through Retail Council of Canada and we've made ourselves very clear on what our opinion was on that issue. I guess without revisiting history, it was fairly well known what our opinion was on that. To

answer your question directly, yes, there was some concern and they're all taking a wait-and-see approach.

MR. CHURCHILL: So we're right now at a point where we're just holding our breath and seeing if what we were worried about actually does come to pass.

MR. CORMIER: Again, without trying to speak on behalf of an individual retailer, but as a larger organization as the Retail Council of Canada - yes, it is something that we obviously were concerned enough about that we were at this table speaking to another committee on this and we made our points very clear that, yes, we're concerned about it.

MR. CHURCHILL: It is a concern that the Opposition Parties shared as well and I guess it's something that we all have to keep track of and make sure that it doesn't impact our businesses in a negative way.

Jumping to a totally different topic, you hear every once in awhile these scares of cross-contamination with produce. I heard on CBC Radio, I think a couple of weeks ago, there was arsenic found in organic granola bars that contained brown soy syrup or something like that, or brown rice syrup. I guess I just have a question around what we have in place in terms of regulations and what producers and retailers have in place to ensure that the risk of cross-contamination or having any sort of poison or carcinogen in our products that we're purchasing is at a minimal risk.

MR. WILKES: If it's as serious as some of the examples you mentioned, that's a criminal offence and so it's like any other. There are a number of steps along the way. One, as an industry we have industry best practices related to management of product at the warehouse level and at the retail level, so a range of things from proper temperature storage guidelines, as well as proper cleaning procedures. As an industry, we don't compete on food safety. It is a fundamental part of the business and it is one that we provide a lot of focus and energy around and have developed those best practices that we make available, not only to all our members, but to members of other associations as well. So that would be the first step; doing the right things from a business practice point of view.

The Canadian Food Inspection Agency is the one that has the responsibility from a government point of view to ensure that if there are any risks around cross-contamination or some of the ones that we've seen around produce items, as an example, that they manage those risks; they do the right testing; that they do it as quickly as possible. Our members are on a 24-hour notice, so if CFIA does issue a recall, it goes to the right people within our stores as quickly as possible and that product is removed from the shelves. I'm very confident and we're very proud of the fact that, from a Canadian perspective, we probably have one of the safest food supplies in the world. We do not take that for granted and we never take our eye off the ball and we work very co-operatively not only with the government, but challenge ourselves continually to make sure that we're doing the right things.

MR. CORMIER: And getting back to Mr. Orrell's point from earlier, that's again one of the reasons why communication is so important when it comes to a local producer wanting to sell to one of our grocery retailers, that safety and security of the food supply is always going to be paramount, so that communication is extremely necessary because that's going to be first, and then, can we buy local? Only if they meet the requirements.

MR. CHURCHILL: I don't think it happens as often as some might think because obviously when there is an incident of cross-contamination it's big news and everyone tries to get the word out so that people are conscious of what's out there. Do you think as retailers and consumers that there's a problem in the way that we're producing food now that facilitates these sorts of things to happen?

MR. WILKES: As I understand the regulations, there are those that govern the information that is provided to the consumer if there is a risk for that cross-contamination, so I'm quite confident, as I said earlier, that there is never such a thing as zero risk, I mean it's a reality of the lives we live. Have we done everything possible to manage that risk to the most acceptable and minimal level? I'm absolutely confident that we have done that.

MR. CHURCHILL: Thank you.

MR. CHAIRMAN: I'm going to go next to Mr. Bain and then to Mr. Burrill.

MR. KEITH BAIN: First of all, I apologize for being late and missing the first part of your presentation. I was going to ask you about first contract arbitration, but I won't do that now that Mr. Churchill has asked. I would like to talk about government red tape and regulations and the impact that has on your organization. Is it a strong impact or whatever? I would like to find out what the impact is and how it is going to impact you?

MR. WILKES: As we referenced earlier, inconsistent regulations are a very big impact. There's no denying in some cases there is a need for regulation - food safety is probably a very good example of that - to make sure that we all have a level playing field. In some cases, very interestingly, industry may argue for regulations so that it is enforced across the board. Regardless of whether we believe in regulation or not, what we truly believe in is a harmonized approach, so make sure we get it right, make sure we get it right once, make sure we get it right in as many jurisdictions as possible.

So Jim, I'm not sure if there's any particular examples from a Nova Scotia perspective of a particular regulation that we think has served its purpose in its day. We are very supportive of a review of regulations and making sure that we take a look at things that have been on the books for potentially many, many governments and making sure that we update them or maybe there's not a need for that. We are about making sure things are streamlined.

MR. BAIN: One of the things that I heard from somebody from the Federation of

Agriculture - you referenced the beef industry before. We have federal inspection plants, we have provincial inspection plants that in many cases do the same thing. I guess the concern that was put forward to me at that time was, do we need to be regulated that much? Is there a common goal that can be there? I guess my question to you is if your council, in representing the businesses around - now, granted we're talking about farmers who are raising the beef, but at the end of the day that adds to the cost of the product that goes on the shelf regardless - do you have input into recommendations that these two inspection agencies, as an example, could be closely knit?

MR. WILKES: Last year, it was probably six months ago that we talked with the federal Department of Agriculture about looking for a way to harmonize the inspection outcomes for provincially-inspected meat plants and federally-inspected meat plants. We were pleased to find out the department was going to make some changes. Just to give you a specific example, the size of the drain hole in the meat inspection plant whether that is - and I'm going to get the specifics wrong, so I caution that for the record - four inches in a provincial regulation and six in a federal one, whether you have to have original copies of the plant drawings, versus a photocopy because sometimes the originals can be gone? These types of things that are really not outcome-based, as far as the regulations and the impact of them. Let's not worry about whether it's a four-inch or a six-inch drain or whether it's an original copy of drawings or a secondary copy, but let's make sure that the plant is operating in a way that meets the goals that we talked about, of having the safest food supply that we possibly can.

We do talk to government about those things all the time. We have engaged on the beef industry issues that I reference. As Jim was saying, one of the things that we want to be able to do is a safe piece of meat product should be a safe meat product and we don't want to have any artificial impediments to being able to sell that and the products where the consumers are demanding it. Jim referenced the P.E.I. plant as a very real example right now.

MR. BAIN: If I could ask just one more. You've mentioned many factors that impact on sales. If I were to ask you what the most important factor is that has the largest impact on sales, what would that be?

MR. WILKES: The consumer - what that consumer wants.

MR. BAIN: So regardless of any of the regulations and the challenges that are out there, the most important is?

MR. WILKES: On sales, it's the consumer. On costs, which I would argue is a different side of the equation . . .

MR. BAIN: But it does translate into price for the consumer.

MR. WILKES: Right, so the consumer will be willing to pay a certain price at a certain point or they'll do whatever. They might not, they'll buy X versus Y. In the end it's all about making sure you understand that consumer. So the costs are going to be influenced by - I don't know what the pie chart looks like, but I know the pie chart is dominated by labour costs and the costs of the product, that's what drives the grocery business. But anything that is artificially put into that pie chart - and both you and I provided examples in the presentation - they're going to be reflected.

MR. CHAIRMAN: Thank you, Mr. Bain. We'll go now to Mr. Burrill, then to Mr. Ramey and then to Ms. Regan, to give you my speaking list. Mr. Burrill.

MR. GARY BURRILL: I wanted to ask you about what is known from the point of view of your association and your members in this part of the country, about the uniqueness of the Maritime grocery market, from this point of view. You were speaking in your introductory remarks about different elements that make up consumer preferences - selection, location, price and so on. We know that the mix of these elements is not the same in every market, that some of these considerations weigh more heavily in some places than in others.

I would say that there is a lot of anecdotal evidence to suggest that the uniqueness of the Maritime grocery market is expressed through a very heavy emphasis on price, as a consumer preference consideration. Is there any research within your association about this, or do you have any sense along these lines about this issue at all?

MR. CORMIER: Well, to begin with, as we mentioned in our presentation, the Nielsen survey that was just done very recently, that showed us quite clearly that within Atlantic Canada - again, it's too small a sample size to just do Nova Scotia but within Atlantic Canada - it's telling us that we're offering very competitive prices for a lot of different food choices. Again, that's unique to the Atlantic market and given the fact that even with all the challenges that I mentioned, that again we're talking to a Nova Scotia Legislative committee so I was talking about some of the challenges just here in Nova Scotia, but other provinces have their challenges as well, be it taxes or transportation issues or the cost of gas, those are all challenges. But yet despite that, due to competition, we're still offering very competitive prices as compared to the rest of the country.

MR. WILKES: If I may just follow up, we haven't done research on price and how big a motivator that is for individual consumer decisions because that's only one part of the offering. Indeed, that is how members compete and we would never get engaged in that type of research as an industry.

I completely agree with the thrust of the question, but what I think makes Atlantic Canada unique, our members have a very clear understanding and they pride themselves on not only what makes Atlantic Canada or this province but what makes each neighbourhood unique. They'll do their very best, I mean building on another question earlier, providing

gluten-free products where it makes sense. Providing - I'm drawing a blank as to specific examples.

MR. CORMIER: Providing Lebanese products in Halifax where we have a significant Lebanese population.

MR. WILKES: Right, exactly. So they are a reflection of the communities they serve, in all aspects of the way they operate their business.

MR. BURRILL: Just to be clear, I wasn't meaning to ask about competitiveness of price in our market, I was just meaning to ask, what was your sense or what is the industry's sense of whether or not in our market price is a bigger relative component of consumer preference?

MR. WILKES: I think it is one component, I don't think it's a disproportionate component, based on experiences. Let me illustrate my answer by - it will vary, so if you're having a special meal, if you're celebrating St. Patrick's Day or whatever the particular is, your choice is going to vary based on a variety of things. So price is always going to be a very important part of a consumer's decision making, as is the purpose of the food that they're buying, as are their nutrition needs at that point in time, as is whatever.

I personally have not seen any evidence to suggest that any one of those components is disproportionately more important than others, but making sure that you don't get out of sync with what the consumers' expectations are in the particular market that you're serving.

MR. CORMIER: And people want what they want when they want it too. Obviously price is one factor but there is also that expectation now, especially for people who may be my age and below, who have grown up with the idea that you can go and get bananas or kiwifruit in the middle of winter. There's that expectation there now, so price isn't always going to be the motivating factor. Sometimes it's just that, I like bananas and I'll pay for them. Not everyone has that ability but for many people, they look at it and say, I will pay for what I want and I want it whenever I want it which, of course, comes back to the grocers to say, well, then we will provide it.

Then, of course, you're getting into the other costs that come with bringing foods like that into a winter climate in the middle of winter.

MR. CHAIRMAN: Mr. Ramey.

MR. RAMEY: Thanks again, Mr. Chairman, I just have a couple of things here. First of all, I don't know if anybody has mentioned it but I think we're living in the Garden of Eden of groceries in Canada and even here in Nova Scotia, in terms of what's available. I'm from a small town, Bridgewater. It's one of the few towns that's growing in

population. The major stores there are Sobeys, Atlantic Superstore, there's a No Frills, and there's a place called the Mainline Market which isn't affiliated with anything; it's a private little operation that's not so little, he does very, very well. The array of things you can get are unbelievable, including - I just noticed recently lots of ethnic foods. You mentioned Lebanese - I didn't realize until I got into the grocery store how many people who have ethnic preferences there are living in the region now. That food is there and it wouldn't be there, for all the reasons you discussed, if there wasn't a demand for it.

I do think, in relation to what Mr. Burrill just said, my colleague here, that price in my area - and I'm talking about my area only here because that's the one I think I can speak most reasonably about - price is hugely important. The reason I gather that's true is being in the grocery lineups behind somebody who has 652 coupons on various things that they religiously keep pulling out of a purse or something and handing it to the person, to get the discounts they need. They diligently and religiously go through that, and good on them that they do.

I guess this is the cat chasing its tail argument but I guess if you pay a reasonable salary or living salary or an existence salary to somebody, that money goes right back into the system again and goes around again. People who get a slight increase in the minimum wage are still likely to have to eat and put it back into the system again, in my opinion. That could be up for debate but that's the way I feel anyhow.

My question is about something Mr. Bain brought up and it's bugging the hell out of me, because lately it's this whole idea around meat inspection. I have a business in my area called Greek's Meat Market which has been making a product unique to my area for forever - Lunenburg pudding and Lunenburg sausage - and Mr. Bain can speak to the quality of this product I think and so can his mom. It's a type of food that everybody around the South Shore, whoever has been from that place, whether they're living in Dubai or wherever, they will try to get this product sent to them or when they come home in the summer they'll load up with it and take it back. It's top-quality and he has been selling it through the grocery chains as well for years, he supplies most of the fishing trawlers with it as well because it's an acquired taste.

Just recently he found that unless he completely rebuilds everything pretty much in his operation, he's not going to be selling to Atlantic Superstores anymore because he needs to be in some kind of special building now. He's in a wooden building and he can't be in this wooden building anymore, he has to have a whole bunch of new things done which is probably going to set him back the best part of \$1 million. The other thing he can do is somehow ship everything to Antigonish to, whatever the place is, Tony's Meats, and then I guess he can move on. I see that as a real stumbling block for him.

In relation to that also - and this was raised by somebody else - if you are a local producer of food, if you want to sell it to Sobeys or Atlantic Superstore, is there a minimum volume that you have to guarantee them that you can deliver on time and at any point that

they need it?

MR. WILKES: We don't have that knowledge. We can't really comment on the individual business practices - we just don't know and it's not appropriate from an association perspective to comment on it.

MR. RAMEY: That's fine. The second part of that would be if you want to be a supplier of local food to one of the chains, let's say, before you can do that do you have to have a visit from someone in the chain who comes and looks at what you have and says yes, I think you probably could be a supplier?

MR. WILKES: As we were commenting over here earlier, each grocer will have their standards around continuity of supply, around quality, particularly around food safety, around compliance, if they're shipping across provincial borders it would have to be federally inspected from a meat plant in order to allow that, so those standards will be available. Whether that requires a visit from that particular grocer to inspect or whether the supplier has to provide evidence that they've met those standards, once again, that will vary and be the purview of the individual grocer. Without doubt or exception there will be standards, if you will, that have to be met.

As Jim said earlier, the reputation is one that is non-negotiable, particularly around food safety issues and the need to ensure compliance to those. Our ultimate responsibility is to the consumers that walk in the front door of the stores.

MR. RAMEY: If I have produce in my store, whether I bought it locally or not, what's its "best before" date kind of thing that I have to get rid of it and do something else with it? Is there a standard for how long it can be in there even if it's kept under optimum conditions?

MR. WILKES: There is no industry standard around "best before" dates for particular items like particular produce, but it's around a quality perspective then. I'm trying to use a succinct way of describing it, it's often not about the safety, but about the quality.

MR. RAMEY: So you're saying if the consumer came in and looked at it and went yuck, it shouldn't be there, right?

MR. WILKES: It won't sell.

MR. RAMEY: No and it will cause a problem, right?

MR. CORMIER: Yes and that's part of, again, you get back to the communication issue. If you have people within your constituency who are looking to sell to one of the grocers, then they should chat with the store manager in their local area first and then find

out what they need to find out from there. It may mean having to then chat with somebody at a regional office, but at least you start at the store level. Again, it comes down to doing business.

If you have what the grocers want and you can provide it to them with ways the grocers can be satisfied that they're going to meet all the criteria that they need to meet, then there are lots of great opportunities. There are a lot of farmers in the Province of Nova Scotia that do quite well. Sure, it may be a bit laborious to meet all of the standards that they need to meet, yet the pay-off is pretty good too because obviously these are big stores. I can think - without naming names - of even people in Mr. Chairman's area that supply Loblaws, Sobeys. I know of one in particular that has done quite well supplying Loblaws. Sure, there are a few extra hoops that you have to jump through, but at the end of the day, is it worth it for your business? Well, we would think that it probably is.

MR. CHAIRMAN: Thank you. Ms. Regan and then Mr. Bain and that, at this moment, may be the last speaker.

MS. REGAN: This is the Community Services Committee so I'm going to ask you some questions that would relate to that particular issue. The personal allowance under the current regulations for income assistance is meant to cover all non-shelter expenses; an allowance for one adult will be \$229 per month. Now we heard from Nova Scotia's Vital Signs 2011 that for a male between the ages of 19 and 30, the expected cost for groceries would be \$59 per week. Do you think that's accurate and do you think the \$229 figure will get you a healthy diet plus whatever else you need to buy?

MR. WILKES: I'm not going to comment on whether \$229 is enough for a food allowance. I haven't seen the particular research you're referencing on the \$59, but what I will comment around is that is what happens with both ends of that equation. Making sure that the right choices are being made for that male, on their lifestyle, on the type of job they have, on their age and so on and so forth - we have a responsibility as governments, as various other community organizations in our industry to provide the right information. So if you are managing on a budget - and we all do it, regardless of the range of that budget - what are the types of things and what are the types of choices that should be made and that refers back to the food accessibility issue, making sure that it's driven on providing information and knowledge to make the right individual choices based on your income level, based on your lifestyle, based on your stage of life.

MS. REGAN: We have the Nielsen chart there and I'm just wondering, do you have a breakdown by province because it seems to me that would also include food costs for the North, which would be considerably higher than they would be for the rest of the country. I would be interested to see comparisons for Nova Scotia or the Maritimes versus, say, Ontario, Quebec. Do we have anything like that?

MR. WILKES: Nielsen doesn't survey beyond the Maritimes - just the nature of

their particular business, so we don't have Nova Scotia-specific numbers. I wish I did, but I don't.

MS. REGAN: But you don't have a comparison of Maritimes versus Ontario or anything like that?

MR. WILKES: No, not at this time.

MS. REGAN: Finally, just back to the issue of the federal abattoirs. I was actually talking to a farmer who is from the northern part of the province on Sunday - they sold pork, beef and chicken - and she said they basically gave up trying to sell to the big chains because they couldn't access a federal abattoir here easily. Any comments about that? I mean, it must be difficult for the Superstore and Sobeys to even consider carrying local meat products when you can't get access to a federal abattoir.

MR. WILKES: Agreed. To elaborate on my short answer, looking at ways to provide equivalency between provincially and federally inspected meat plants is something that we're pleased to see and encourage the Department of Agriculture to do.

MR. CHAIRMAN: Mr. Bain, for what I think will be the final question.

MR. BAIN: Once more, I'm going to apologize because you might have already spoken about this before I came in. I'm just wondering about the overall grocery sales in Nova Scotia as compared to the other Maritime Provinces. Do you . . .

MR. WILKES: We don't have an aggregate of those.

MR. BAIN: I guess probably as a further question, I'm sure the consumer price index has a great bearing on people's purchasing power. Is there a trend that the purchasing power of Nova Scotians has - because our CPI is higher than I believe the other Maritime Provinces, how do you see things going in that direction, a person's ability to buy?

MR. WILKES: Certainly the members haven't discussed or seen evidence of those types of changes with us. The competitive nature of the business and the various components that go into figuring out what the offer is at the store level - one includes your consumers' ability to purchase. So how you manage the costs of the products and they translate into the shelf, how you manage the variety, how you manage all those sorts of things are things that members are very acutely attuned to. As those incomes shift or whatever they might be, up or down, grocers are aware of the changes within their marketplace.

MR. CORMIER: One of the things, to elaborate on that a bit, if the numbers - I apologize if they're not exactly right but I believe that the price of food was up 5.6 per cent last year.

MR. BAIN: Excuse me, Jim, but is that within the Atlantic Provinces?

MR. CORMIER: That was in this province and nationally the increase was 4.4 per cent. That said, from what I've seen, inflation obviously was a huge issue in this province, last year in particular, but it is starting to regulate a bit.

Again, we don't get into talking specifically about costs and prices of our members because, of course, it's a highly competitive industry. That said, we have been told by all of them that when things like this occur, they do their best to absorb the cost because they are in such a hyper-competitive industry. If things like that continued, obviously there would eventually be trickle-down.

Again, I know it's not a specific answer like you were looking for but, again, they are quite guarded with their specific competitive information, for obvious reasons.

MR. WILKES: And we are also governed by the Competition Act and as an association, there are just certain things that we can't talk about and we've hit on one.

MR. BAIN: Some of the major players in the grocery business in Nova Scotia, the major players, I guess - again going back to what Zach referenced earlier - I remember having a small grocery business within my family, and the bigger chains came in and the mom-and-pop operations are becoming few and far between.

Now those major players have more competition coming in, with the Walmarts and the Costcos of this world. How do you see that coming out?

MR. WILKES: So Walmart and Costco are both good members of RCC, as is Target, which is another retailer that's coming in. I think ultimately competition benefits the consumer. I think it's no more complicated than that, they're going to have more choice and competition is a good thing.

MR. BAIN: Okay, great, thanks.

MR. CHAIRMAN: Thank you, Mr. Bain, and thank you everyone for your comments and questions and thank you, Mr. Wilkes and Mr. Cormier, for your presentation. Before you pack up altogether, are there any final comments you would like to make before we end?

MR. WILKES: We appreciate the time, we appreciate the discussion. I'm sure I've enjoyed it - I know I've enjoyed it and I'm sure Jim has too. Sorry, I'm running out of words. We would welcome any opportunity to come and discuss issues in front of the committee at any time, Mr. Chairman, and please, through Jim, don't hesitate to ask us. We are looking to be part of the solution, and we're passionate about the business and we're passionate about the members that we represent.

MR. CORMIER: Just to reiterate, as the Atlantic director - I did hand out my card, I believe, to everybody on the way in - by all means, an open dialogue is something that I prefer. If you'd like to call and discuss anything, by all means give me a ring and we will see what we can do to help.

MR. CHAIRMAN: Thank you very much. So for the rest of the committee, I think we'll adjourn briefly to allow our guests to pack up. Then we will reconvene in a couple of minutes to deal with some other business.

[2:35 p.m. The committee recessed.]

[2:39 p.m. The committee reconvened.]

MR. CHAIRMAN: Order, please. I call this meeting back to order. I think we've got our quorum - most of us are back. We do have some other business to attend to.

If you look at your agenda under Committee Business, the first item is Correspondence. I guess I would see that as primarily for your information. We received copies of a couple of letters from the Minister of Community Services in response to a presentation from the Face of Poverty consultation actually. Those are there as a point of information.

We also need to look at next meetings. We know at this point that the House will be convening before we typically meet next. The usual date of our next meeting would be April 3rd. We've had some practice over the last few years of meeting throughout the year on a monthly basis whether the House is in session or not; we simply changed our time. I guess I'm interested in knowing what the committee is interested in doing as we move ahead into April and probably May.

MR. CHURCHILL: Next one at Gary's house.

MS. REGAN: I think in the past we've met in the mornings, right?

MR. CHAIRMAN: That's what we have done. Is that an acceptable plan?

MR. BAIN: I was going to say there are still a number of witnesses. Weren't we asked to submit some more as well? In order to meet with some of these witnesses, I think we'd pretty much have to meet in the mornings when the House is in session.

MR. CHAIRMAN: So I think we're in agreement that we will meet and I think that means our next meeting would be April 3rd at 9:00 a.m. in this location and not at Mr. Ramey's house. (Laughter)

MS. REGAN: Could I just make a suggestion that if the transit strike is still

continuing at that time that we meet at 9:30 or 9:15 a.m. just so we're not trying to get in here while everybody else is?

MR. CHAIRMAN: Any other comments about time?

MR. CHURCHILL: Did you say 9:30 a.m.?

MS. REGAN: At 9:15 or 9:30, just so we're not trying to get in for the big crush.

MR. CHAIRMAN: Just to clarify or check, if we met at 9:30 a.m. does that pose any difficulty for anyone?

MR. BAIN: I think that's what they're doing in the other committees as well.

MR. WHYNOTT: Only Public Accounts Committee is my understanding.

MR. CHAIRMAN: It looks like 9:30 a.m. would be an acceptable adjustment for everyone so that sounds good. Thank you for that suggestion.

I think the point was made as to where we are with witness selection. We don't have anything scheduled at this point. We do have the list that was presented to everyone that looks like this. I think it's on your desk. There may be ideas that have been put forward, but I think at this point, our main document is probably the suggestions that have been put forward already that are up for consideration. Ms. Regan.

MS. REGAN: Would it be possible to add some more to the list at this time? Is that possible?

MR. CHAIRMAN: I think we can certainly add things to the list, but we may wish to take them under some advisement for consideration at a future meeting.

MR. WHYNOTT: I don't disagree. I think that's a good idea to bring forward other suggestions that caucus members may have. If that's the case, maybe I could make a recommendation. If people want to generate ideas, let's do it today and then make a decision on those ideas for the next meeting so we can take it back, consult with our caucuses and that sort of thing.

I would recommend that one of the things I see on here was the Valley Restorative Justice Society. They actually had a request to appear before the committee, that we do that, but also include maybe the opportunity there to have someone from the Department of Justice as well to come forward and talk about restorative justice as a provincial issue, not specifically just to the Valley region. Would that be fair for the next meeting and then make a decision on our future meetings after that?

MR. CHAIRMAN: Just for the sake of some clarity, Mr. Whynott, we've understood the Valley Restorative Justice is not available for the April meeting. They would be available, I think, for May if we wanted to look ahead, but that still leaves us with some decision to take with regard to the next meeting.

MR. RAMEY: May I ask a question about the federal Poverty Report? Where did we get with that? Are we going to have somebody come in and talk about that? Did we have success?

MS. KIM LANGILLE (Legislative Committee Clerk): We didn't have success finding somebody, although I do have some suggestions as to whom you might want to consider.

MR. CHAIRMAN: Do you want to speak on that a little bit more, Ms. Langille?

MS. LANGILLE: As you know, we initially wanted - we contacted the current chairman of the federal committee and there was an issue around his ability to attend because he wasn't the chairman when the report was put together. He felt that he wasn't the most appropriate person and membership has changed on the committee quite drastically since the report was put together.

They suggested out of their office a couple of things: we could look at the report - which I did and there were some witnesses that appeared that talked specifically about this guaranteed income for persons with disabilities and that perhaps we may want to look at those organizations as possible witnesses, that was one suggestion. There was also a suggestion, I think from a committee member, that the Senate Committee - it may have been from you, Mr. Burrill - had also done some work around that issue and that perhaps we could make a contact through them.

With regard to the organizations that made presentations with respect to that issue there were two, particularly, that had specific comment: one is the Canadian Association for Community Living and the other is something called the Caledon Institute of Social Policy - I may be mispronouncing that - they specifically talked about that issue. So those would be options, I suppose, if the committee wanted to entertain something like that. They are both out of Ontario, I believe.

The two Senators who sort of were part of the Senate report were Art Eggleton and Hugh Segal. Hugh Segal is no longer on the committee but Art Eggleton certainly is, he's the deputy chairman, so that may be an option as well. I guess I need direction as to which way to go.

MR. CHAIRMAN: Mr. Ramey.

MR. RAMEY: I, personally, would be interested in having, if possible, Art

Eggleton come and speak on behalf of the Senate Committee, unless others disagree with that.

MR. CHAIRMAN: I'm seeing nods of agreement to that. Kim, do you have any thoughts about whether that might be a doable thing for April?

MS. LANGILLE: All I can do is ask - really, I don't know. I can make contact this week and see what they have to say, but we can certainly shoot for that. I think we should have a backup plan just in case.

MR. CHAIRMAN: Mr. Bain.

MR. BAIN: We're trying to follow each Party's recommendations when it comes to presenters for meetings. I notice that last month Feed Nova Scotia was one that was submitted by the Liberal caucus and today the Retail Council of Canada was the NDP caucus so . . .

MR. CHAIRMAN: In fact, if I could just clarify, the Retail Council of Canada was a suggestion of this committee as a whole. They wrote to us . . .

MR. BAIN: So I guess my question is, who's next?

MR. CHAIRMAN: Just speaking from my experience as the chairman, we've had, I would say, an inconsistent history of selecting by caucus. We've tended to use, I think commendably, a system of consensus, so we've used our list and used it creatively, but I don't think we've religiously followed the order by caucus. Ms. Regan.

MS. REGAN: That said, I do think that the Progressive Conservatives have only had one presenter since September. So perhaps we could either get the task force on affordable housing or the Affordable Housing Association of Nova Scotia, but a group that would speak to housing. That's a prime concern of this committee so if they're not available, something similar.

MR. BAIN: Our caucus does have other presenters that could present if the committee is willing to list them.

MR. CHAIRMAN: A suggestion has been made, are there any other comments to support or to suggest alternatives? Ms. Regan.

MS. REGAN: We also have other ones, as well, so I don't know if that's what - are you saying . . .

MR. CHAIRMAN: I guess what I'm suggesting is that Mr. Bain's - what I was hearing is that perhaps the task force on affordable housing or generally the PC caucus

suggestion is what was being put forward. If that's the case is there support for that or are there alternative suggestions?

MR. RAMEY: We just had Alice Housing; I would like to hear what other ones the PC folks have as possible ideas. Or is that not a good idea?

MR. CHAIRMAN: We may do that, but first an opinion from the clerk.

MS. LANGILLE: Can I just make a comment about other lists from various caucuses? Normally how that is done is that a call goes out to all caucuses, everyone submits their ideas and then it's brought to a meeting and discussed and "the list" is created. Obviously if you want to put forward ideas, the committee can make the decision on whether they want to entertain those or not, then your list gets extremely long and outdated perhaps.

My thinking on that was, I think last year in June when this was created we basically had an organizational and the call went out to the three caucuses saying please submit your ideas. We then had a meeting, created our list and we began to choose. That is how it has normally been done, but it's your decision.

MR. RAMEY: I'm sorry, the only reason I mentioned that was because we just had a housing one not so long ago and I was thinking . . .

MS. REGAN: But Alice Housing is women's second-stage housing, this is a completely different issue.

MR. RAMEY: I realize that, I understand.

MR. CHAIRMAN: Mr. Bain.

MR. BAIN: I sort of thought the discussion at our last meeting when we had the list was to go back - because we were running low on topics - to make suggestions from our caucus at the next meeting, that was my understanding, that we would take it back to our respective caucuses and submit some other ones. Maybe I just misunderstood.

MR. CHAIRMAN: The challenge we have, if I can just put it in practical terms, is that we have three meetings before our typical summer recess - which I'll allow myself to assume for a moment we'll take - and the witnesses that we've identified at this point are Youth Restorative Justice and perhaps the Department of Justice which would be one of those three. We've identified at this point, I think, the Senate Poverty Report as the second one. What we don't have is something clearly defined for our next session, so we need only one other at this point which would give us some time to perhaps look for some additional submissions and to use maybe a meeting in September to set an agenda. We need something for April. Ms. Regan.

MS. REGAN: Could I suggest that we ask the Task Force on Affordable Housing to come in next meeting.

MR. CHAIRMAN: Any other thoughts? That's on our list. Mr. Whynott.

MR. WHYNOTT: I know I'm not a regular member of the committee, but I'm just asking a question around the Task Force on Affordable Housing. Was that specifically out of the department?

MS. REGAN: It was the PC caucus . . .

MR. WHYNOTT: No, no, the actual task force - was it actually out of the Department of Community Services? The only reason why I ask that is because maybe then we should have that group or there's another association . . .

MS. REGAN: Affordable Housing Association.

MR. WHYNOTT: The Affordable Housing Association and then have the department as well come in?

MS. REGAN: My concern about every time we have a group in and then have the department come in it's as if we don't want to hear from groups that may have something negative to say, so therefore we feel compelled to have the department in. We went through this recently around the issue of the ESIA regulations where we asked to hear from Dalhousie Legal Aid and then the next thing was, we're going to hear from the department. I have no problem hearing from departments, but I don't want the time that's taken up from groups to be eaten up by government departments coming in and defending what they're doing. If we do those we should do them on separate days.

MR. WHYNOTT: Just to make a comment - that's not what I'm suggesting. I'm suggesting to have a well-rounded, focused conversation around the whole issue, so in no way am I suggesting that. What I'm suggesting is that we need to have potentially that group as well as the department to come in and hear some of those things as well because that creates a conversation around that.

MR. CHAIRMAN: Mr. Burrill.

MR. BURRILL: It just seems that the question of the order of these three matters before us, the Senate Report, Youth Restorative Justice, and Affordable Housing is really to be determined by things we don't know yet, and that's by who is available and when. But we have three - April, May and June - slots and three subjects, so why could we not decide at this time which of those subjects was to go into which of those slots and leave that to the clerk in negotiation with those three subjects?

We actually know what the three matters are that we want to have in those three meetings, we just don't know the order, so that will depend on who's available and when. Why would it not serve us to ask Kim to figure out the ABC of it?

MR. CHAIRMAN: Ms. Regan.

MS. REGAN: Sounds good to me. I can't remember, does this committee meet during the summer?

MR. CHAIRMAN: It typically does not.

MS. REGAN: Okay, because I was just concerned we would run out of topics before the summer.

MR. CHAIRMAN: As I said before, if we do select three topics and three sets of witnesses, then that would take us to the summer break. Mr. Bain.

MR. BAIN: Can I just muddy the water here a little bit more? The possibility exists that none of those three witnesses will be able to appear on April 6th - or the 3rd, whatever the date is. Should we not have something else in the hopper that Kim can fall back on if they're not available because, if not, what are we going to do for April 3rd if we don't have something for it?

MR. CHAIRMAN: I suppose one option would be not to hold a meeting, but that may not be an acceptable one.

MR. BAIN: That's not doing the committee justice, I wouldn't think.

MR. CHAIRMAN: Ms. Regan.

MS. REGAN: It seems to me that we have other groups on here, as well, so we could always go to one of those groups: persons with addictions, new investment in support of housing and shelters, sheltered workshops, transition houses, there are some other options here. We could always get the Department of Community Services; we had the ESIA regulation changes. We could ask them if they want to talk to us about it now.

MR. CHAIRMAN: Mr. Whynott.

MR. WHYNOTT: I'll make a suggestion. Maybe if we can't get the Senate Committee to come in April 6th - because it sounds to me that's where the committee wants to go first - then we have the Department of Community Services come in to discuss the new investments in support of housing and shelters, if the Affordable Housing Association can't come in. Is that fair?

MR. CHAIRMAN: You've heard the proposal, is that an acceptable way of thinking about it? Good, I think we have agreement on that, so I don't think there's more that needs to be said about that, it's something to work with. Kim.

MS. LANGILLE: With respect to Valley Restorative Justice, they have been approved to come in, I get that. There was a suggestion about the Department of Justice coming in, so is that on the same day or is that in addition to?

MR. CHAIRMAN: The same day, I think.

MS. LANGILLE: Okay.

MS. REGAN: I didn't understand that at all. I don't see them there at all and they requested to appear before us - Valley Restorative Justice requested to appear before us. Why do we chop down their time?

MR. CHAIRMAN: The proposal was made that maybe that would be a way to provide a balanced conversation from a variety of perspectives that relate to restorative justice. Programs like this are generally funded by Justice and the Department of Justice is involved in a range of related programs that reach beyond youth restorative justice.

MR. CHURCHILL: I understand Ms. Regan's point here because there's a stakeholder group that wants to come in and have our undivided attention as a committee to talk about their specific issues, and when we bring in other groups to present along with them it does eat into their time and disallows this committee to focus our attention solely on them. I think out of respect for that group and their request to this committee that we only invite them to present that day.

MR. CHAIRMAN: Thank you, Mr. Churchill. I would like to just say when these groups do ask to appear before us, I'm not sure that they're asking to be the sole presenter or that they are particularly concerned about being the only voice. In some cases I would think that groups like this, particularly like Youth Restorative Justice, might be very interested in having that opportunity to be part of a conversation with officials from the Department of Justice. They have an important relationship and might actually value that chance to have a dialogue in a room like this. Ms. Regan.

MS. REGAN: Again, I have no problem with having the department in, I think it's a great idea. I just don't think that we should be giving short shrift. We saw that we had an hour and a half here today with the Retail Council of Canada and we ate up that whole hour and a half talking to them. Why would we invite a group in and then chop their time in half? It doesn't make sense to me. If you want to have them one month and have the department the next month to give a balanced picture, I have no problem with that. I don't care if the department comes first, but I have been a member of this committee for most of the time since I've been elected and I've never seen multiple groups come in on the same day. The

only time that was going to happen was around the ESIA regulation changes and when one pulled out the other one pulled out.

MR. CHAIRMAN: No, I think I would correct that, Ms. Regan. On a number of occasions since I've been the chairman of this committee we have had multiple presenters. I recall on one occasion we organized our time carefully and had three presenters on related topics, one following the other.

MS. REGAN: I may not have been on it for that . . .

MR. CHAIRMAN: That's possibly true. I'm not sure I would recommend that again either because it was a bit too tight in time, but I think to have two presenters is quite doable in the time we have. We've used 25 per cent of our time today on committee business as opposed to the business of presenters, so there are different ways to approach this. Mr. Bain.

MR. BAIN: I just have to comment on the fact that you mentioned about the opportunity for those people to have dialogue with the department. Those people are coming to present to the committee and the opportunity for dialogue should not take place in the committee room, but should actually take place in the department if there are concerns. They should be able to set up meetings with the Departments of Justice or Community Services at any time, but their purpose of presenting is to present to us as a committee.

MR. CHAIRMAN: I appreciate that, thank you. I certainly wasn't suggesting that should be a substitute for other kinds of meetings. I'm probably speaking more as a social worker who is always interested in hearing many voices simultaneously as a way of reaching better solutions. We have moved a little bit beyond 3:00 p.m. and I'm not sure if we finished our business. Do I have your permission just to wrap this up in the next few minutes?

It is agreed.

I think we need to make a decision around whether Restorative Justice will meet on its own or whether we would invite the Department of Justice to present during that same time period. Is there anybody else who can offer any wisdom about that? I'm just wanting to look around before I acknowledge Ms. Regan because she has had quite a bit to say about this already. Any other opinions? I will go to Ms. Regan because she might say something that will help us decide.

MS. REGAN: I'd like to make a motion that we hear from Valley Restorative Justice Society on its own at the soonest opportunity.

MR. CHURCHILL: Does this need a seconder, Mr. Chairman?

MR. CHAIRMAN: I don't know; we're not that formal. I think that's the proposal on the floor. The suggestion has been made that we meet with Valley Restorative Justice on its own. Mr. Burrill.

MR. BURRILL: I don't think there's a need to take a vote on the motion. I think we're agreed out of the discussion that that's our consensus in the meeting.

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay, thank you very much everyone for struggling through that. I think, if I understand where we are at this point with our witness suggestions, is that Valley Restorative Justice is one option, the Senate Committee on Poverty is the second and assuming that we leave some latitude in terms of who might actually make that presentation, I know Art Eggleton has been suggested, but someone else who is ready to do that might be acceptable, just so we have some flexibility in the negotiation. Our third suggestion was Affordable Housing Tax Force. So I'm clear about that? Good.

Is there any other business that we need to attend to today?

MR. WHYNOTT: Motion to adjourn.

MR. CHAIRMAN: Thank you very much, we have had a motion to adjourn.

The meeting is adjourned.

[The committee adjourned at 3:04 p.m.]